



mitsubishi motors

Corporate Social Responsibility Report 2017



Drive@earth



» Editorial Policy

Mitsubishi Motors Corporation publishes a Corporate Social Responsibility (CSR) Report to provide stakeholders with a better understanding of the Group's social responsibilities and the wide-ranging efforts aimed at fulfilling them.

Our CSR Report 2017 reports widely on the efforts taken in fiscal 2016 as well as the progress made in these efforts.

» Scope of this Report

Mitsubishi Motors Corporation and its Group companies in Japan as well as some overseas Group companies.

» Period Covered

Fiscal 2016 (April 1, 2016 to March 31, 2017)

When appropriate, the Report also includes some historical and recent data from outside the reporting period.

» Date Published

Japanese edition: August 2017 (last published in November 2016; next publication scheduled for summer 2018)

English edition: August 2017 (last published in December 2016; next publication scheduled for summer 2018)

» Reference Guidelines

- G4 Sustainability Reporting Guidelines (Global Reporting Initiative (GRI) Guidelines)
- ISO 26000 Guidance on social responsibility issued by the International Organization for Standardization (ISO)
- Environmental Reporting Guidelines (2012 edition) issued by the Ministry of the Environment of Japan

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» Help us with our survey

Please share with us your opinions and thoughts so that we can improve our CSR activities and CSR Report.

Click here to fill out the CSR Report Survey

http://www.mitsubishi-motors.com/en/csr/report/enq_view.html

Contents

Corporate Overview	3
Message from Top Management	5
CSR Special Feature 2017	7
CSR Management	15
Corporate Governance	17
·Basic Policy and Framework for Corporate Governance	
·Internal Control System	
·Risk Management	
·Compliance	
Social Initiatives	25
·Customer Satisfaction Initiatives —Product Quality Improvements —Communicating with Customers	
·Business Partner Initiatives	
·Shareholder/Investor Initiatives	
·Employee Initiatives	
·Corporate Citizenship	
Environmental Initiatives "Environmental Report"	65
·Policies	
·Environmental Management	
·Products and Technologies	
·Business Activities	
·Collaboration with Society	
·Environmental Data	
GRI/ISO26000 Guideline Reference Chart ..	127
·GRI Guideline Reference Chart	
·ISO26000 Reference Table	

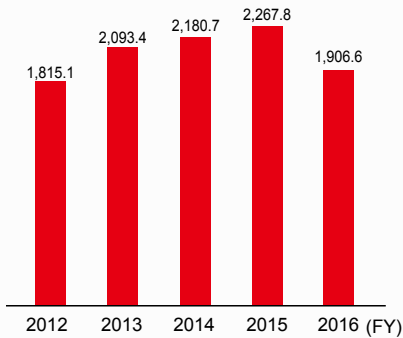
Corporate Overview

Company Name	Mitsubishi Motors Corporation
Established	April 22, 1970
Head Office	5-33-8 Shiba, Minato-ku, Tokyo 108-8410, JAPAN
Business	Mitsubishi Motors Group carries out development, production, and sales of vehicles and vehicle parts, as well as sales finance business. Among them, the development is executed mainly by Mitsubishi Motors Corporation.

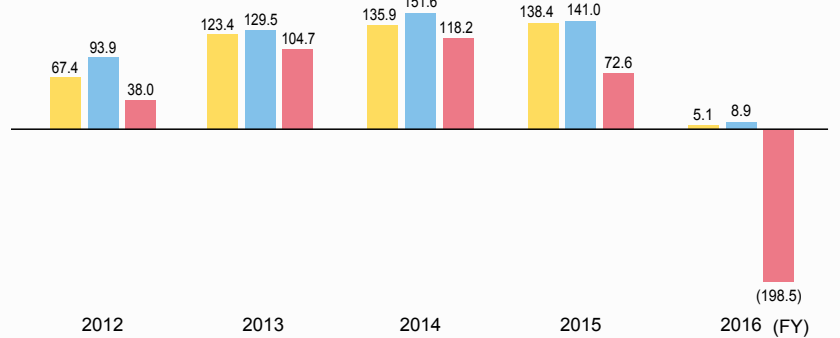
Brand Name	Mitsubishi Motors
Capital Stock	¥284,382 million
Number of Shares Issued and Outstanding (Common Stocks)	1,490,282,496 (including treasury stock)
Number of Employees	Consolidated: 29,604 Non-consolidated: 13,222

as of March 31, 2017

Consolidated Net Sales(Billions of yen)

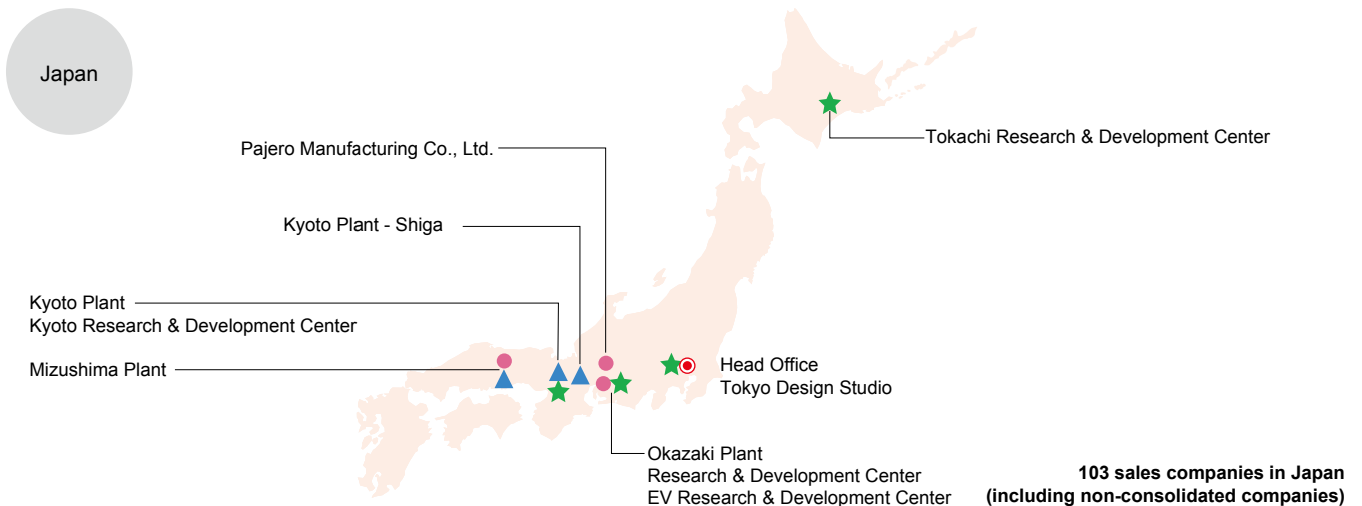
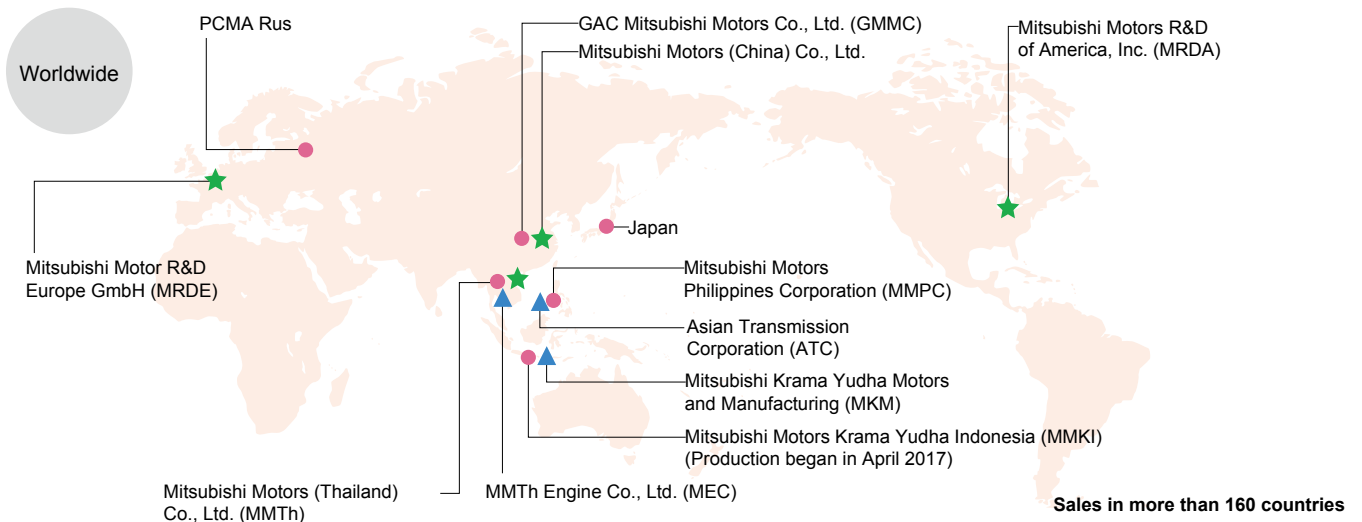


Consolidated Operating Income, Ordinary Income and Net Income* (Billions of yen)



Legend: Operating Income (Yellow), Ordinary Income (Blue), Net Income* (Red).
* Net income attributable to owners of the parent

Principal Facilities



● Head Office ● Major Vehicle Production Bases ▲ Production Bases for Engines, Transmissions, Parts, etc. ★ Development / Design Bases

Corporate Overview

Production Bases	Major vehicle models	Five bases in the three countries of Japan, Thailand, and the Philippines (including consolidated subsidiaries) * In addition, Mitsubishi Motors Krama Yudha Indonesia (MMKI) began production in April 2017.
	Engines, transmissions, parts, etc.	Seven bases in the five countries of Japan, China, Thailand, the Philippines, and Indonesia (including consolidated subsidiaries, affiliates, and partners)
Development / Design Bases		Nine bases in the five countries of Japan, United States, Germany, China, and Thailand (including consolidated subsidiaries)

Global Sales and Production Volumes

		(Thousands of units)		
		FY2014	FY2015	FY2016
Japan	Production volume	648	653	531
	Sales volume	115	102	80
North America	Production volume	62	38	—
	Sales volume	117	135	138
Europe	Production volume	8	3	—
	Sales volume	227	206	179
Asia	Production volume	521	490	533
	Sales volume	344	322	315
Other Regions	Production volume	35	24	15
	Sales volume	287	283	214
Total	Production volume	1,275	1,208	1,079
	Sales volume	1,090	1,048	926

* Production volume refers to the number of finished vehicles (including KD) produced, including vehicles supplied to other companies as OEM and joint-development vehicles produced by our company, but does not include local brand vehicles in China. Sales volume refers to retail units sold under the brand name of Mitsubishi Motors.

Message from Top Management



Taking on Challenges as a Company Contributing to Society toward a Vibrant Future of Mobility

Today, our social environment is becoming more and more complex, and keeps on changing drastically. In fact, we are already reaching a point where we can no longer close our eyes to the challenges surrounding us; issues in energy, resources, food, and water, nor the social issue of the growing income divide caused by ever-increasing globalization.

If we think of the earth as a huge living being, the damage inflicted by human behaviors—such as the excavation of resources—is beyond imagination. It is a fact that environmental issues have become severe, and there will be a time when this living being reaches its limits. Whether it is decades or centuries later, it will be a major tragedy for people living in that time. It is the responsibility of us living now to protect our environment for the sake of future generations.

Recently, there have been revolutionary movements, such as the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Accord, an international framework against global warming. Amidst growing attention on the initiatives taken by companies regarding social and environmental issues, it is essential for Mitsubishi Motors to focus on this global trend as we fulfil our responsibilities.

I believe that, fundamentally, companies must bring value to society. Mitsubishi Motors aims to be a company that accurately understands the issues of the times and contributes to solving those issues amid the ever-changing social environment.

Understanding the needs for new mobility and bringing about transformation

As a manufacturer of vehicles, it is of utmost importance for us to meet the needs and expectations of society through our core business, the manufacturing of vehicles. Mobility keeps changing significantly across society as a whole, and it is necessary for us to foresee these changes and continue to take on new challenges.

In recent years, we at Mitsubishi Motors have been focusing our efforts on electric vehicles (EV) and plug-in hybrid electric vehicles (PHEV). When we think about the impact to the environment, most people no longer doubt that these EV/PHEVs will play a significant role in the future automobile society. Automobiles indeed have brought the convenience of traveling to many people, but when we consider the impact on global warming, we can no longer continue to rely deeply on fossil fuels. From this perspective, electric power generated from renewable energy sources such as solar power, geothermal power, hydro power, and wind power then becomes a source of energy with huge advantages. Another advantage is that unlike fossil fuels, which need to be transported, electric power just needs the electric grid to be in place.

In addition, EV/PHEVs installed with high-capacity batteries have an aspect as social infrastructure, such as being able to supply electric power during disasters. I think automobiles of the future will extend into diverse possibilities beyond their traditional role as a mode of mobility.

In the meantime, we are seeing remarkable progress in autonomous driving technologies for safer and more comfortable mobility. In the future, when autonomous vehicles go into practical use, the concept of “going out by car” will likely be totally different from today. Accidents and problems due to human factors will not occur, and we will gain new focus points as we start to look at how to meaningfully spend our time when traveling in automobiles.

Besides, concepts such as car sharing, based on the idea that vehicles are not things to be owned but something to be shared and used only when necessary, are expected to become even more common in the future.

How do we respond to such new fields and new values, and consequently contribute to society? From a long-term perspective, it is essential for us not to only stick to our conventional business model as a car manufacturer, but to provide a range of services related to mobility.

Carrying out reform based on the new framework toward regaining trust

Today, the automobile industry is entering a major turning point. I believe the most important thing we have to bear in mind in such circumstance is to pursue challenges and not fear change. There may be times when we will only be able to change by going against history and previous successes. However, if only companies that can change according to the market environment can survive, then we must be flexible in our thinking and not be constrained by past practices, understand the needs of society, and continue to take on the challenge of innovating new business models.

Currently, I am getting a team of young employees to study into the future of EVs. At a presentation held the other day, there was a fresh proposal that unique to young people, unconstrained by past standards and practices. Seeing this breath of innovation, I once again affirmed my belief in the future of EVs. At the same time, I also felt the possibilities for the future of these young people and Mitsubishi Motors. I have directed them to formulate specific business plan for a portion of the proposal and actually test it out. We do not need to fear failure as long as we properly manage the risks that we can accept. We should place importance on nurturing a spirit of taking on challenges, for even if we fail, we will certainly gain knowledge.



In fiscal 2016, the finding of improper conduct of fuel consumption testing caused considerable inconvenience and anxiety for our customers, shareholders, and many other stakeholders. From the results of our internal investigations and those by the Special Investigation Committee made up of external experts, we recognize that the background to this issue includes a culture where on-site employees could not speak frankly to their supervisors, and inadequate information-sharing between the worksite and management. Based on our serious soul-searching on what had happened, we are committed to carry out thorough reform across the entire company to achieve truly transparent business operation.

In addition, Mitsubishi Motors received capital investment from Nissan Motor Co., Ltd. in October 2016 and accordingly became a member of the Renault-Nissan Alliance. We are putting all of our effort toward regaining trust under this new framework. At the same time, we are aiming to get the maximum synergy out of this alliance, while also boldly taking on development and mass production of new technologies that would have been difficult for Mitsubishi Motors alone. As we have now gained an environment that enables us to grow through the merits of scale, we will move forward to evolve as an even more sophisticated global manufacturing company.

Maximizing diverse talents as a driving force for sustained growth

A company is supported by the strength of each and every employee. I think the management must be diligent in creating an environment where employees can maximize their capabilities, and then continue to provide opportunities for employees to further sharpen their skills. The promotion of diversity forms part of this. Beginning with promoting the advancement of women and assigning tasks to young employees, I believe that having diverse talents of any age, sex, nationality, or race, and making the most of them will become a strong driving force for business and power for generating innovation.

Furthermore, we need people with skills and ideas different from those of the past in order to push forward a new generation of automobile manufacturing. For example, knowledge of chemistry is required for the development of batteries essential to EV/PHEVs, and knowledge of ICT fields is needed to effectively use big data. It is essential for us to secure people with strengths in technological areas different from those traditionally sought after by the automobile industry. To achieve this, Mitsubishi Motors itself must become a company that is attractive to such talented people. It is also essential for us to improve our environment so that people recruited from outside can maximize their skills without restriction and be appropriately evaluated for their abilities.

We continue to place focus on work-style reform so that all employees can work enthusiastically. The most important theme is the reduction of total working hours. I hope to nurture a shared recognition among all employees that there is value in delivering the maximum results in the shortest possible time. We are encouraging employees to not cling on to the way we have been working in the past, while eliminating redundancies in the pursuit of efficiency. We hope our employees can then make use of their extra free time to enjoy with their families, or go out into society and broaden their perspectives.

Each and every employee should feel that they are contributing to society through their daily work by seeing society from a broad perspective through a good work-life balance. I think the role of management is to create an environment that allows this and encourages people to take on challenges so that this feeling can take root. We will turn the growth of all our employees into our driving force, and will make the most of it to achieve the sustainable development of Mitsubishi Motors.

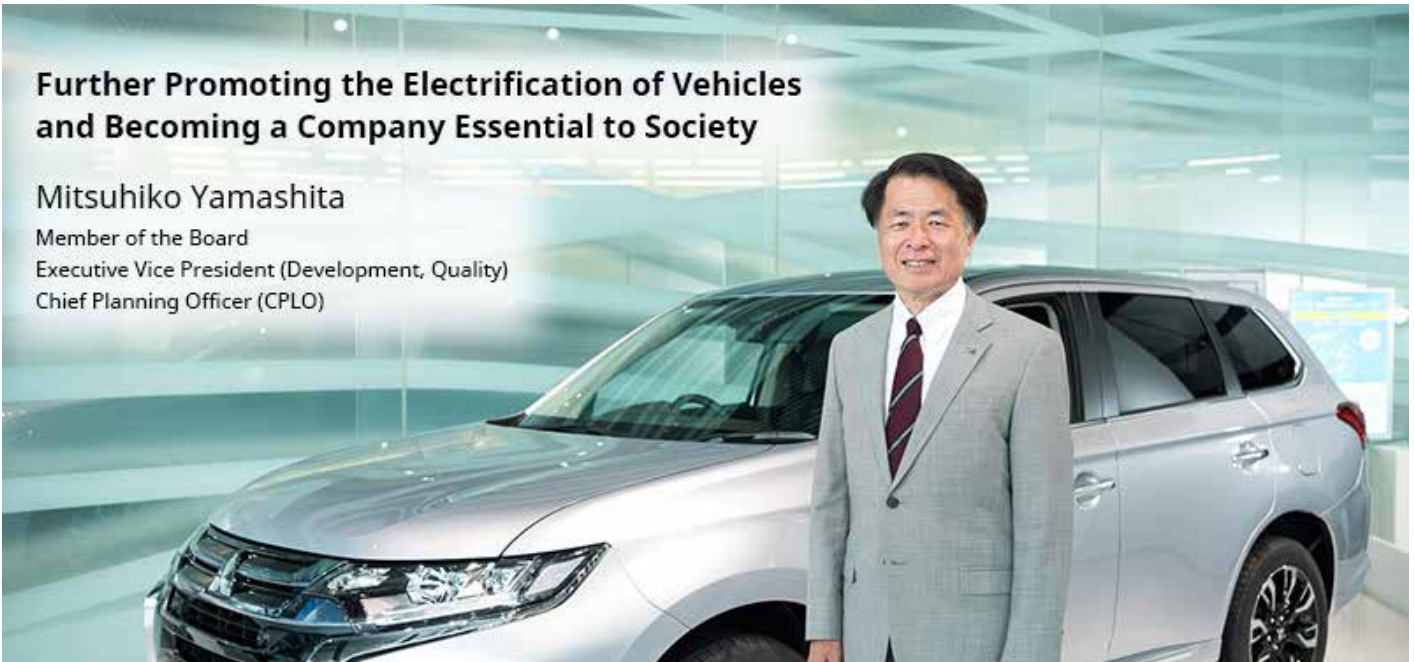
Osamu Masuko
Member of the Board
CEO
Mitsubishi Motors Corporation

CSR Special Feature 2017

Further Promoting the Electrification of Vehicles and Becoming a Company Essential to Society

Mitsuhiko Yamashita

Member of the Board
Executive Vice President (Development, Quality)
Chief Planning Officer (CPLO)



Creating the future with electric-powered vehicles

Mitsubishi Motors' annual production volume accounts for just 1.2% of total global vehicle production, and ranks only 17th among car manufacturers throughout the globe.*1 However, from the perspective of environmental technologies, we are at the forefront, being the first in the world to start mass production of electric vehicles (EV) with the launch of the *i-MiEV* in 2009, and through sales of our plug-in hybrid electric vehicle (PHEV) *Outlander PHEV* since 2013. As a result, we have a large share of cumulative global sales for EV/PHEVs. In particular, our share of PHEV sales reaches approximately 16%.*2

*1 Figures are for 2016, based on our own research.

*2 Figures for EV are from 2009 to 2016 and figures for PHEV are from 2013 to 2016, based on our own research.

"We aim to co-exist with nature by suppressing CO₂ emissions from vehicles by promoting the electrification of vehicles, and taking on the challenge of the global issue of climate change."

Even as we take pride on our leading performance in the world, we position this as an important development theme that we need to continue focusing all our efforts on, and I direct these efforts as the officer in charge of development and quality.

The environment and safety are both important themes that form two pillars of vehicle manufacturing. To achieve them, I think it is important to have a clear vision and share this vision within the company. Therefore, we have formulated and put into place our philosophical framework for both the environment and safety.

Of these, the core message of our environmental philosophy is "Aiming for harmonious coexistence of people and the earth by promoting the electrification of vehicles." This shows specifically how Mitsubishi Motors will contribute to society.

Developing ways to realize our vision

Meanwhile, as the person in charge of structural reform, I lead our efforts to put in place measures to prevent the reoccurrence of the improper fuel consumption testing that became evident in 2016. I feel that one of the causes for this issue was low aspiration and lack of self-confidence. I think there was a lack of global perspective and vision as people were stuck in their own worlds with little interaction with those outside the company.

To reform this corporate culture and make our vision clear, I think there is a need to explicitly state our brand message and reformulate our philosophical frameworks.

The reform of our corporate culture will not penetrate by just calling out to people. I think it is important to concretely apply these messages and philosophies in our organization and methods.

Therefore, we have examined all the processes in vehicle manufacturing to understand the exact details of the current situation and draw out the issues. We are now in the process of applying our vision into each and every task and process, while developing methods to ensure that these must be properly carried out to generate output.

As we go about developing these methods, we have decided to actively invest in areas with insufficient manpower or infrastructure.

In order to become a company essential to society

Currently, the value of our existence is being questioned. To respond to the expectations of all our stakeholders who have supported us through this unfortunate event, and to meet global needs, we must continue providing value that is unique to Mitsubishi Motors.

Thus, our keywords are "brand image" as represented by our SUVs, and "new environmental technologies" such as PHEVs.

How can we use the brand and results we have achieved over the years as a platform to provide new value to everyone? I think it is important for us to develop plans and seriously work on this issue.

"Shoki Hoko" is one of the Three Principles, the spirit of Mitsubishi which is the fundamental philosophy of the Mitsubishi Group.

This principle states that we will strive to contribute to society. This is corporate social responsibility (CSR) itself.

The Mitsubishi Group has been able to continue business for years precisely because it is a corporate group that has continued to contribute to society for nearly 150 years since being founded in 1870. Mitsubishi Motors needs to once again manifest this spirit, and show that we can contribute to society.

We have just taken the first step on our road toward reform. With clear goals and high aspirations, we are working to restore Mitsubishi Motors as a company truly essential to society.

Of course, whether we have transformed ourselves through the reform would be a matter for our stakeholders to judge. We will properly carry out what we need to do now so that we can be judged as having reformed and remade ourselves.



CSR Special Feature 2017

Aiming to Realize a Sustainable Society through the Popularization of Electric-Powered Vehicles



Based on "Leading the EV era, toward a sustainable future," our environmental initiative policy stated in Environmental Vision 2020, Mitsubishi Motors aims to contribute to achieving a low-carbon society through various means, such as products and infrastructure development.

Further Improving EV Performance and Safety of the *Outlander PHEV* to Meet Customer Demands

Mitsubishi Motors has built up results in reducing CO₂ emissions through the sale of EV/PHEVs. Amidst this, we have received numerous requests from our customers for even better environmental performance, convenience, and safety. Based on these requests, we improved our Outlander PHEV in February 2017 to enhance its EV performance, convenience, and safety.

Improvements to EV performance

- We made improvements to maintain driving under EV mode for longer periods during acceleration, such as when joining expressways, by lengthening the delivery of electric power supplied by the traction battery and delaying the starting of the engine for electricity generation.
- We have configured a new EV Priority Mode that prioritizes driving under EV mode and suppresses the engine activation as much as possible.

Improvement to convenience

- We have improved charging control to reduce quick charging time (up to 80% capacity) from around 30 minutes to around 25 minutes.

Improvements to safety

- By changing the sensor in our Forward Collision Mitigation (FCM) System,*1 we have added the ability to detect pedestrians, as well as improved collision avoidance performance.
- We have newly adopted the Blind Spot Warning (BSW)*1 and Rear Cross Traffic Alert (RCTA) as factory options.*1 These systems support safe driving by detecting vehicles in the blind spots and to the rear of the vehicle, and alerting the driver to their presence.
- We have added the Ultrasonic Misacceleration Mitigation System (UMS)*1 as a factory option. This reduces collision damage by preventing sudden acceleration due to mistakes in the operation of the gear shift and acceleration pedal.
- We have improved night-time visibility by adopting Automatic High Beam (AHB), which automatically switches between high and low beams depending on factors such as the presence of oncoming vehicles or vehicles in front, and the lighting condition around the road.

We will continue to widen our contributions to society by meeting the requests of our customers through reducing environmental load and providing safe and comfortable vehicles.

*1 The detection and control capabilities of FCM, BSW, RCTA and UMS are supplemental only. Please drive safely and do not rely solely on these functions while driving. Equipment may vary by market. Please consult your local Mitsubishi Motors dealer/distributor for details.



Operation image of UMS

Contributing Globally toward the Achievement of a Low-carbon Society

Since the 2013 launch of our *Outlander PHEV*, its global sales have exceeded 100,000 units in March 2017, and up till 2016, it had been the number one selling plug-in hybrid vehicle in terms of units sold for four consecutive years in Europe.*2 Mitsubishi Motors has a good track record of selling EV/PHEVs overseas, and we contribute globally toward the achievement of a low-carbon society by promoting the use of EV/PHEVs and supporting the infrastructure development in countries across the globe, including developing countries where there are still few EV/PHEVs on the roads.

*2 Based on our own research.

In May 2017, 635 *Outlander PHEVs* were delivered to the National Police of Ukraine under an emissions trading agreement signed with the Government of Ukraine. In recent years, Ukraine has been focusing on environmental policies. The use of the *Outlander PHEV* as police vehicles demonstrates the government's stance to lead reduction of greenhouse gas emissions.

In addition, a Memorandum of Understanding (MOU) was signed between our company and Philippine Department of Environment and Natural Resources (DENR) regarding a joint study into environmental load reduction using the electric-powered technology employed in the *i-MiEV* and the *Outlander PHEV*. Five units of each model, together with four electric vehicle quick charger units, were delivered on June 29, 2017. In the future, we will broaden participation to other Philippine governmental institutions as well as research institutions including universities, and contribute to promoting automotive electrification and environmental load reduction in the Philippines by cooperating with these institutions.

Australia's state of South Australia is aiming to achieve carbon-neutral cities with net zero emissions within the state by 2050. It plans to change 30% of government vehicles (approximately 2,000) to low emission vehicles, including EV/PHEVs, over the next three years. In addition, Kangaroo Island, an island within the state with many wild animals indigenous to Australia, is leasing out *Outlander PHEVs* to tourists as part of its ecotourism program. We are supporting South Australia's initiatives by promoting the use of EV/PHEVs, and developing infrastructure such as the installation of electric vehicle quick charger units.



The *Outlander PHEVs* delivered to the National Police of Ukraine



Signing the MOU on joint study with Philippines DENR



The *Outlander PHEV* for the Australian market

Contributing toward Building a Society that is Resilient to Energy Problems and Disasters - Next-Generation Sales Outlet "Dendō Drive Station"

Mitsubishi Motors is putting effort into our next-generation sales outlet "Dendō Drive Station" equipped with presentation tools and demonstration corners to let more people feel the meaning and value of EV/PHEVs. In October 2016, the first *Dendō Drive Station* was opened in Setagaya, Tokyo.

The *Dendō Drive Station* is installed with photovoltaic power generation systems and V2H*3 devices. Electricity is generated from solar energy and used to charge EV/PHEVs. Inside the sales outlet, staff use digital signage systems and tablet computers to introduce the role of EV/PHEVs in tackling Japan's energy problem, as well as the value brought by the external power feeding function of EV/PHEVs during disasters.

*3 V2H: Vehicle to Home, a system whereby electric power stored in an EV/PHEV is supplied to the home.

In addition, there are demonstration corners that show how electric power is provided by V2H devices during power outages, as well as showing how multiple home electrical appliances can be powered using 100V AC power from EV/PHEVs.

We also aim to contribute to local communities through activities such as workshops based on the themes of energy and the environment for elementary and junior high school students, hosting disaster-prevention events, and cooperating with local governments to disseminate information such as local disaster-prevention initiatives.

We will continue to roll out *Dendō Drive Stations* across Japan, and contribute not only to the environment, but also toward building a resilient society that does not yield to energy problems and disasters.



The first *Dendō Drive Station* that opened in Setagaya, Tokyo

Environmental Communication Exhibiting at EcoPro 2016

Mitsubishi Motors places importance on communicating with the stakeholders about our environmental initiatives. One example is our exhibit at the EcoPro International Exhibition on Environment and Energy (the former Eco-Products Exhibition), the largest environmental exhibition in Japan. At the EcoPro 2016, we exhibited 15 fields within our environmental initiatives, and asked visitors to fill in questionnaires. We received a total of 1,426 replies over three days.

When asked about environmental initiatives that visitors expect of Mitsubishi Motors in the future or are concerned about, "products" and "cooperation with society" represented more than 80% of the replies, receiving about the same number of responses each. (Figure 1)

For product-related initiatives, many visitors answered we should focus on "reducing CO₂ emissions from products" and "purifying exhaust gas" for all our products, including EV/PHEVs. (Figure 2)

In addition, we received many opinions in the free comment section that indicated high expectations of EV/PHEVs. (Figure 3)

From the visitors, we also received suggestions on our corporate attitude such as "You should do more to publicize the initiatives you are taking," and questions asking for a long-term perspective such as "Do you have a long-term vision targeting 2050 for themes like CO₂ emissions reduction?"

We will continue to improve and promote our environmental initiatives by listening to stakeholder feedback.

Figure 1. Which area of environmental initiatives do you most expect of Mitsubishi Motors in the future, or are most concerned about?

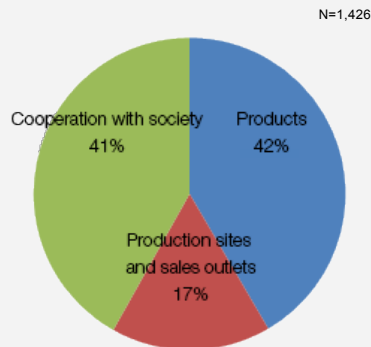


Figure 2. Which product-related initiatives do you think Mitsubishi Motors should focus on in the future? (Multiple answers allowed)

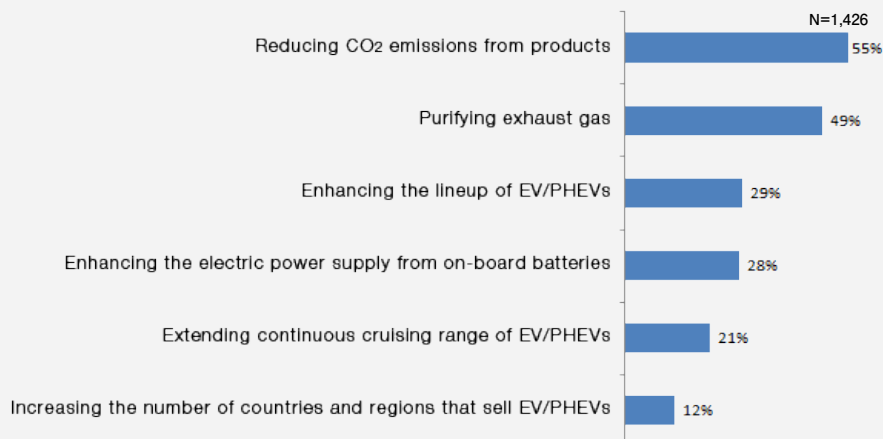
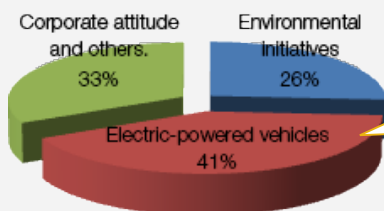


Figure 3. Free comments/opinions (by age group)



- I hope you can make PHEV versions of the *Delica D:5* and *Pajero*. (50s)
- I hope to see electric-powered vehicles become cheaper. (60s and above)
- The ability to supply electric power is useful. I hope you will continue to create useful products. (60s and above)
- I can drive with peace of mind if the continuous cruising range is improved. Please work hard and aim for 400 km. (60s and above)
- I am worried if the battery will spoil easily. Does it have a long lifetime? (30s)
- I hope you will increase the number of quick charging points at sales outlets. (30s)
- It was very interesting to see the drive battery being used as a source of electricity during disasters. I understood the necessity of this. (20s)
- I think it is important to not only reuse the battery, but also recycle it. (20s)
- I look forward to the drive battery being made smaller. (10s)
- I was amazed at the driving performance of EV. The world is moving towards EVs, so please do your best. (60s and above)

CSR Special Feature 2017

Overview and Measures Regarding Improper Conduct in Fuel Consumption Testing



Mitsubishi Motors striven to be thorough in compliance and to change attitudes since reflecting on past issues with quality. However, the serious improper conduct of fuel consumption testing on products manufactured by the company for sale in Japan uncovered in April 2016 caused considerable inconvenience and anxiety for our stakeholders. In this feature, we give an overview of the improper conduct and steps taken since the issue was uncovered, as well as the progress of measures to prevent reoccurrence and details about our PRev activities, which are improvement activities where everyone participates.

Overview of incident

In 2016, we discovered improprieties in the fuel consumption testing data that we submitted to Japan's Ministry of Land, Infrastructure, Transport and Tourism as part of the certification process for the *eK Wagon* and *eK Space* mini-cars manufactured by Mitsubishi Motors from June 2013 for sale in Japan (as well as the *Dayz* and *Dayz Rook* manufactured by MMC and supplied to Nissan Motor Company). We found that testing had been improperly conducted to present better fuel consumption rates than the actual rates, and that the test methods used were different to those stipulated by Japanese law.

In response, we conducted an investigation of other vehicles manufactured by Mitsubishi Motors for sale in Japan (nine currently sold models as well as 20 models manufactured and sold during the past 10 years for which documentation has been retained). As a result, we found that fuel consumption testing for vehicles for sale in Japan had been performed improperly for many years.

We discovered that the following improper conduct had taken place. We did not find that these activities were occurring with vehicles for overseas markets.

1. Measurement of running resistance not using the legally required test method

Dating back to at least December 1991, Mitsubishi Motors did not perform the measurement of running resistance using the coasting test required by law for nearly all vehicles produced and sold. Furthermore, we recorded information that differed from actual testing dates and testing locations, and submitted this information during the certification process.

2. Arbitrary falsification and calculations of running resistance and desktop calculations

Since at least December 2005, we did not use actual measurement values or figures based on reasonable grounds. Instead, we arbitrarily lowered running resistance figures and used that data to meet fuel consumption targets. Furthermore, we used desktop calculations to adjust previously-recorded actual running resistance measurements to reflect changes in specifications and other factors. This running resistance data was then used for the certification process.

3. Arbitrary lowering of calculated running resistance levels for the *eK Wagon* and *eK Space*

We arbitrarily lowered calculations of running resistance on the following models sold in or after June 2013: *eK Wagon*, (including *eK Custom* models), the *eK Space*, and the *eK Space Custom*. The practice of arbitrary lowering of calculated figures gradually escalated in order to meet fuel consumption targets.

4. Use of incorrect methods to re-measure running resistance values after the discovery of improper conduct

Even after the issue of improper testing was discovered, re-measurement was not performed according to the nationally-specified confirmation testing method.

5. There was no self-correction for the above issues 1. through 4. Due to a lack of focus on regulatory compliance at measurement worksites and lack of control from top management, these problems remained uncorrected for a 25-year period since 1991.

The causes and background of this improper conduct lie in the following areas: organization, system, culture and personnel, and degree of involvement from the management team.

(1) Organization

- The Performance Testing Department and the Certification & Regulation Compliance Department (Certification Process Group) were actually responsible for meeting fuel consumption targets, even though this was against organization regulations
- There was a chronic shortage of development man-hours
- In the Performance Testing Department, the work culture made it difficult for staff to point out when the department could not achieve management directives
- There were insufficient checks for improper conduct or measures for preventing improper conduct
- Fuel consumption targets for the *eK Wagon* and *eK Space* were set without sufficient technical discussion

(2) Systems

- No methods were stipulated for revising manuals (coasting program manuals)

(3) Culture and personnel

- There was little awareness that this activity was a legal violation, and little importance placed on laws and regulations

(4) Degree of involvement from the management team

- The improper conduct had been undetected for many years, so was not changed
- There was a lack of collective consciousness toward building and selling automobiles
- There were problems in the approaches taken by management personnel, including upper management, in response to serious issues, including approaches to situation assessment, judgment, and thorough policy implementation
- There was a lack of management-level control

Overview of investigation by special investigation committee

Recognizing the seriousness of the company's misconduct when the issue was discovered, Mitsubishi Motors set up a special investigation committee composed solely of independent outside experts and requested that the committee perform a thorough and objective investigation. The committee verified our independent investigation of the improper conduct and closely investigated the facts. Their investigation produced the following findings.

After analyzing the causes and background factors down to their root level, the special investigation committee found that Mitsubishi Motors' management team and Development Engineering Office executives had little interest in what was actually happening during the development process, and that departments within the Development Engineering Office were indifferent to things outside their own scope of activity. Ultimately, the committee concluded that the true root of the problem stemmed from the lack of a united team mindset in automobile development, the cause of which was because fundamental principles of automobile development were not shared throughout the company. The problem is not simply one of the Performance Testing Department, the Certification Process Group or the Development Engineering Office. Rather, the committee viewed this as a problem that Mitsubishi Motors as a whole is responsible for, including the management team.

Together, the committee indicated an outline of items for Mitsubishi Motors to use as a guideline when considering its own measures to prevent recurrence.

Despite implementing various preventative measures for past issues with quality, Mitsubishi Motors failed to prevent this problem. With this in mind, the special investigation committee considers it of utmost importance that the management team and all executives and employees engage in a thorough discussion to formulate a shared philosophy of the vehicle manufacturing that Mitsubishi Motors should be aiming for, and ensure that all people working at Mitsubishi Motors are of the same mind.

Rather than simply carrying out preventative measures identified by the committee, the committee believes that all employees should work as one to think about and implement preventative measures. As such, rather than identifying individual and specific preventative measures, the committee has created guidelines for Mitsubishi Motors to refer to when considering its own preventative measures.

1. Revision of the development process
2. Streamlining of superfluous systems, organizations and initiatives
3. Creation of a personnel system that will alleviate the closed, "black-box" nature of the organization
4. Understanding of the intent and purpose of laws and regulations
5. Broad-ranging initiatives to detect and fix improprieties

Preventative measures

We deeply regret that this improper conduct occurred, following on from past quality problems.

This problem was caused by multiple factors—not only a lack of information-sharing between management and development division worksites, but also an insufficient focus on compliance, an organizational culture that made it difficult for staff to point out issues, and personnel remaining in the same departments for long periods of time. Based on these findings and the guidelines indicated by the special investigation committee, we have formulated 31 specific preventative measures (see attached table).

Progress of preventative measures

After formulating the 31 preventative measures, we began progressively implementing them. As of April 1, 2017, all items have been implemented. The measures have been divided into four categories as indicated below, based on their individual natures. We will continue to verify their effectiveness and make improvements as necessary to raise their effectiveness.

- I. Measures which can be expected to produce immediate effects when implemented: 3
- II. Measures whose effectiveness is to be continually confirmed during the one-year period after their implementation: 20
- III. Measures whose effectiveness is to be confirmed after three years of continuous observation: 6
- IV. Measures whose effectiveness is to be confirmed through surveys of employee attitudes: 2

Measure	I: Measures which can be expected to produce immediate effects when implemented	II: Measures whose effectiveness is to be continually confirmed during the one-year period after their implementation	III: Measures whose effectiveness is to be confirmed after three years of continuous observation	IV: Measures whose effectiveness is to be confirmed through surveys of employee attitudes
Organization-related measures				
Enhance auditing functions with respect to the product development division		○		
Establish legal and regulatory management function within the Development Engineering Office		○		
Set up an organization aimed at promoting the development of a preventative system		○		
Revise PX (product executive) system	○			
Clarify processes for business consignment to MAE Reassess the state of MAE (MAE: Mitsubishi Automotive Engineering, our subsidiary)		○		
Create corporate safety/environmental philosophy		○		
Revise the Development Engineering Office's organization structure		○		
Transfer development target achievement responsibility from testing departments to design departments	○			
System-related measures				
Specify items to be included in fuel consumption test reports, revise running resistance measurement operations, and establish procedure manuals for the measurement by coasting method		○		
Clarify who is responsible for achieving fuel consumption targets		○		
Create test vehicle quantity verification meeting		○		
Introduce automated system for processing running resistance measurement data		○		
Create rules regarding publication of test reports and voluntary operation inspections by General Managers		○		
Perform comprehensive inspections of regulatory compliance conditions		○		
Manage running resistance measurement data using IT		○		
Revise MMDS; Mitsubishi Motors Development System		○		
Improve accuracy of product plans and estimates of required man-hours		○		
Formulate manual revision rules		○		
Culture and personnel-related measures				
Reassign management personnel involved in the improper conduct	○			
Reconstruct personnel ideals for development divisions				○
Create systems for job rotation within and between divisions			○	
Revise personnel evaluation standards			○	
Establish personnel development promotion sections within development divisions			○	
Create system of legal and regulatory education for engineers			○	
Seminar for all personnel in development divisions regarding the content of the improper conduct			○	
Repeat basic training for development divisions			○	
Conduct survey of employee attitudes				○
Measures regarding the style of management-level involvement				
Consider transferring the Certification & Regulation Compliance Department outside of the Development Engineering Office		○		
Formulate methods for headquarters management to check development divisions		○		
Construct crisis management system for handling critical issues		○		
Enhance checks of contents of certification applications		○		

Promoting Improvements Centered on Development, Quality, and Product Planning Divisions—PRev Activities

Forming task teams and identifying issues

On top of steadily executing the 31 preventive measures, another pillar of corporate reform is the promotion of PRev (Performance Revolution) activities centered on the development, quality, and product planning divisions. These activities are improvement activities involving the participation of everyone aimed at profound structural reforms and fundamentally changing attitudes.

For these activities, task teams were formed within the company. Each team confirmed the current state and identified issues, and then formulated solutions to the issues. The 263 issues submitted by the teams have been consolidated into 25 themes based on their contents. During the execution stage, we expand the activities to involve the participation of everyone by drawing in relevant departments within the company and employees not on the teams.

Overall image of PRev activities



Execution of improvement measures

Regarding measures to improve the identified themes, besides reviewing systems and setting up special committees, we have appointed people responsible for seeing through the themes, and we are moving toward having everyone's participation.

So far, we have flattened our development organization and revised the PX (product executive) system, which are included in the preventive measures for improper conduct of fuel consumption testing. We also executed and implemented measures to improve the workplace environment.

We will carry out an employee attitude survey targeting all employees once a year, as well as the "PRev Survey," an employee attitude survey for employees in the development, quality, and product planning divisions, twice each year. We will continue to promote PRev activities, using the results of these surveys to verify the fruits of our measures and study into further issues.

Damage compensation for customers

In response to the fuel consumption falsification, Japan's Ministry of Land, Infrastructure, Transport and Tourism conducted confirmation testing of the fuel consumption of our currently sold models, and we have re-applied to use the fuel economy values verified through this testing as new fuel economy values for any models for which results were lower than our reported values. As damage compensation for the economic losses caused by this improper conduct to customers with models for which new fuel economy values were re-applied, we are providing restitution for excess fuel expenses accompanying the change to the correct fuel economy values, as well as increases in the tax burden to be paid by customers accompanying the change in eco-car reduced tax rates, etc.

Meanwhile, in some cases, the re-application to use the new fuel economy values had resulted in shortfalls in already paid automobile acquisition taxes, motor vehicle tonnage taxes, and automobile taxes (for vehicles subject to "the greening of the motor vehicle tax system (tax reduction)"). To prevent customers from having had to bear these expenses, we had borne them ourselves.

CSR Management



Policies

The Three Principles of the Mitsubishi Group

Shoki Hoko = Corporate Responsibility to Society

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

Shoji Komei = Integrity and Fairness

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

Ritsugyo Boeki = Global Understanding through Business

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

The Three Principles represent the spirit of Mitsubishi since its founding and embody the fundamental philosophy shared by all Mitsubishi Group companies. The Mitsubishi Motors Corporate Philosophy is derived from these principles.

Corporate Philosophy

We are committed to providing the utmost driving pleasure and safety for our valued customers and our community. On these commitments we will never compromise. This is the Mitsubishi Motors way.

Approach to CSR

By continually implementing contributions to society and the environment based on its corporate philosophy, Mitsubishi Motors will respond to the expectations of its stakeholders.

Mitsubishi Motors conducts business on the foundation of its corporate philosophy, helping to solve social issues through its familiar products: automobiles. We will work to develop our business while holding dialogs with our various stakeholders to deepen mutual understanding.

Framework

Framework for promoting CSR

The environment and compliance are key areas of CSR for Mitsubishi Motors. We have appointed a Chief Environmental Strategy Officer for the environment, and a Corporate Vice President in charge of Global Risk Control for compliance to direct and systematically implement initiatives in these areas. All important matters are regularly reported at the Board of Directors' meetings. In this way, we promote CSR throughout the entire Mitsubishi Motors Group.

In addition, the CSR Planning & Environmental Affairs Department was established in fiscal 2016 as a department to promote all CSR matters, including the environment, in a unified manner.

Identification of material issues for CSR

Since fiscal 2016, Mitsubishi Motors has been referencing the GRI Sustainability Reporting Guidelines and the United Nations' Sustainable Development Goals (SDGs), as well as consulting experts, to identify the material issues that Mitsubishi Motors Group should address in the mid-term range. We aim to disclose these issues in our Corporate Social Responsibility Report 2018.

Targets and Methods

Methods for dialog with MMC stakeholders



Participation in External Organizations

Main organizations

Japan Business Federation (Keidanren), Japan Automobile Manufacturers Association, Inc. (part-time executive director), Society of Automotive Engineers of Japan, Inc.

CSR-Related Standards used for Reference

Main standards

Keidanren Charter of Corporate Behavior, Core Labor Standards of the International Labor Organization (ILO), Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, G4 Sustainability Reporting Guidelines (Global Reporting Initiative (GRI) Guidelines), ISO 26000 Guidance to Social Responsibility

Corporate Governance

Basic Policy and Framework for Corporate Governance

Considering compliance to be of utmost importance, MMC aims to meet the expectations of shareholders, customers and all other stakeholders and achieve sustainable growth and increases in corporate value by making the ongoing reinforcement and improvement of governance as a management priority.

System of Corporate Governance

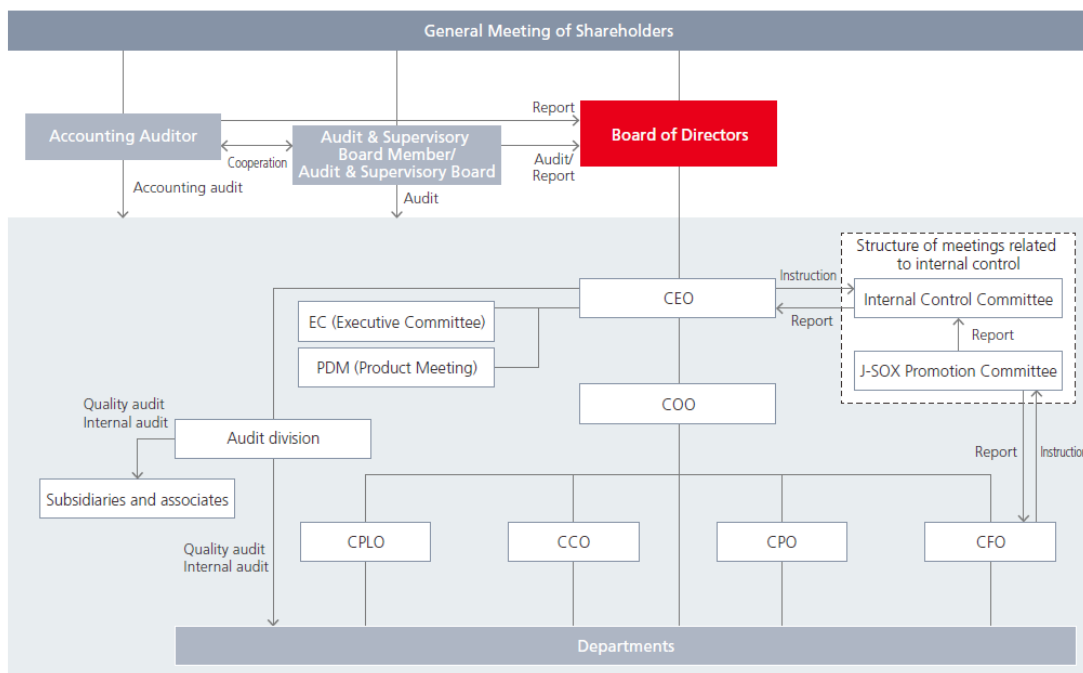
MMC has improved and enhanced its corporate governance. In addition to statutory functions, MMC has introduced the Executive Committee and various other management bodies as well as the executive officer system in order to enhance the flexibility of business execution and clarify management responsibility and to carry out appropriate supervision of business execution.

The Board of Directors is responsible for making decisions concerning important management issues and overseeing business execution of each Member of the Board. It is comprised of 11 members, including six Outside Directors with considerable experience, deep insight, and so forth to strengthen supervision over business execution. To enhance the speed of decision-making, MMC has established and operates various committees to deliberate and report on various important matters related to the management.

Furthermore, to separate the supervisory and business execution functions of management and enable a swift and flexible response to changes in the management environment, MMC has introduced the executive officer system and delegates authority to accelerate management decision-making.

In addition, to ensure appropriate audits of business execution, an Audit & Supervisory Board comprising five Audit & Supervisory Board Members has been established. Four of the members are Outside Audit & Supervisory Board Members, to strengthen the independence of the audit system.

Corporate Governance Framework (As of June 30, 2017)



Status of Internal Audits and Audit & Supervisory Board Members' Audits

The Audit & Supervisory Board Members carry out audits of the status of business execution of the MMC Group by attending important MMC meetings, such as Board of Directors meetings, and receiving reports on the status of business activities from the Board members and other corporate officers. They also review key internal documents and internal audit reports from internal audit division, the Accounting Auditors and subsidiaries and associates.

In accordance with auditing policies established by the Audit & Supervisory Board, important auditing items for each fiscal year, allocation of duties and other matters, the Audit & Supervisory Board Members conduct interviews of the top executives of each internal division and hold visiting audits at each factory and subsidiaries and associates in Japan and overseas, and, based on the results, hold discussions at Audit & Supervisory Board meetings and exchange opinions with the CEO and COO.

In addition, MMC has established the Internal Audit Dept. and the Quality Audit Dept. as Internal Audit departments within the Audit Div., an independent organization that reports directly to the CEO.

The Internal Audit Dept. conducts planned internal audits to determine whether operational management of MMC and subsidiaries and associates in Japan and overseas is being conducted with transparency using appropriate processes. The Quality Audit Dept. audits the appropriateness of quality-related activities by MMC and subsidiaries and associates in Japan and overseas. Audit results are reported directly to the CEO.

The Audit & Supervisory Board Members regularly exchange information and works to strengthen cooperation with the Audit Div. and the Accounting Auditors.

Items relating to Takeover Defense

Not applicable.

Corporate Governance

Internal Control System

Development of Internal Control System

By resolution of the Board of Directors, MMC has established the Internal Control Promotion Committee based on its "Basic Policy on the Establishment of Internal Control Systems."

The committee is chaired by the CEO, with the newly installed director in charge of global risk control serving as vice-chair. The committee monitors the status of operations and strives to improve and reinforce internal control systems.

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.

The "Basic Policy on the Establishment of Internal Control Systems (partially revised in July 2017)" is as follows.

1. System to ensure that execution of duties of directors and employees of the Company conforms to laws and the Articles of Incorporation

- (1) In addition to establishing standards of conduct, building an organizational framework and conducting education and training for the observance of laws, Articles of Incorporation, social rules and manners, the Company has established an internal contact point and uses such information for prevention, correction and prevention of recurrence.
- (2) The Company appoints Non-Executive Directors to supervise management.
- (3) The Company's internal audit divisions strictly audit whether the operational performance of the Company is in violation of law, the Articles of Incorporation, company regulations or other rules. If such departments find a problem, they report it to the related director or other parties and thereafter regularly confirm the status of improvement.
- (4) The Internal Control Committee chaired by CEO and assigned Global Risk Control Officer as a vice chairman shall be established as a core organization that oversees matters related to internal control in compliance with Companies Act.

2. Rules and other systems concerning management of risk of losses by the Company

- (1) For risks in the course of the Company's business, the Company has clearly established standards for resolutions at the Board of Directors meeting and the Executive Committee in the regulations of the Board of Directors and the Executive Committee, respectively, and operates based on them.
- (2) The Company appoints a person responsible for risk management at the organizational level in each department or other division, and works to establish and strengthen its risk management system centered on such person.
- (3) The Company has established an organization responsible for risk management, and works to set up and strengthen a companywide risk management framework.
- (4) To prepare in the case of the occurrence of an unforeseen incident, information is promptly conveyed to directors and others to set up a system that can respond promptly and accurately.

3. System to ensure that directors of the Company efficiently execute their duties

- (1) The Company works to maintain and improve management efficiency by establishing companywide management plans and clarifying specific business targets and execution methods for functional organization for the achievement of such plans. The Board of Directors regularly receives reports on the status of implementation.
- (2) The Company makes clear the responsibilities and authority of the directors, and promotes the efficient execution of the duties of the Board of Directors meeting and the Executive Committee based on the regulations of the Board of Directors, the Rules of the Executive Committee and other rules.
- (3) The Company integrates the instruction systems of its organizations and sets up a system for efficient organizational operation and business execution to ensure that the directors' performance of duties is conducted efficiently.
- (4) The Company shall introduce an objective and transparent delegation of authority procedure for the purpose of expedited and clear decision making processes as well as ensuring consistent decisions making.

4. System for preservation and management of information concerning the execution of duties of the directors of the Company

Based on internal regulations and other rules, the Company prepares information on the execution of the directors' duties as written documents and electronic data, and appropriately manages it by establishing a person in charge of management and stipulating preparation method, preservation method, preservation period, copying and disposal method, and other methods according to the importance of the information.

5. System to ensure the proper operation of business in the business group consisting of the Company, its parent company and its subsidiaries

- (1) The Company ensures the proper operation of the business of its business group by stipulating the supervisory organization of each of its subsidiaries, and the responsibilities and authority, management method and other matters related to management of its subsidiaries through its internal regulations and other rules.
- (2) The Company works to set up and enhance frameworks for proper business execution, observance of the code of conduct established by the Company and business audits by the officers and employees of its subsidiaries in conformance with laws and the Articles of Incorporation through guidance and management of its subsidiaries in accordance with the subsidiary's size, business conditions and other factors.

- (3) The Company strives to set up and strengthen risk management systems at its subsidiaries through guidance for the subsidiary on implementation of risk management and other means, in accordance with the subsidiary's size, business conditions and other factors.
- (4) The Company works to promote the strengthening, development and rationalization of its subsidiaries through guidance and management of the subsidiary and other means in line with its rules for managing the business of affiliated companies and other internal regulations and rules in accordance with the subsidiary's size, business conditions and other factors.
- (5) The Company establishes rules for managing the business of affiliated companies and other internal regulations and rules so that prior or subsequent explanations and reports are made to the Company concerning its subsidiaries' business, results, financial condition and other important information.
- (6) The Company and its subsidiaries ensure the adequacy of their respective financial information by setting up the necessary organizations, internal regulations and other rules for the preparation and disclosure of reliable financial reports.

6. Employees to be assigned if Audit & Supervisory Board Members of the Company request staff to assist in their duties

The Company has established an organization for assisting in the duties of Audit & Supervisory Board Members, and dispatches full-time staff.

7. Independence of employees in the preceding paragraph from directors of the Company and ensuring effectiveness of instruction by Audit & Supervisory Board Members to such employees

- (1) Employees who assist Audit & Supervisory Board Members in their duties are not concurrently employees of any other division, and carry out such duties by receiving instructions exclusively from the Audit & Supervisory Board Members.
- (2) The Company seeks the prior opinion of Audit & Supervisory Board Members concerning transfers of dedicated personnel to assist in the Audit & Supervisory Board Members' duties. In addition, the Audit & Supervisory Board Members conduct an evaluation of such full-time staff.

8. System for directors and employees of the Company, and directors, Audit & Supervisory Board Members and other officers and employees of the Company's subsidiaries, or persons receiving reports from the foregoing parties, to report to Audit & Supervisory Board Members of the Company, and other systems for reporting to Audit & Supervisory Board Members of the Company

- (1) Audit & Supervisory Board Members of the Company attend meetings of the Board of Directors and other important meetings.
- (2) The Company is thorough in setting up and operating a framework for reliably providing Audit & Supervisory Board Members with information from within the Company and its subsidiaries on management, compliance and other matters.
- (3) Officers and employees of the Company and its subsidiaries promptly make appropriate reports on items related to the execution of duties of the Audit & Supervisory Board Members when required to do so.

9. System to ensure that persons who have made reports in paragraph 8 shall not receive any disadvantageous treatment due to submission of such reports

The Company prohibits disadvantageous treatment of officers and employees of the Company or its subsidiaries who have made reports directly or indirectly to the Audit & Supervisory Board Members for the reason of having given such report, and makes this prohibition generally known among officers and employees of the Company and its subsidiaries.

10. Procedure for advance payment or reimbursement of expenses incurred in the execution of duties by Audit & Supervisory Board Members of the Company, and other policies for processing expenses and debts incurred in the execution of such duties

When an Audit & Supervisory Board Member requests advance or other payment for expenses from the Company for the execution of duties pursuant to Article 388 of the Companies Act, the Company promptly processes such expenses or debt after deliberation by the department in charge, except in cases where it is proven that the expenses or debt in such request were not necessary for the execution of the duties of such Audit & Supervisory Board Member.

11. System to ensure that other audits by Audit & Supervisory Board Members are conducted effectively

Audit & Supervisory Board Members of the Company work for proper communication and effective performance of their auditing duties by engaging in regular exchanges of views with CEO and by working to cooperate with the internal audit divisions and the Accounting Auditor.

12. System to exclude anti-social forces

The Company and its subsidiaries take a resolute stance and response as an organization in its entirety, against illegal demands from anti-social forces that threaten to disrupt the order and safety of our society and will take measures to reject any relationship with anti-social forces.



Corporate Governance

Risk Management

Development of Risk Management Framework

MMC 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, departmental risk management and affiliated company risk management.

For priority risk management, we select risks that the entire MMC 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 executive officer level or above, and work as quickly as possible to reduce these risks.

In departmental 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 includes initiatives for addressing various types of risks encountered by MMC's affiliated companies. The Company regularly confirms the status of activities, such as the reinforcement of compliance systems, and we propose and direct improvements, as necessary.

These risk management activities are regularly reported to the Board of Directors as key internal control measures.

In addition, to prepare for unforeseen contingencies MMC has developed emergency contact systems 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.

MMC's basic policy in times of disaster—such as earthquake or other natural disaster or an outbreak of infectious disease—is 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 for 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.

Corporate Governance

Compliance



Policies and Basic Approach

In order to comply with laws, international rules, and internal regulations while respecting changing social norms to the greatest degree possible, Mitsubishi Motors has published the "Mitsubishi Motors Business Ethics" to serve as its corporate ethics standard. We are also redoubling our efforts to enhance our business ethics promotion framework and employee training.

Nonetheless, in April 2016, we discovered improper conduct in fuel consumption testing on products. We investigated the cause of this improper conduct and preventative measures were formulated and are being taken.

In January 2017, we fundamentally revised our management system, creating a new position of Corporate Vice President in charge of Global Risk Control to direct compliance and risk management. This executive is under the direct supervision of the CEO and regularly reports to the Board of Directors on governance improvement measures, while also serving as Chief Business Ethics Officer.

Preventative Measures against Improper Conduct in Fuel Consumption Testing (Compliance-related Measures)

Due to the improper conduct in fuel consumption testing on products announced on April 20, 2016, we received an administrative order from the Consumer Affairs Agency in January 2017 for violating the Act against Unjustifiable Premiums and Misleading Representations. As a result of this, we were ordered to pay a total penalty of approximately 490 million yen. We sincerely regret this improper conduct, and we are implementing 31 preventative measures. The table below shows our preventative measures related to compliance. (A part of the progress report that we submitted to Japan's Ministry of Land, Infrastructure, Transport and Tourism on March 9, 2017)

Measure	Progress
Perform comprehensive inspections of regulatory compliance conditions	<ul style="list-style-type: none"> Validity check of the checklist for judgement of Japanese legal and regulatory compliance was completed on May 2, 2016, and those for overseas on September 2, 2016. The development division performed a comprehensive inspection of the content of operation standards related to domestic and foreign laws and regulations. (September 2, 2016) For models currently in production: The development division confirmed the content of related laws and regulations, both domestic and overseas, and performed a comprehensive compliance status examination. (May 6, 2016) For models under development: Inspections on the status of compliance with laws and regulations are being carried out by using the aforementioned checklist. (Domestic: From May 3, 2016; Overseas: from September 3, 2016) Implementation results were reported to Executive Vice Presidents in charge of development and quality. (September 30, 2016) Validity of the checklist will be inspected in a timely manner within the development process of each model, to achieve greater legal and regulatory compliance transparency.
Establish legal and regulatory management function within the Development Engineering Office	<ul style="list-style-type: none"> The Regulatory Compliance Promotion Group, responsible solely for the compliance promotion and interpretation of laws and regulations was newly established in the Certification & Regulation Compliance Department. (January 1, 2017) By controlling legal and regulatory support involved in development, the Regulatory Compliance Promotion Group will increase the objectivity of legal and regulatory conformance confirmation, enhance compliance, and accelerate legal and regulatory support during the vehicle development process.
Establish personnel development promotion sections within development division	<ul style="list-style-type: none"> The Development Human Resource Committee and the Development Training Committee, composed of both development and human resource related departments, was established, and a system was created for promoting human resource management and human resource development within the development division. (October 27, 2016) From now on the Development Human Resource Committee and the Development Training Committee will promote ongoing human resource management and human resource development.
Systemize legal and regulatory education for engineers	<ul style="list-style-type: none"> We created a legal and regulatory education system in order to deepen engineers' understanding of the contents of laws and regulations, and begun providing the following training to all engineers. (February 1, 2017) <ol style="list-style-type: none"> Basic training for new employees and mid-career hires (training provided to 231 employees in two training sessions, on February 9 and February 10, 2017) Regular annual training for all members at development division (e-learning training is to be provided to all the members of development division in late March 2017) Training for specialized departments regarding laws and regulations related to their respective fields (training provided to 266 employees in two training sessions, on February 1 and February 17, 2017)
Seminar for all personnel in development divisions regarding the content of the improper conduct	<ul style="list-style-type: none"> A total of 10 workplace town hall meetings, 20 department dialog sessions, and 26 group discussions have been held for members of development, quality, and product planning divisions. At these sessions the timelines, causes, and backgrounds of improper conduct have been explained to a total of 14,600 participants. (as of November 22, 2016) The Development Training Committee created a training program using this improper conduct as a case example, and will implement the training to general managers and higher level personnel at development division on March 29, 2017. This training program will be extended to all the members of development division.

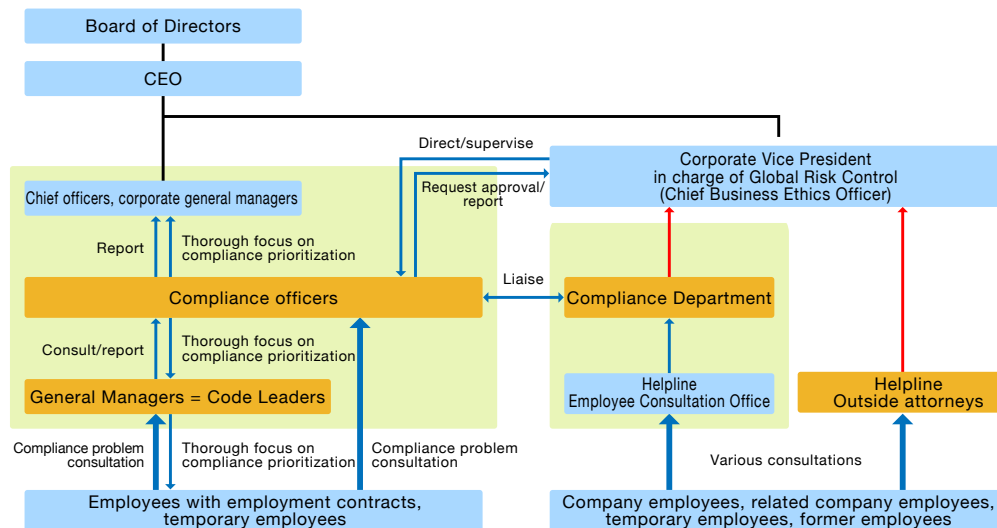
We will continue to verify the effectiveness of these measures, and make improvements as necessary to raise their effectiveness.

Compliance Promotion System

In order to ensure that a focus on compliance prioritization penetrates throughout the company, compliance officers under the supervision of the Corporate Vice President in charge of Global Risk Control (also serving as Chief Business Ethics Officer) are appointed at each division, and the general manager of each department serves as the business ethics code leader.

In the event of serious compliance concerns, the business ethics code leaders and compliance officers will ultimately report to the Board of Directors.

Organizational Framework for Promoting Compliance



Establishment of Internal and External Consultation Offices (Helplines)

Mitsubishi Motors has established internal and external consultation offices to prevent and promptly detect fraud or other improper conduct as well as for use in self-correction. The internal employee consultation office offers counseling to employees of Mitsubishi Motors and affiliated companies, and the external consultation office works with outside attorneys. In fiscal 2016, the employee consultation office saw 153 cases, and the external consultation office saw 74 cases.

When consultations or whistleblowing reports are received by the employee consultation office, the office endeavors to resolve the issues quickly either by investigating itself or by directing the compliance officer of the relevant division to respond. If either the employee consultation office or the external consultation office receives whistleblowing reports related to compliance issues or issues with potential business risks, these are immediately reported to the Corporate Vice President in charge of Global Risk Control (also serving as Chief Business Ethics Officer). Once the office receives instructions on how to respond, it endeavors to resolve the issue.

To facilitate the use of the internal whistleblowing system, in 2016 we worked to make the existence of the consultation offices well-known within the company by creating and displaying posters. In addition, we revised our "Compliance-Oriented Whistleblowing Operation Procedure" for handling information and investigating the relevant facts and made company personnel aware of these revisions in order to ensure that whistleblowers are not treated unfairly.

In November 2016, we also established a Business Partner Helpline.

Numbers of Cases Reported to the Internal and External Consultation Offices by Content

Item	Number
Corporate/business proposals	7
Workplace environment	31
Labor relations	25
Human relations/harassment	77
Compliance, violations of operational rules, fraud	27
Others	60

Compliance Activity Plan

Every fiscal year we formulate compliance-related education and training in the form of a compliance activity plan, and offer education and training for each job rank. Each division also draws up and conducts its own measures under the direction of the compliance officer.

In fiscal 2016, in response to the improper conduct in fuel consumption testing, we created and launched a system in which Compliance Department verifies compliance onsite in order to ensure complete adherence to laws and regulations.

On and around Safety Pledge Days,* individual divisions voluntarily hold events to reaffirm the day's significance. Workplace discussions are held (three times a year) to talk about business ethics issues faced in the workplace and workplace culture.

* 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.

Business Ethics Committee

In May 2004, faced with business risk stemming from recording significant loss due to sales financing issues in the United States and from having covered up facts about vehicle recalls, Mitsubishi Motors formulated and announced its Business Revitalization Plan, with "restoring trust" as the most urgent issue. Under the plan, a Business Ethics Committee was established in June 2004 as the main measure in restoring trust. During the 12 intervening years, Mitsubishi Motors has undergone checks and received guidance from the external oversight and common sense to instill a "compliance first," "safety first," and "customer first" mindset.

In 2016, Mitsubishi Motors reviewed its governance and internal control and compliance systems, disbanding the Business Ethics Committee in June 2016 as part of this review. Over its 12 years, the Business Ethics Committee was unwavering in its dedication to make directors and employees aware of compliance as the utmost priority. Mitsubishi Motors will remember the guidance and advice of the Business Ethics Committee and continue to work on reforming corporate culture and awareness in the years ahead.

Anti-corruption Initiatives

Policies and approach

The "Mitsubishi Motors Business Ethics" clearly stipulate that Mitsubishi Motors shall comply with the law, conduct business in a fair, reasonable, and equitable manner, and not present gifts or conduct in-house business entertainment that would go beyond generally accepted social bounds or that could be suspected as being an improper collusive relationship. Moreover, we have built and operate a system that is designed to prevent corruption.

Management systems and risk assessments to prevent corruption

Mitsubishi Motors has management and operational standards for providing and receiving gifts or business entertainment. 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 application and reporting compulsory in order to conduct operations in a transparent manner. If these standards are violated, the compliance officer of the relevant division formulates internal reports and implements preventative measures for the future. In addition, as part of our educational activities, we ran e-learning seminars on anti-corruption laws for all office personnel in six overseas subsidiaries in fiscal 2016. This training will be gradually rolled out to other overseas subsidiaries.

Since many employees in our sales companies directly handle money with customers, there is a heightened risk of improper conduct such as embezzlement. Accordingly, we work to prevent improper conduct at domestic sales companies by defining regulations for handling cash, regularly making the compliance policies known, and thoroughly implementing tuition and training. We have established a CSR division at each subsidiary company, and we implement regular site audits. Furthermore, our Audit Division conducts operational audits of sales companies on a regular basis, then reports the results of those audits to the Head Officer of the Headquarters Domestic Sales Group and follows up until indicated improvements have been made.

We work to thoroughly prevent corruption when employees from Mitsubishi Motors are appointed as executives at overseas affiliates. Prior to their appointment, we provide training on compliance and internal controls, including the prohibition and prevention of bribery.

Regarding internal controls related to financial reporting, we are verifying our procedures for compliance systems and financial summaries. If we find inadequate controls when inspecting a company, we request a report on the nature of the shortcoming and measures being taken to improve it. In fiscal 2016, we checked the status of 20 Group companies (Mitsubishi Motors, 10 domestic affiliates, and nine overseas affiliates). We had no cases subject to legal action due to corruption, anticompetitive behavior, antitrust or monopolistic practices in fiscal 2016.

Information Security

Mitsubishi Motors recognizes its social responsibility to adequately protect its important information assets (information and IT systems, equipment, media, and facilities that handle this information) in the course of its business activities in order to gain the trust of all its stakeholders.

We have defined an Information Security Policy and internal rules for information security. We are maintaining our information security systems and implementing and strengthening our physical, technological, personnel, and organizational measures.

Personal Information Protection

Based on our Privacy Policy, we have built a management framework by establishing internal rules and assigning a person to manage personal information management under the direction of the information security officer.

By consistently educating staff on this issue through e-learning seminars, we strive to adequately safeguard personal information.

Security Trade Controls

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 Trade Control Standards. We ensure the legality of our export transactions through our management system, with its Supervisory Committee for Security Trade Control, led by the CEO, who serves as chief security trade control officer.

Social Initiatives

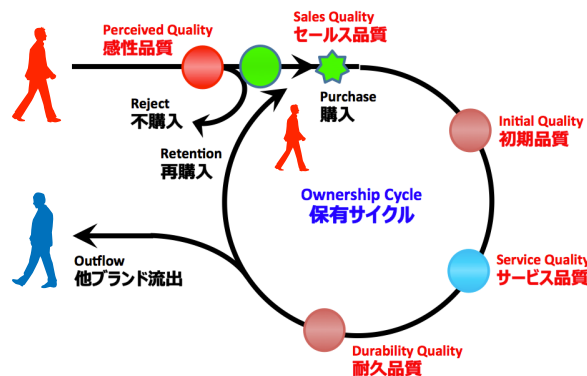


Customer Satisfaction Initiatives/ Product Quality Improvements



Policies and Basic Approach

To achieve customer satisfaction, in January 2017, Mitsubishi Motors reorganized the Quality Affairs Office into the new Total Customer Satisfaction (TCS) Division to improve quality across all stages, from when customers first show an interest in our vehicles to the stage when they continue to drive our vehicles. We think the most important aspect affecting customer satisfaction is product quality, which is the value and performance that our customers expect our products to have. There are two sides to product quality: initial quality, when the customer first uses the product, and durability quality, when the customer continues to use the product through the product's life. We operate our own development management system during product development while globally undertaking cross-divisional and cross-functional quality improvement activities to augment customer satisfaction in both initial quality and durability quality. With respect to the market, Mitsubishi Motors also sincerely deals with issues that occur and accepts feedback from customers, taking effort to implement measures such as enhancing systems that will bring rapid improvements. Product quality related aftersales market actions (hereinafter referred to as "market actions") are compiled by the quality division, and we speed up customer care through active involvement of the related divisions covering development, production, service, and procurement. The quality division also compiles complaints and requests received from customers about our products' quality, which are then proactively passed to the development and production divisions for improvements to be made. Moving ahead, our quality division will lead improvement as the overseeing division, using as reference the evaluation of external agencies on our sales quality, centered on the sales division, and service quality, centered on the after sales division. In addition, we augment total customer satisfaction by focusing on our customers, with our design division taking the lead to improve look and feel in aspects such as usability, comfort, and appearance.



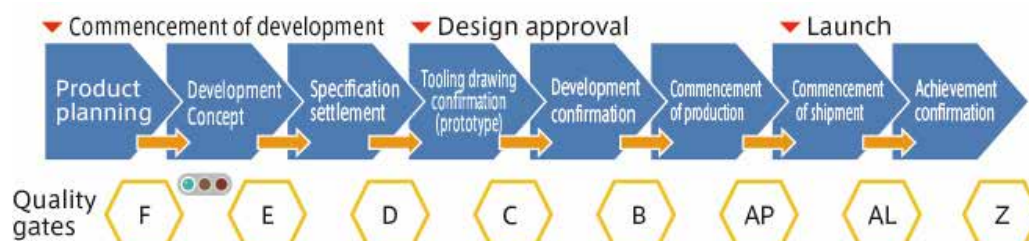
Improving Product Quality

To deliver safe, high-quality products to our customers that can be used without worries, we ensure product quality in the development and production stages. We set quality targets for each of the functions to be achieved at each stage of development, which are thoroughly checked and monitored through means such as technical verification and quality confirmation meetings. In addition, we conduct training to raise the skill levels of those in charge of development, so that we prevent not only recurrence of past defects, but also new cases from developing.

Development management system

Mitsubishi Motors globally adopts the Mitsubishi Motors Development System (MMDS) as the development management system that examines and assesses products and ensures quality throughout all processes, from product planning to development, production, shipment, sale, and after sales service. MMDS is divided into eight stages and adopts a gate pass system. At the "quality gate" of each stage, project teams, centered on chief vehicle engineers (CVEs) check predetermined items in need of verification, such as safety, quality and performance. The product is moved along to the next stage when it has been confirmed that all items have been achieved.

MMDS Flowchart



Management of technical verification and quality confirmation meetings, and the promotion of front-loading

Mitsubishi Motors conducts technical verification during each of the processes from development concept to the commencement of production. This is to enhance the reliability of new technologies and components, and to verify the possibility of defects. We also verify the effectiveness of countermeasures against past defects using prototype vehicles.

Quality confirmation meetings are held at each gate after the confirmation of (prototype) concept design. As the final gate prior to the commencement of shipment, the final quality confirmation meeting verifies all development stages, from the development concept to vehicle testing conditions, and determines whether mass production should begin.

To refine quality reliably, we undertake technical verification prior to the development concept stage (front-loading) in the case of new technologies.

Improving Quality in the Production Stage

Global application of “Obeya Activities”

With the aim of improving the initial quality of its vehicles, Mitsubishi Motors holds cross-functional “obeya activities,” for which employees from various divisions—including development, production, after-sales service, quality assurance and procurement—meet in one room from the stage prior to mass production and swiftly decide on countermeasures to address any problems that have arisen. These activities started with the *eK Wagon* that was launched in fiscal 2013. We confirmed their effectiveness for improving initial product quality by gathering information on defects and swiftly deciding on countermeasures.

These activities were implemented at our main overseas production base, Mitsubishi Motors Thailand, for the new *Triton* that started production in fiscal 2014, and later extended to the new *Pajero Sport* in fiscal 2015. Since 2017, Mitsubishi Motors has been globally applying these activities to other overseas production sites such as our joint manufacturing company in Indonesia, Mitsubishi Motors Krama Yudha Indonesia.

Improving Quality through Customer Feedback

To listen to customer feedback and quickly respond

Mitsubishi Motors works to improve quality by promptly identifying and analyzing customer feedback (quality information). Steps are then taken to link this feedback to efforts aimed at speeding up “market actions,” including product recalls.

For that reason, the quality assurance division quickly processes quality and defect information from customers in a system that shares the information with relevant divisions and dealers. As for “market actions” including product recalls, we are simplifying the internal processes leading up to a response decision and making improvements to enable decisions to be made more quickly.

We are also making efforts in other areas, such as adopting new analysis systems for gathering and analyzing data on gratuitous repairs during the warranty period (warranty repairs). By analyzing the relationship between defects indicated by customers (quality information) and records of warranty repairs, we will link the results to wide-ranging quality improvements, such as the early recognition of defects and predicting conditions for any future incidents.

Human Resource Training

To raise the skill levels of each and every employee, Mitsubishi Motors works to strengthen development capabilities by implementing the in-house quality training curriculum, including design review training sessions, and increasing the number of employees studying quality engineering.

Furthermore, we consistently hand down the lessons learned from past recall scandals so that the memories do not fade. With the aim of thoroughly preventing any recurrence, we have organized a Quality Forum at all workplaces since fiscal 2014.

Although the Quality Forum 2016 was postponed, we plan to hold it within fiscal 2017.

Numbers of participants in the Quality Forum

Fiscal 2014: 2,324; fiscal 2015 : 3,590



At the customer feedback exhibition at the Quality Forum 2015

Social Initiatives



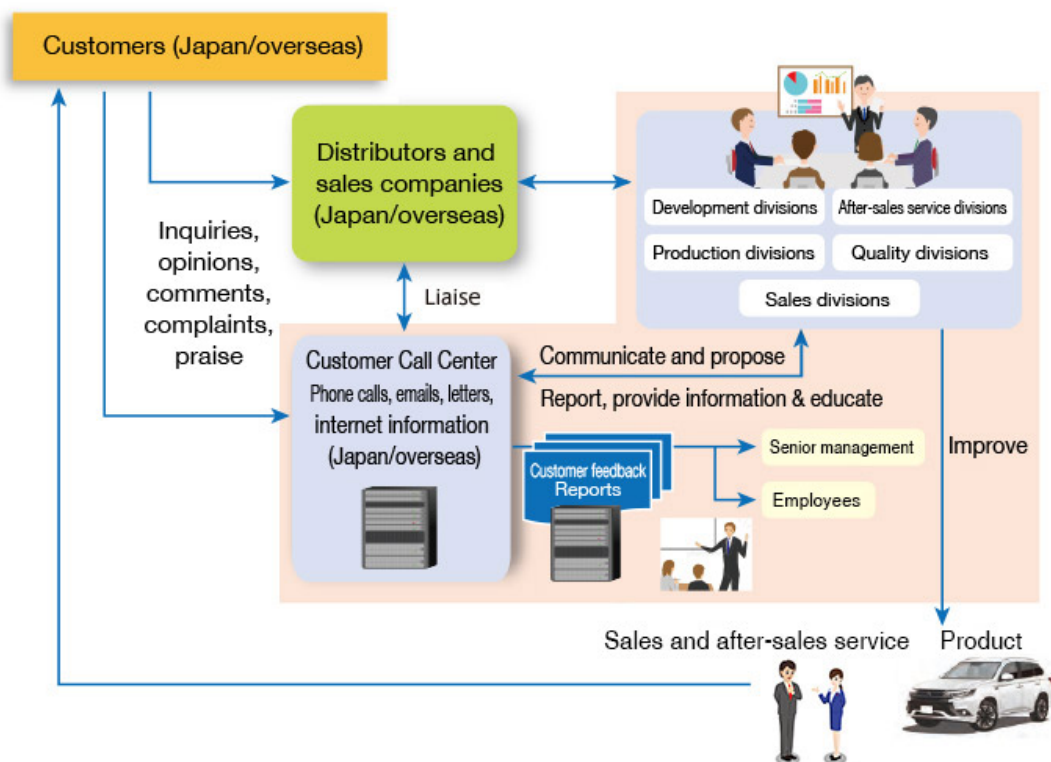
Customer Satisfaction Initiatives/ Communicating with Customers



Basic Approach

The Mitsubishi Motors Group aims to provide the utmost driving pleasure and safety, and customer satisfaction through its products and after-sales service. For that reason, we gather and analyze valuable customer feedback received by our sales companies in Japan and overseas and by our Customer Call Center (CCC). At the same time, our development, production, sales, service and quality divisions act in an integrated manner to actively improve product quality and services.

How we use customer feedback (flowchart)



Major Activities of Customer Call Center

The CCC acts as a consultation office that customers can contact by toll-free telephone, e-mail, or letter, and it receives inquiries every day. The CCC responds quickly, accurately and sincerely to customer inquiries, opinions, and comments, and passes on this feedback to the relevant divisions or sales companies in order to improve products and services.

In addition to customer feedback received through the CCC, we also collect and analyze information about our company found on the Internet.

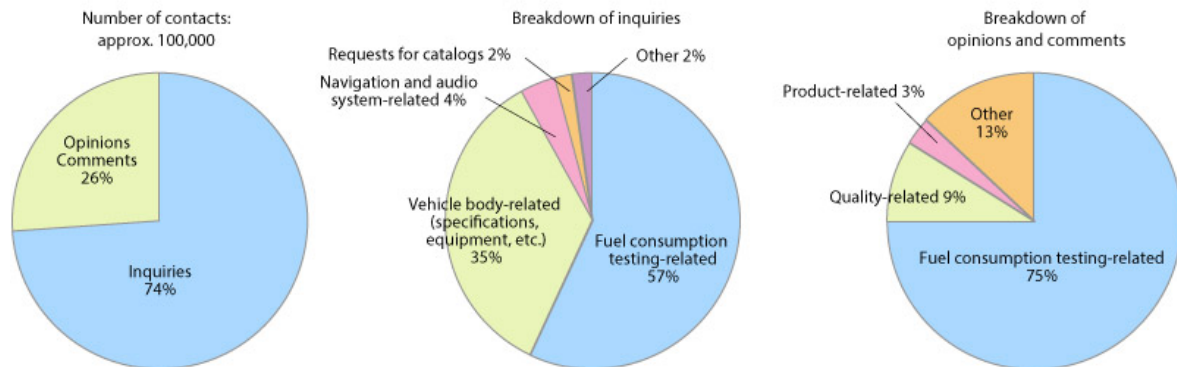
Policy of the Customer Call Center

The CCC recognizes customer feedback to be a priority issue and makes every effort to provide quick, accurate, sincere responses while promoting a fair and equitable resolution for the customer. It shares information based on valuable feedback throughout the company in order to improve products and services.

The CCC complies with laws, regulations and in-house standards in order to protect customer rights.

To ensure that customers can easily resolve any concerns, the CCC works to provide complete information, for example by publishing FAQs on the company website.

Contacts Received at the Customer Call Center in Fiscal 2016



Maintaining and Improving the Quality of Responses

The CCC works to provide customer satisfaction by responding from the customer's point of view, which involves clearly understanding the customer's opinion and then responding in an appropriate manner. With the aim of maintaining a high quality of customer service, the CCC periodically monitors the telephone skills of staff and incorporates advice from outside experts as well as other call center benchmarks. In order to respond as quickly as possible, the CCC keeps sets of complete documents and catalogues in the office, and works to strengthen cooperation with the relevant departments. It monitors several key performance indicators for assessing response speeds, including the time taken for each customer call to reach Call Center staff, the time that customers spend waiting, the percentage of requests that are resolved during the first call, and the number of days until a final solution is reached.

Using Customer Feedback

By sharing customer feedback internally, the CCC aims to improve products and services. Opinions and comments from our customers are registered in a database, and employees can browse and search this database for feedback. Important information among this feedback is also regularly reported to management.

Customer feedback is also used to improve employees' awareness of consumer perspectives and customer points of view. The CCC conducts awareness-raising activities to help employees consider customer needs by listening to actual voices of customers, such as through an in-house Voices of Customers Course launched in fiscal 2010. The number of employees attending this course has increased from 130 in fiscal 2010 to 5,100 in fiscal 2016, a significant increase from the 2,000 participants in fiscal 2015.

The CCC will continue to educate employees about the importance of customer perspectives, such as by including the Voices of Customers Course in many types of training.



A Voices of Customers Course

Improving the usability of our recall information website:

Our recall information website for our products used in Japan allows customers to search for information on vehicles that are eligible for free servicing such as recalls and improvements. In April 2017, we updated the entry field for chassis numbers in response to customer uncertainties about what to type in this field. We split the field for chassis numbers into two sections: one for the alphabet portion and another for the numerical portion. This makes it easier to understand what to enter in each field and makes it easier to search for information.



Improvements for more environmentally-friendly driving:

Although the *Outlander PHEV* can drive with either motors or the engine, our customers have stated a desire to drive it as an electric-powered vehicle (using motors) as much as possible. In order to respond to the wishes of customers, we added an EV Priority Mode from the model launched in February 2016, a function that can prioritize the use of motors for driving. Simply by pressing the EV switch, drivers can choose to stop the engine from running for a quiet ride that is friendly to the environment.



Switch for EV Priority Mode

Improving Customer Service Capabilities

Mitsubishi Motors supports sales companies not only in making sales, but also in explaining product features and gaining customers' understanding and satisfaction. We help sales companies to improve their customer service with a focus on three perspectives: sales outlets, sales techniques, and sales staff.

To improve sales outlets, we provide sales companies with plans for explaining product features, and to improve sales techniques, we provide outlets with tablet computers in addition to catalogues so that sales staff can easily explain products to customers with a visual aid. To improve the sales staff who are directly responsible for customer service and sales, we hold a sales negotiation role-playing contest once a year. (This was suspended for fiscal 2016.) In this contest, sales staff compete against each other to showcase their customer service skills, product knowledge, and sales negotiation skills.

We also conduct a customer satisfaction survey on a regular basis to monitor the service levels of each sales company. The results of the survey are provided to sales companies so that they can improve their services. We hope to enhance customer service by expanding personnel exchanges with sales companies to improve communication and deepen mutual understanding of operations.



Sales staff explain products using tablet computers



National sales negotiation role-playing contest

Supporting customers (Passing on service skills)

Passing on and improving service staff skills and techniques are essential to customer satisfaction.

Mitsubishi Motors has its own servicing skill qualification, and encourages service staff at sales outlets to acquire this qualification. In addition, we hold the Service Skills Contest every other year where service staff from domestic sales companies can improve their technical skills by competing against one another.

Our eight Technical Centers across Japan organize technical meet-ups and seminars and send technical staff to visit sales companies in order to help them handle difficult repairs and swiftly meet customer requests.

As a company that promotes electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs), we aim to improve our service staff's knowledge of EV/PHEVs, as well as maintenance-related skills. Therefore, in fiscal 2016, we established a new qualification system within Japan for EV/PHEVs. There are three classes of qualification, from Class 1 to Class 3. Class 1 is the highest qualification and requires staff to have a high degree of knowledge and maintenance skills related to EV/PHEVs in order to meet customer needs. Personnel who obtain Class 1 qualification earn the title of *Dendō* (electric-powered) Drive Master. In fiscal 2016, 37 staff earned this title. We are working toward having *Dendō* Drive Masters in all our sales outlets in Japan to bring peace of mind to customers who drive EV/PHEVs.



Sticker indicating that a *Dendō* Drive Master is stationed at the outlet



A service staff member competing at the Service Skills Contest

Cooperation with Domestic Sales Companies

Mitsubishi Motors believes that the popularization of EV/PHEVs, is one solution to such social issues as energy affairs and disaster control. As such, we have focused our R&D efforts in this area for many years. We believe that the social need for EV/PHEVs will grow even higher in the future, so we are stepping up collaborative efforts with domestic sales companies in order to promote the spread of EV/PHEVs.

Installing quick chargers at sales outlets

In order to consolidate its charging infrastructure, Mitsubishi Motors is promoting the installation of quick chargers at its sales outlets. As of March 31, 2017, quick chargers had been installed at 563 out of 610 outlets, with 386 outlets available for 24-hour use.

Introducing next-generation dealer “*Dendō* Drive Station”

Please see [Special Feature 2017](#) for more about *Dendō* Drive Station.

Cooperating with Overseas Distributors and Sales Companies

Improving customer satisfaction overseas

Mitsubishi Motors cooperates closely with distributors and sales companies around the world in order to satisfy overseas customers. We provide distributors and sales companies with sufficient product information to support their daily operations, and at the same time, pay high attention to the local market information and requests for improvement collected by them.

We are increasing face-to-face communication with our distributors around the world, such as visiting overseas sites to directly hear local requests or issues and quickly resolve them. We also hold an annual Global Distributor Meeting in Japan where we strengthen relationships between our worldwide network of distributors, while sharing sales strategies, new product information, and positive examples of improvement in customer satisfaction. Regional meetings are also held regularly in Europe, ASEAN countries and the Middle East.

Each distributor engages in sales activities that take into consideration the different cultures and customer values of each country and region. As a result, our distributor in Malaysia, Mitsubishi Motors Malaysia, took the highest award in a national sales satisfaction survey*1 in fiscal 2016.

*1 The 2016 J.D. Power Malaysia Sales Satisfaction Index (SSI) Study based on responses from 2,010 new-vehicle owners who purchased their vehicles from August 2015 through May 2016. The study was fielded from February through July 2016.



Mitsubishi Motors Malaysia, our distributor in Malaysia, at the award ceremony

Supporting overseas customers (Passing on service skills)

With the transfer of techniques as its primary objective, Mitsubishi Motors sends technical high achievers from Japan to emerging countries to hold “caravan activities” that provide technical guidance. We are working to improve our technical capabilities on a global scale by training local service staff in the field. In fiscal 2016, training was provided in 15 countries, including India, Myanmar, and Brazil.

We also held the second “Global Service Skills Contest” in November 2016. As in the previous contest, we held the Service Technician Competition where technicians competed with each other over their skills on vehicle troubleshooting. In addition, we newly held the Service Advisor Competition where advisors competed with each other over their skills on customer addressing at reception. Service staffs from 23 countries—including China, Thailand, Russia, Indonesia, Chile, and New Zealand—who had won national or regional contests competed on the accuracy and speed of their work.

As a result of these initiatives, our local dealers in Indonesia and Malaysia were ranked third in the Mass Market Brands/Non-Premium Brands segment of a customer service satisfaction study conducted by an external marketing research company.*2

*2 J.D. Power 2016 Customer Service Index (CSI) Study: Each country’s CSI studies are based on responses from new-vehicle owners who purchased their vehicles during set periods (Indonesia: February 2014 to June 2015; Malaysia: February 2014 to May 2015) and took their vehicles for service to authorized dealers or service centers during set periods (Indonesia: August 2015 to June 2016; Malaysia: August 2015 to May 2016).

The number of car owners who responded in these studies were: Indonesia, 3,041; Malaysia, 3,257.

The studies were fielded during the following periods: Indonesia, February to June 2016; Malaysia, February to May 2016.



Caravan Activity



A technician performing his skill at the Service Technician Competition



An advisor performing her skill at the Service Advisor Competition



The Global Service Skills Contest award ceremony

Improving Online Information Dissemination

In March 2017, we updated our corporate website to make it easier for our customers to understand and use. Since the update, customers can browse through our website with display sizes adapted to their devices, meaning they can browse on smartphones and tablets as well as computers. We also introduced drop-down menus to make it easier for our customers to find the information they need. Each page also has featured content so that our customers can directly assess information of interest to them.

We also use social media to give people a deeper understanding of Mitsubishi Motors. We promptly post information about our business activities, products, and events on our Facebook page. We consider the comments and reactions we receive on Facebook from people all over the world to be important feedback, and we analyze these to help us improve the way we give out information.



Corporate website



Facebook

Providing Information and A Place to Unwind

PHEV World

In December 2015, we opened "PHEV World" within our Okazaki Plant so that customers, including those waiting for their EV/PHEVs to finish charging at the visitor's car park, have a place to relax and unwind.

PHEV World is a dome with a diameter of six meters modeled after a Mongolian yurt. Within the dome, we air our own original planetarium shows and 360-degree projection theater works. To cater for a wide range of customers, we also have a touch panel screen that provides information on the appeal of PHEVs, such as PHEV technologies and how PHEVs can be used during disasters or for outdoor life. There is also a corner where customers can experience VR head-mounted displays that show virtual spaces powered by the drive battery of the *Outlander PHEV*, as well as a free café space.

Reservations to view the planetarium can be made through our website.



PHEV World

The Mitsubishi Auto Gallery

Mitsubishi Motors has set up The Mitsubishi Auto Gallery within our Research & Development Center in Okazaki as a place to showcase exhibits such as famous Mitsubishi cars from the past, our racing cars, and our engines. Many visitors from within Japan and overseas visit the gallery, including elementary school children, and in May 2017, the gallery was reopened after its first major renovation since opening in 1989.

The newly renovated gallery, with its carefully selected exhibits (8 cars as of May 2017), is divided into three zones: The beginning of Mitsubishi's car, The cars ran through the times, and The cars challenged to the utmost limit. We hope to share our history with everyone by highlighting each and every car being exhibited in a comfortable space. We have also opened the new MAG café*3 in a corner of the gallery for our visitors to relax and unwind.

Reservations for visiting The Mitsubishi Auto Gallery can be made via phone.

*3 MAG café can be used by both visitors and our employees.



The Mitsubishi Auto Gallery

Social Initiatives



Business Partner Initiatives



With approximately 300 parts supplier companies in Japan and overseas, Mitsubishi Motors recognizes the magnitude of its 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 cost competitiveness, industry-leading quality, and local procurement at our main production bases. We work as one with our suppliers to contribute to society on a foundation of shared CSR guidelines.

Sharing of 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. In addition, we provide self-check sheets so that suppliers can carry out self-assessments and independent improvements. For fiscal 2017, we will continue to share these guidelines with all new suppliers and request that self-checks be conducted on a regular basis. We are also taking this to the global level. In May 2017, we issued an English-language edition of the guidelines to expand the coverage to our overseas suppliers. In the future, in reference to our guidelines, our overseas affiliates in Thailand, Indonesia, and the Philippines will prepare their own Supplier CSR Guidelines, while taking into consideration the situation in each region.

http://www.mitsubishi-motors.com/en/csr/society/suppliers/pdf/supplier_CSR_guidelines.pdf

Policies and initiatives for 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. Mitsubishi Motors has updated its Supplier CSR Guidelines to ensure that it is not complicit in human rights abuses through the procurement of these conflict minerals. The updated guidelines clearly state the policy of not using conflict minerals as raw materials, thereby promoting responsible procurement.

Green procurement

Mitsubishi Motors formulated its Green Procurement Guidelines in 2012 to ensure that its procurement and manufacturing have minimal impact on the environment. We promote green procurement in partnership with our suppliers. These guidelines request that suppliers manage environmentally hazardous substances and promote the three R's (reduce, reuse and recycle).

In addition, we clearly state in the Parts Purchase Agreement signed with our suppliers that they are requested to comply with our Green Procurement Guidelines. Our Supplier CSR Guidelines and Green Procurement Guidelines are posted on our portal site for suppliers, which suppliers have ready access to.

<http://www.mitsubishi-motors.com/en/csr/environment/activity/supplier.html>

Promoting Supply Chain Management

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) ourselves, 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.

Ensuring knowledge of Supplier CSR 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. We do this through procurement education during training for new employees (both entry-level employees and new mid-career employees), as well as training when employees are transferred to the procurement division. In fiscal 2016, we included material from our Suppliers Meeting in these training sessions.

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.

Communicating with suppliers

Providing suppliers with appropriate information and two-way communication is essential for proper supply chain management. Every year, Mitsubishi Motors holds Suppliers Meeting to make our policy 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. We also regularly conduct quality audits and quality self-check guidance with our suppliers to improve quality along the entire supply chain.

In fiscal 2016, 228 suppliers conducted quality self-checks.

We will continue to improve communication and quality across the supply chain through these activities.



The Mitsubishi Motors Cooperation Council

Respect for human rights across the supply chain

Mitsubishi Motors not only considers human rights in its own business activities, but also encourages suppliers to consider human rights. For that reason, the Supplier CSR Guidelines include clauses on human rights and labor, and we request our suppliers to carry out self-checks to find if the appropriate actions are being taken. In addition, we request new suppliers to state that they have no links to anti-social forces.

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, 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 safety 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.

At the time of the Kumamoto Earthquakes that struck in April 2016, we visited suppliers to confirm the status of damage and offer support on the following day, April 15. We then implemented countermeasures such as finding alternative production.

Our parts suppliers have already formulated their BCPs. In fiscal 2017, we plan to implement a checklist to allow self-assessment by our suppliers so as to maintain and improve the effectiveness of the BCPs.



Social Initiatives



Shareholder/Investor Initiatives

Mitsubishi Motors understands the importance of securing accountability by disclosing appropriate information to all our shareholders and investors in a timely manner. We work to enhance our IR website, issue various publications, and hold shareholders' meetings and other events to promote understanding of Mitsubishi Motors.

Regular Dissemination of IR Information

For individual shareholders within Japan, Mitsubishi Motors publishes the Investors' Note booklet twice a year to present information on business performance and strategies as well as on products. At the same time, we operate a service that sends IR news e-mails to promptly inform stakeholders of financial statements and news releases.

We have expanded our IR website to be compatible with a range of devices such as smartphones to promote understanding of the company among shareholders and investors worldwide. We also publish Japanese- and English-language editions of our Annual Report and Facts & Figures book once a year.

Shareholders' Meeting Opened

Mitsubishi Motors positions the Shareholders' Meeting as a forum where all shareholders and investors can deepen their understanding of the company. Shareholder meetings are scheduled outside of the peak days where other companies' shareholder meetings are held so that the greatest number of shareholders can attend. Shareholders and investors who cannot attend in person on the day of the Shareholders' Meeting can exercise their voting rights through mail or the Internet. Part of the meeting is broadcast live via the Internet so that people can view the proceedings. After the meeting, the video recording is made public for about a month.

We post our convocation notice on the Tokyo Stock Exchange website as well as on our website in both Japanese and English at least three weeks prior to Shareholders' Meeting so that shareholders in and outside Japan have enough time to look into items on the meeting's agenda.

[▶ http://www.mitsubishi-motors.com/en/investors/stockinfo/return.html](http://www.mitsubishi-motors.com/en/investors/stockinfo/return.html)

Social Initiatives



Employee Initiatives/Employee Program



To create sustainable growth and improve corporate value in an ever-changing operating environment, Mitsubishi Motors promotes car manufacturing to be readily chosen by customers.

We believe that the key to our success is our people, and we actively work to create an environment where each and every person can work on rewarding tasks and freely display and improve his or her abilities.

New Employee Program

Under the concepts of "handing down and strengthening manufacturing capabilities" and "growth and rewarding challenges," Mitsubishi Motors began a new human resource program from fiscal 2016. Composed of wide-ranging personnel themes, from personnel evaluations, such as assessments and treatments, to training systems and career diversification, we are working to build a foundation upon which employees can find their motivation in their work.

Overview of the program

The new program for administrative and engineering employees*1 aims to enable everyone to systematically improve their skills. Job classifications are defined from two perspectives; the expected role, and the required ability and experience. Promotions are comprehensively determined by taking into account factors such as developed abilities and skills as well as the degree of proactive contribution. We have expanded opportunities for employees to acquire abilities and skills by enhancing the education programs tailored for each job rank. We also have a program to encourage job transfers as a means of gaining diverse experience.

For shop floor employees,*1 we have created positions where advanced technical skills or extensive field experience can be maximized in management, and we operate a system to recognize employees with high proficiency in skills. In this way, we aim to continuously enhance the quality and productivity of manufacturing sites. We have also introduced a salary system which appropriately rewards the role, level of contribution, and the weight of responsibility of each employee.

Group	Item	Objective/System Overview
Administrative/engineering employees	Promotion frameworks	Determine promotions based on ability/skill criteria ("quality gates" ²) required for upper-level positions as well as "credits" that positively evaluate items such as voluntary contributions and the acquisition of additional skills (including certifications)
	Education program tailored for each job rank	Support the improvement of personnel skill levels both in terms of employee systems and training by linking promotion criteria with the education program
	Transfer promotion	Promote employee transfers among divisions and departments by introducing systems such as job posting, designated transfer, and internal temporary transfer with the purpose of broadening employee perspectives by gaining experience via work transfers
Shop floor employees	Technical Expert	Promote the improvement of manufacturing workplace quality/productivity by incorporating personnel with advanced technical skills and abundant on-site experience into manufacturing workplace management positions through the placement of "Technical Expert" to assist managers from a technical skill-based perspective
	Meister system	Develop forepersons able to promote manufacturing workplace improvement activities and employee training by certifying extremely high-skilled employees who are making a significant contribution in solving cross-sectional issues/improving product methods/training junior employees as "meisters"
	Increase wages for supervisory positions	Raise wages of personnel in supervising positions to fairly reward the weight of duties and responsibilities they undertake

*1 Shop floor employees are employees directly involved in production operations and related supporting operations, as well as employees who are responsible for instructing and supervising such employees. Administrative/engineering employees refer to all other employees.

*2 A mechanism to objectively determine the level of ability, knowledge and skills required for each individual to earn a promotion.

Assessment criteria

Our ideal employee has broad outlook capable of collaborating with other divisions, is able to independently set an agenda, and has the ability to see things through to the end. We set our assessment criteria to facilitate the cultivation of such people.

1. Pushing beyond set duties	Extend duties on one's own initiative, involve others
2. Generate action	Raise issues on one's own initiative, move at double speed and motivate others to do the same
3. Get attached to the results	Act decisively and tenaciously, boost profitability
4. Heighten yourself	Display expertise, lead/support coworkers
5. Conform to standards	Focus on customers, make logically correct decisions

Together, we aim to make our employees more focused on results by clarifying their responsibilities for achievements through deeper communications with superiors. During our half-yearly employees' target-setting cycle, superiors will provide every subordinate with a role to accomplish during the upcoming six-month period, and the person being assessed will accordingly draft targets within the scope of the given role.

In addition, we have established our Human Resource Committee to increase the transparency of human resource affairs. The committee, composed of senior management members, will examine affairs pertaining to human resources across the entire company.

New Human Resource Program for Management

Strengthening our management level is essential to handle the greatly changing business environment. Therefore, we have revised our human resource program designated for management level personnel and started to operate this new program from fiscal 2017.

The new human resource program aims to share the organization's targets and inspire a sense of responsibility for achieving them, strengthen incentives for achieving targets, instill the thinking and conduct expected of employees, and invigorate our organization by placing people according to their abilities. We are switching to a program that clarifies targets, assessments, and remuneration, and reflects contribution to results. Specifically, this includes setting and evaluating "Commitment & Target," which gives shape to company expectations and contributions to business results; increasing the rate of performance-based remuneration; and assessing expression of the thinking and conduct expected of employees and reflecting this in annual salaries.

Career Development Initiatives

In developing its employees' careers, Mitsubishi Motors has worked on setting up 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. Employees have face-to-face meetings with their superiors twice a year to talk about their career development based on their Career Development Plan—a device for medium- to long-term career planning where employees draw up their own career design by taking into account their track record and hopes for the future. 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.

"Business Partners" in Each Division

In April 2015, Mitsubishi Motors began a new system for supporting each division to rapidly address workplace concerns and problems. Under this system, staff members of human resource divisions are assigned as "business partners." These business partners not only support each department but also aim to broaden and deepen their understanding of issues that workplaces actually face when reforming human resource programs. Based on this understanding, business partners gather opinions and reflect them in human resource measures.

As the activity has entered into its third year, we are seeing some changes in membership. However, all members remain aware of maintaining and improving the quality of their activities and conduct regular training sessions by themselves. In 2017, 19 business partners were active across each division.

Social Initiatives



Employee Initiatives/ Approach to Human Resource Development



System of Employee Education based on the Human Resource Development Basic Philosophy



Mitsubishi Motors has revised its companywide system of employee education to systematically develop human resources from entry-level employees to general managers. We began this new system from fiscal 2016.

When reviewing the system, we relied on the Three Principles shared by the Mitsubishi Group, the Mitsubishi Motors Corporate Philosophy, and the Mitsubishi Motors Conduct Guidelines that shape day-to-day business practices as the pillars of our employee education, and we identified the capabilities and skills necessary to enact these pillars.

Together with steps to clarify the ideal model for each job classification, we drew up specific individual training curriculums.

We believe that dialog on career development between superiors and subordinates is also important for effective human resource development. To this end, our employees discuss and share their future vision with their superiors every year.

1. Future vision	Established new education "pillars" and "objectives"
2. Training (off-the-job training)	Enhanced quality and quantity of training, introduced "quality gates**"
3. Human Resource Development System	Foster a culture that enables superiors and subordinates to develop together by increasing the involvement of workplace and superiors in human resource training
4. On-the-job training	Enhance the effectiveness of on-the-job training by focusing on raising the overall capability/skill levels of all the employees by facilitating the above schemes 1-3

* A mechanism to objectively determine the level of ability, knowledge and skills required for each individual to earn a promotion.

Training conducted in fiscal 2016

Mitsubishi Motors not only implements training curricula tailored to individual employee job classifications, but also provides a variety of training programs including e-learning seminars for all employees as well as elective training that interested employees can voluntarily join. In fiscal 2016, we invested approximately 37,000 yen per employee in training.

We are currently improving our training programs intensely. In fiscal 2016, we introduced several new programs and also performed a major review and revision of the content of our existing programs.

Examples of training programs newly introduced or significantly revised during fiscal 2016	
Training program	Overview
3rd year training	This training provides participants with opportunities for further growth through a review of the three years since they joined the company and by performing career design
Good communicator development training	The aim of this training for mid-career employees is improve listening and questioning skills for effective workplace communication
Manager promotion candidate training	This training for manager promotion candidates aims to improve participants' ability to identify and resolve problems, an essential skill for managers
General manager promotion candidate training	This training for general manager candidates aims to check and improve the attainment level of qualities required for general managers such as leadership and ability to transform the organization

We plan to further enhance the content of our training through improvements such as developing ways to measure the effectiveness of training with unified criteria.

Strengthening Outward-oriented Viewpoints

The fruits of one's task offer value once they create results beyond the boundaries of the organization. With this in mind, Mitsubishi Motors aims to foster personnel with an outward-oriented viewpoint; in other words, personnel who approach each task with the aim of creating value and fulfilling the needs and expectations of people beyond the organization, and of course those of customers.

Participating in cross-industrial training workshops

While enhancing its internal training programs, Mitsubishi Motors is also actively involved in cross-industrial training workshops that bring together participants from various companies and industries. A wide range of our employees, from younger staff to those at management level, are gaining new perspectives through interaction with participants from other companies.

Our basic policy has been for employees participate in external training if they have been recommended by their workplace, but from fiscal 2016 we also introduced training that employees themselves can apply to join. We plan to further enhance our measures to meet the proactive attitudes of our employees.

Feedback from participants

- "It was extremely valuable because it provided me with new information and perspectives."
- "I was able to meet people working in completely different occupations and environments, which further motivated me."
- "Hearing about other people my age working hard made me feel that I can't let them leave me behind. I need to work harder."
- "The training gave me insights about how Mitsubishi Motors needs to change."
- "Being able to meet people in other companies, whom I would never have had a chance to meet otherwise, was an invaluable experience."

In-house cooperative training

Aiming to strengthen inter-divisional cooperation and to foster personnel with strong leadership, Mitsubishi Motors is concentrating efforts on in-house cooperative training. As an example, we conduct training session on problem-solving where managers from various divisions are brought together. Participants select issues faced by their divisions as the themes for the session, and everyone works together to find solutions. By allowing staff to repeatedly participate in this type of training, we aim to strengthen ties between fellow colleagues from beyond divisional boundaries, broaden employees' perspectives, and raise workplace management capabilities and problem-solving skills.

Fostering Global-minded Human Resources

In line with increases in both overseas production and sales volumes, Mitsubishi Motors is placing considerable emphasis on developing human resources who are capable of adopting a global perspective and excelling on the world stage.

Fostering human resources capable of excelling on the world stage

English language skills are essential when working with people outside Japan, so Mitsubishi Motors offers its employees a curriculum designed to systematically improve their English skills. We provide a variety of programs, from beginner courses aimed at improving basic skills, to advanced courses aimed at improving practical English communication skills for use in business. We also offer local language courses for employees who will be stationed in non-English-speaking countries.

In addition to language training, we have newly started a program dispatching Japanese employees to overseas plants for a short period. Under this program, participants will have the opportunity to observe and learn local operations and business habits through interaction with local staff.

Raising the new plant's new leaders

10th year of accepting trainees from the Philippines

September 2016 marked the 10th year of accepting trainees from the Philippines to our Japanese plants. Since we began accepting trainees at the Mizushima plant in October 2007, approximately 200 trainees have polished their skills in our plants, including our Nagoya plant, and are using their skills in their home countries. The number of trainees accepted has grown gradually every year. In fiscal 2016, the 10th group of trainees, consisting of around 70 trainees, arrived to Japan for technical study. We plan to continue accepting trainees in the future.

The trainees are graduates of professional universities in the Philippines, and have come to develop their skills on production lines by taking part in training for a period of up to three years. A trainee in the eighth group of trainees, now in his third year of training, said, "I've had many experiences during these two years, and the work experience has been particularly valuable." He continued, "During this last year, I hope to further continue my studies, acquiring even more skills and knowledge."

Comment from a staff member in charge of trainees:

"All of the trainees are humble, polite, and brimming with drive. Many of them are exceptional people who quickly master their work. They are invaluable assets to the workplaces they have been assigned to, and while I realize it isn't possible, I would love for them to stay in Japan and continue working with us. I hope that when they return home they will use their experiences here to become core members of their own workplaces."

Mitsubishi Motors accepts many overseas trainees at its Japanese plants, not only from the Philippines but also from other countries such as Indonesia and Thailand.

By accelerating the exchange of global human resources within the Mitsubishi Motors Group, we aim to provide our overseas production bases with the basic philosophy and know-how of our original methodology—the Mitsubishi Motors Production Way—that represents the spirit and principles of the Company's manufacturing. In this way, we believe we can strengthen our Group-wide technological competence.



Learning the flow of operation procedures before actual hands-on work



Carefully checking the painted surfaces of vehicles being assembled for foreign particles

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 and knowledge 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.

Overview of fiscal 2016 Good Life Seminars

- Held four times companywide, with a total of around 70 participants
- Feedback from participants
 - "I participated with my wife. It was an invaluable event that served as a great opportunity for me to think about the future, which we hadn't given much consideration."
 - "I want to use what I learned at the seminar to consider my post-retirement life plan."

Social Initiatives



Employee Initiatives/Human Rights Initiatives



Approach to Human Rights

The approach of Mitsubishi Motors to human rights is clearly defined as respecting human rights and not engaging in or tolerating unjustifiable discrimination, bullying, or sexual harassment. Our approach is based on the Mitsubishi Motors Business Ethics, which state that we will respect human rights as well as other cultures and diverse values.

Framework of Human Rights Enlightenment

Headed by the executive in charge of human resources, we offer human rights awareness training companywide. 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.

Human Rights Education Programs

In order to foster a corporate culture where all employees have a deep 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.

Number of participants in human rights education programs during fiscal 2016

Training programs by type	Number of participants	Attendance rate
Training for newly promoted employees (non-management level)	Approx. 170	100%
Entry-level employee training	Approx. 250	100%
Training for newly promoted employees (management level)	Approx. 70	100%

Prohibiting Discrimination

Based on the Mitsubishi Motors Business Ethics, we not only expect our employees themselves to avoid discriminating against or harassing other people, but also to prevent others from engaging in such behavior. To this end, we have established consultation systems and are raising awareness of them, in addition to running our aforementioned training programs. Meanwhile, we emphasize the importance of diversity in our training programs, and we encourage our employees to work together with consideration for the diverse values that form the basis of each person's actions.

Social Initiatives



Employee Initiatives/ Creating a Safe Working Environment

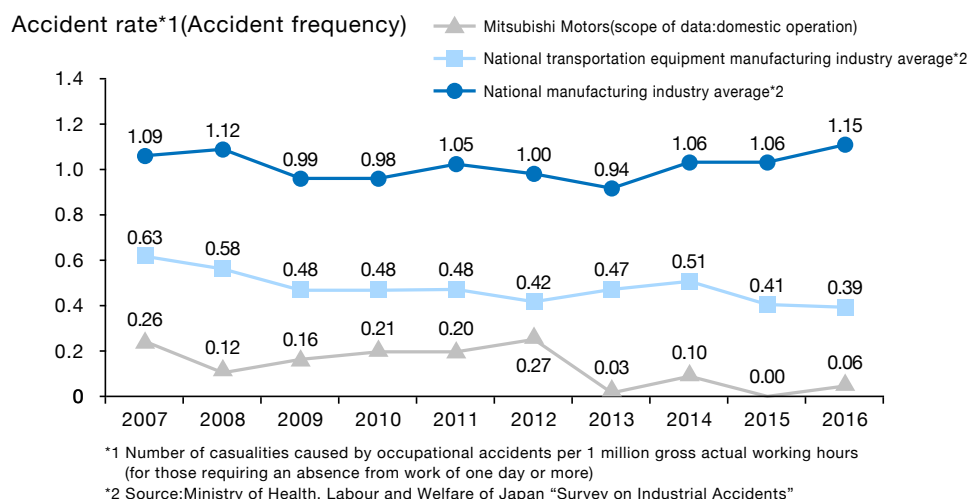


Health and Safety Policy

Mitsubishi Motors continually works to ensure the health and safety of its employees on a universal basis as the foundation of its business activities. The Central Production Committee is held annually to assess the status of measures taken over the year. This committee consists of the lead officer, the heads of production sites, and labor union representatives. The committee assesses issues such as occupational safety, traffic safety, natural disaster preparedness, and health management, and formulates the Health and Safety Management Policy for the next year based on the results of the assessment. Every effort is then made to achieve the quantitative health and safety targets set under the Policy.

Initiatives to Ensure Workplace Safety

Mitsubishi Motors aims for an environment where all employees can focus on their work in safety. To ensure this, we promote activities that maintain safe and secure workplaces in accordance with the Health and Safety Management Policy, which offers the basic philosophy of prioritizing safety above all. 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. Furthermore, we have established "safety training schools" at production sites in order to improve hazard awareness, and have begun practical hazard training for all employees to provide first-hand experience of dealing with hazardous situations. In 2016, the number of workplace accidents increased by six to 17 accidents. The main causes of these accidents were insufficient countermeasures against unsafe conditions in the workplace, insufficient rules governing irregular work, and insufficient training and education for employees with little work experience. Over half of these accidents were caused by employees with less than six months of work experience, so we have positioned the enhancement of introductory training as a key measure for 2017.



Mental and Physical Health Initiatives

In order to maintain and improve the mental and physical health of its employees, Mitsubishi Motors prioritizes two key measures: guidance on preventing lifestyle-related diseases and measures for maintaining good mental health. In particular, as mental health issues account for over half of employee absences, we have taken a step beyond prior initiatives and advanced our prevention-oriented mental health programs. We arrange face-to-face sessions with industrial doctors or counselors for employees who are deemed to be under a high degree of stress based on stress check evaluation results. We carry out evaluations of stress levels at each workplace and are working to further improve mental healthcare and workplace environments. We are also creating environments where employees can discuss their concerns with ease. In addition to the outside counselors available for consultation, we have added other consultation routes such as lawyers and tax accountants. The number of employees who took sick leave due to the onset of mental illness fell by around 20% in 2015, but increased by around 40% in 2016. Approximately 80% of these were due to work-related concerns. As a result, we are taking key initiatives such as providing care for individuals, promoting care for subordinates by superiors, and improving the workplace environment.

Shortening Total Working Hours

Mitsubishi Motors works on shortening total working hours in order to promote and establish work-life balance. Together with improving work efficiency, we implement measures for leaving work on time and making it easier to take paid leave, such as newly establishing "Premium Fridays" from 2017, to promote the creation of workplaces that allow a variety of working styles.

Examples of initiatives

- Establishing every Friday as "No Overtime Day" where employees are encouraged to leave work on time
- Setting the last Friday of each month as "Premium Friday" where employees are encouraged to leave office by 3 p.m.
- Establishing days on which employees are encouraged to take paid leave (14 days annually*3) and encouraging "Plus One Leave" where employees can have long weekends by combining leave with weekends
- Prohibiting work after 8 p.m. in principle, and holding activities to raise awareness of exercising self-control to not make phone calls or send emails after office hours
- Making progress visible by counting and internally disclosing overtime hours and paid leave taken by each division
- Training managers in areas such as management of working hours and compliance with the Labor Standards Act and overtime work agreements (commonly known as the "36 Agreement" after Article 36 of the Labor Standards Act)
- Partially revising*4 our telecommuting system and encouraging employees to use it
- Actively encouraging employees to use our half-day leave system and our flextime system, which we recently revised to remove the core time requirements

*3 Mainly by encouraging employees to take paid leave on public holidays which are working days in Mitsubishi Motors' work calendar

*4 Includes doubling the maximum hours allowed from 40 to 80 hours each month and allowing employees to work at relatives' homes as well as their own home

Social Initiatives



Employee Initiatives/ Creating an Environment where Each and Every Employee Can Excel



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. We are working to create environments that value employee diversity, are easy to work in, and foster employee enthusiasm.

Promoting Diversity

In July 2014, Mitsubishi Motors formulated its Diversity Promotion Policy to spearhead efforts to promote and achieve diversity.

Diversity Promotion Policy

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



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 the strength to overcome even the toughest challenges to achieve goals, thus acting as a new driving force for the company.

Diversity Report

We launched the Diversity Report, a diversity journal, to inform those both in and outside the company about our diversity promotion activities. This journal explains the company's reasons for promoting diversity, including basic information on diversity, through a variety of messages and case studies.

The latest issue, released in November 2016, was titled Special Issue on Feedback from Employees. This Special Issue presented words from employees of diverse ages and positions, and also featured a special report on Mitsubishi Motors Thailand, one of our main overseas sites, to deepen cross-cultural understanding within the company. Besides this, it promoted diversity in the workplace by presenting case examples with themes such as employees with disabilities, work-life balance, and nursing care. We will continue to publish the Diversity Report, focusing on a wide range of diversity-related issues.

Promoting Women's Participation and Advancement in the Workplace

Mitsubishi Motors promotes women's participation and advancement in the workplace as a priority issue. In fiscal 2016, we conducted the "Women Leader Development and Support Program" for women at the assistant manager level.

The percentage of women at the management level is about six times higher than 10 years ago (2007). As of July 2017, it stood at 2.9%, or 49 women, of which six are general managers. Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, we formulated an action plan to promote women's advancement and set 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.

Work-Life Balance Initiatives

We are enhancing our work-life balance support program to accommodate the diverse work styles of our employees. We are working to create an environment where diverse employees can maximize their abilities through various measures. In fiscal 2015, we introduced a new telecommuting system and accompanying leave program in order to accommodate diverse work styles and life events, and, in fiscal 2016, we extended the maximum length of nursing care leave and reduced working hours for nursing care from a total of two years to a total of three years. We also recently extended the permitted hours for the telecommuting system from 40 hours to 80 hours.

Major programs to promote work-life balance

Programs		Overview	Number of program users*1		
			Male	Female	Total
Childcare	Pregnancy leave	Can be taken once for a certain term during the period after becoming pregnant until entering into maternity leave	-	7	7
	Maternity leave	Six weeks prior to birth and eight weeks after birth	-	64	64
	Childcare leave	Can be taken up to the end of April of the following fiscal year after the child's third birthday	3	99	102
	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)	90	165	255
	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 flexitime system is also available)	5	141	146
Nursing care	Nursing care leave	Aggregate total of three years can be taken per person receiving nursing care	0	0	0
	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)	98	27	125
	Reduced working hours for nursing care	Available for an aggregate total of three years per person receiving nursing care, with the choice of four-, five-, six-, or seven-hour work shifts (combined use with the flexitime system is also available)	0	0	0
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	64	21	85
	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)	468	28	496
	Flexitime system	System that lets employees set their own working hours with no core time under predefined conditions on prescribed work days	4,104	891	4,995
	Telecommuting system	Employees can work remotely using their own work PC at home (limited to a maximum of 80 hours per month)	14	50	64
	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 reason recognized by the Company, with an applicable period within five years after resignation	0	2	2
	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	0	6	6

*1 Program user data for fiscal 2016. The accumulation of unused paid leave figure indicates actual results for the period from January to December 2016. The flexitime figure indicates the number of users as of April 1, 2016.

Feedback from a program user

I took nine months of accompanying leave when my husband was stationed in the United States. After returning to Japan, I returned to the same workplace I was in before taking leave, performing the same work. I was welcomed back warmly by my colleagues, who said they had been looking forward to my return. Before, my only choice would have been to resign when my husband took a new post, but thanks to this system I am able to keep on working at Mitsubishi Motors, for which I am very grateful.

I made many discoveries during my stay in the United States while I accompanied my husband. One of these was that Americans truly value work-life balance. I was familiar with the expression, but while living in the United States I gained a deeper appreciation of its importance. I hope that Japan can achieve a good work-life balance as well.



Chiho Hirasuga
Global Marketing & Sales Division,
Overseas Marketing Planning
Department

Helping employees to balance work and childcare

Mitsubishi Motors actively supports employees who seek to balance work and childcare.

From fiscal 2015, the company has held get-to-know-you lunch meetings at its head office between employees on childcare leave and those who are working on a reduced schedule for childcare. These meetings relieve the anxieties of those returning to work from childcare leave, reduce the worries unique to those performing childcare duties, and provide an opportunity for employees to network with others. The get-to-know-you lunch meeting held in fiscal 2016 was attended by around 100 employees. For those on childcare leave, it also was an opportunity to meet and communicate with their boss while visiting.

In addition, we have continued to hold 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. These training sessions are conducted by outside instructors. In fiscal 2016, training sessions were held at two business sites (the company head office and Okazaki) with about 50 participants. Outside instructors taught employees raising children about how to achieve a long-term career after transitioning from reduced working hours to full-time. Meanwhile, they taught bosses how to manage amid an increasing number of employees raising children or on childcare leave. From fiscal 2016, we have provided e-learning for employees raising children while working in remote locations, as well as for their bosses. These e-learning classes have been taken by about 40 employees.

“Dia Kids Okazaki” permanent day-care center opened in Okazaki

Mitsubishi Motors works to create various environments in which diverse employees can maximize their individual abilities. In addition to programs such as flextime and telecommuting systems, we are enhancing our measures for work-life balance, such as childcare leave and reduced working hour systems for childcare. In April 2017, we opened the Dia Kids Okazaki permanent day-care center as part of our efforts to create environments where employees can work with peace of mind while raising children.

The day-care center is warm and hospitable, filled with light from its full southward-facing windows, and it is generously appointed with wooden furniture and toys. The nursery staff are joined by a dedicated full-time nutritionist who can accommodate even children with allergies with hand-prepared meals and snacks.

In addition to the above permanent day-care center, temporary day-care centers have been opened at four sites (the company head office, Okazaki, Kyoto, and Mizushima) for company work days which fall on national holidays. This system enables employees raising children to work with peace of mind on holidays when necessary.



Helping employees to balance work and nursing care

As birth rates decline and society ages, we must not only support childcare as a company, but also a balance between work and nursing care.

In fiscal 2015, we set up a nursing care consultation counter staffed by nursing professionals to help alleviate employee concerns about nursing care. We also have been holding nursing seminars presented by outside instructors at four business sites (the company head office, Okazaki, Kyoto, Mizushima) on basic knowledge employees should know about balancing work and nursing care, such as the circumstances of and preparation for nursing care and the system of nursing care insurance. About 220 people attended the seminars held during fiscal 2016.



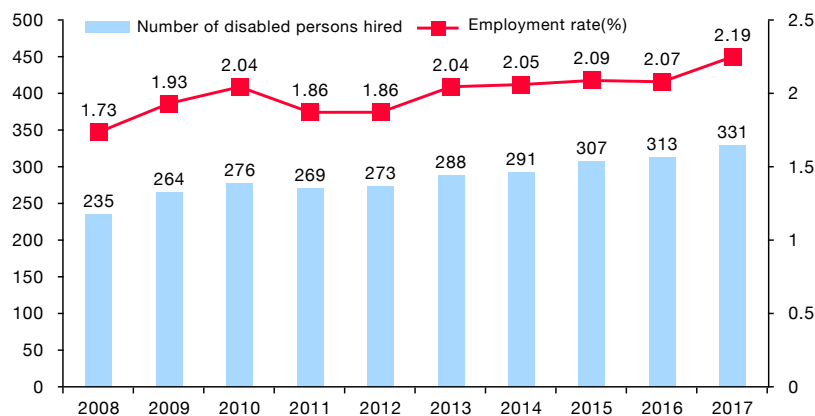
Promoting reemployment of elderly persons

With the goal of handing down skills and technologies and securing a robust workforce, Mitsubishi Motors operates a program to reemploy elderly persons after retirement. As of March 2017, about 600 employees have enrolled, and they are handing down techniques and training the next generation. We will continue to create a work environment where senior employees can make a significant contribution.

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. The percentage of employees with disabilities at Mitsubishi Motors as of April 2017 was 2.19% (the legally mandated employment ratio is 2.0%) and we will continue to promote additional employment while improving the work environment. We also promote the employment of people with disabilities through MMC WING, a special-purpose subsidiary established in April 2007, which employs 47 workers with intellectual disabilities at the Okazaki and Mizushima plants. Now entering its 11th year since 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, as in the past, 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 guidance on group behavior and how to go about work.

Employment of People with Disabilities*2



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

Surveys on Employee Attitudes

We believe that feedback from actual employees is essential to creating environments in which they can maximize their individual abilities. Since fiscal 2013, we have conducted surveys of employee attitudes to identify issues affecting the company, organizations, and individual employees. The survey results are used as reference indicators for improving awareness and operations at each workplace.

In fiscal 2016, guided by the example of measures implemented by Nissan Motor Company, our alliance partner, we conducted an online survey of around 7,000 employees with personally assigned computers. Action plans for addressing the issues identified through this survey will be formulated under the leadership of corporate general managers and then carried out.

We plan to continually improve our organizational culture by establishing a cycle of conducting surveys of employee attitudes on an annual basis and systematically addressing the problems identified.

Social Initiatives



Employee Initiatives/ Dialog between Labor and Management



Approach to Labor-Management Relations

Mitsubishi Motors supports the basic principles of the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises 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 2017, our labor union had 11,935 members (excluding reemployed senior staff), accounting for 99% of general employees excluding officers and management.

Relationship with Labor Union

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 2016, 65 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 discussion.

Social Initiatives



Employee Initiatives/Human Resource-related Data

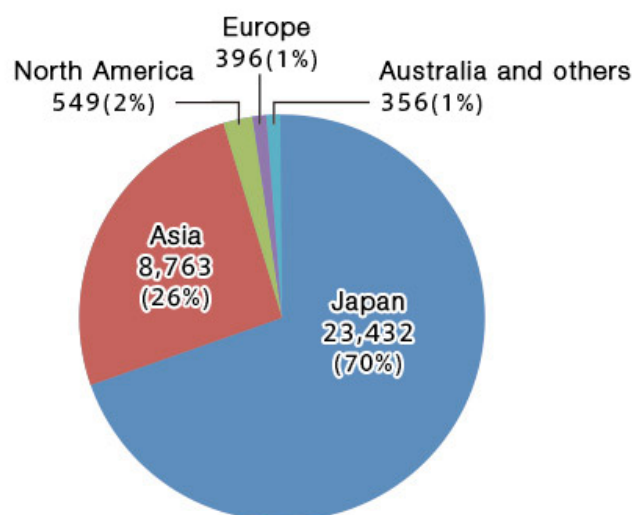


Number of Employees

		Fiscal 2014	Fiscal 2015	Fiscal 2016
Number of employees (non-consolidated)	Total	12,848	13,033	13,222
	Male	11,663	11,806	11,932
	Female	1,185	1,227	1,290
Number of employees (consolidated)		30,498	29,555	29,604
Number of temporary workers (consolidated)		5,324	4,515	3,892

Each figure represent the figure as of end of each fiscal year

Number of Employees by Region: 33,496 (consolidated)



Figures for the number of employees are as of March 31, 2017

Employee Makeup (non-consolidated)

		Fiscal 2014	Fiscal 2015	Fiscal 2016
Average age*1	Male	40.7	41.4	41.1
	Female	37.7	38.6	38.3
Average years of service*1	Male	17.1	16.9	16.7
	Female	12.6	12.5	12.3
Number of employees who have left the company(total)		370	511	665
Retirement		166	276	221
Voluntary resignations		174	205	421
Involuntary resignation		0	3	8
Work transfer, other		30	27	15

*1 As of end of each fiscal year

Number of New Graduates Hired

		Fiscal 2014	Fiscal 2015	Fiscal 2016
New graduate hires	Total	308	335	338
	Bachelor/master degree or above	194	233	230
	Junior college/vocational school graduates	4	1	2
	High school graduates/other	110	101	106

Working Hours and Ratio of Paid Leave Taken

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Total working hours per person/per year	2,124hours	2,116hours	2,093hours
Overtime worked per person	350hours	330hours	328hours
Ratio of annual paid leave taken	82.2%	79.9%	81.6%

Number of Persons Taking Childcare Leave and Retention of Returnees

		Fiscal 2014	Fiscal 2015	Fiscal 2016
Number of persons taking childcare leave	Total	53	111	86
	Male	1	3	3
	Female	52	108	83
Retention of returnees*2		100.0%	86.3%	91.9%

*2 Ratio of employees retained since returning to work three or more years ago.

Status of Female Management Promotions

		As of July 2016	As of July 2017
Number of female managers*3	Persons	45	49
	Ratio	2.7%	2.9%
	General manager or above	3	6
Number of female executives*4	Persons	2	2
	Ratio	4.3%	5.1%

*3 Excludes employees dispatched to other companies.

*4 Number of female executives includes outside directors and auditors.

Salaries

Salaries are determined by taking into account industry salary levels in compliance with local laws and regulations in both Japan and abroad and based on job responsibilities. Within each corporation, there are no disparities in salary based on reasons such as race, nationality, or gender.



Activity Policy: Overview

Drive@earth



Corporate Citizenship Activity Policy

Mitsubishi Motors contributes to society focusing on the four key themes based on its corporate philosophy: support for the next generation, traffic safety, environment preservation, and participation in local communities.

During the three-year period of our mid-term business plan "New Stage 2016," we aimed to summarize the corporate citizenship activities undertaken separately by each of our domestic and overseas Group companies and promote them as a group on a global basis.

As part of our information disclosure efforts, we have put in place a system to gather information from our Group companies. The gathered information is then posted on our website.

From fiscal 2017, we will further strengthen the ties within our Group companies by sharing our Corporate Citizenship Activity Policy across the Group. Meanwhile, we will continue to engage in region-appropriate corporate citizenship activities centered on employee participation, as we think that employees can grow by increasing their interest and sensitivity to social issues and by actively taking part in such activities.

Corporate Citizenship Activity Policy

- Support for the next generation**
Supporting the education of the next generation to create a prosperous future
- Traffic safety**
Contributing to traffic safety education and the spread of safe driving to strive towards a zero-accident society
- Environment preservation**
Contributing to the preservation of our precious global environment
- Participation in local communities**
Contributing to the revitalization and development of regional communities

Social Contribution Expenditure*1

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Expenditure	Approx. ¥370 million	Approx. ¥380 million	Approx. ¥380 million
Social contribution expenditure as a ratio of ordinary income	0.30%	0.36%	0.94%

*1 Includes 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.

Breakdown of Social Contribution Expenditure

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Donations	¥292 million	¥288 million	¥272 million
Support for disaster-stricken areas	¥17 million	¥22 million	¥24 million
Other*2	¥58 million	¥67 million	¥87 million
Total	¥367 million	¥377 million	¥383 million

*2 Expenses for corporate citizenship activities planned and managed by Mitsubishi Motors on its own or in cooperation with NPOs.

Mitsubishi Motors STEP Funds



The Mitsubishi Motors STEP Funds, started in April 2009, operates under the slogan "better for 100 people to each take one step than for one person to take 100 steps alone." Through the fund, employees can make regular social contributions by voluntarily donating a fixed sum to the fund each month. These funds are then used to support five activities in the four fields of "support for the next generation," "traffic safety," "environmental preservation," and "disaster assistance." (As of March 31, 2017, 3,164 employees are participating in this fund)

Companies participating in Mitsubishi Motors STEP Funds

- Mitsubishi Motors Corporation
- Mitsubishi Automotive Engineering Co., Ltd. (MAE)
- MMC Technical Service Co., Ltd.
- Mitsubishi Automotive Logistics Technology Co., Ltd.
- Pajero Manufacturing Co., Ltd., (PMC)

Matching Gift Program

In fiscal 2016, we started the matching gift program, where the company matches donations made to NGOs and other bodies by the Mitsubishi Motors STEP Funds, which consists of employee donations.

Together, our employees and the company donated a total of 4.1 million yen to three organizations in fiscal 2016. The supported organizations are as follows;

- World Vision Japan
- OISCA International (The Organization for Industrial, Spiritual and Cultural Advancement-International)
- The MICHINOKU Future Fund

Mitsubishi Motors' Corporate Citizenship Activities Blog



Corporate citizenship activities performed by the Mitsubishi Motors Group are told through the eyes of the people in charge. The blog is easy and fun to read, featuring day-to-day activities and inside stories. (Only in Japanese)



Support for the Next Generation



Supporting the education of the next generation to create a prosperous future

Automobile Information Service for children

Every year since 1993, Mitsubishi Motors has set up the Elementary School Automobile Information Service from summer until autumn, a period when fifth grade students learn about the automotive industry in social studies classes.

Students ask questions such as "Why is a steering wheel round?" "How long does it take to make one car?" and "How does an electric car drive?"

In fiscal 2016, we answered 64 inquiries.



"Let's Learn about Making Cars" pamphlet for children

We distribute this free teaching material for fifth grade students learning about the automotive industry during social studies classes.



Kids' Car Museum

Elementary school students can enjoy learning on our website by exploring a virtual tour of our plant. This is an effective learning tool when used with the pamphlet prepared for elementary school students.



Hands-on lessons program

Head Office Okazaki Kyoto Shiga Mizushima PMC

Based on the idea of helping children to enjoy learning by experiencing the “real thing,” Mitsubishi Motors has been working with local boards of education since 2005 to dispatch employees to elementary schools. As a part of a social studies class for fifth graders, employees conduct classes about the environment to teach students about the relationship between cars and environmental problems, and our designers give classes on car design. In fiscal 2016, 2,833 students attended these classes at 42 schools. Approximately 32,000 children have participated in these classes since 2005.



Feedback from a teacher

Through the hands-on lessons, the children learned about how vehicle manufacturers take the environment into consideration when making cars. They also got to ride in electric vehicles and were amazed at how quiet they are. By seeing and experiencing for themselves, I think this lesson will stay in the children's memories. Thank you for the valuable experience.

(Manabu Wakita, a teacher at the Shimizudai Elementary School in Shinagawa Ward, Tokyo)

Company learning visits

Head Office

We allow junior high school students to visit Mitsubishi Motors as part of school trips or for integrated studies in order to broaden their view of the future. This provides them with an opportunity to deepen their understanding about work.

In fiscal 2016, 73 junior high school students from 14 schools visited our head office. Approximately 1,100 students have visited us since 2002.



Feedback from a student

It was a valuable experience to learn about things such as how eco-cars work, the flow of product planning and development, and to actually ride on an *i-MiEV*. What really left an impression on me was the idea of being useful to customers and people in general. I also got to know that the *i-MiEV* is not just friendly to the environment, but can also assist disaster victims that don't have access to electricity. I think this is a product that can only be made because of the compassion of the people making it. I hope to put this experience to use in my life as a student and in my future endeavors.

(Third grade student at Daiyon Junior High School in Sakata City, Yamagata Prefecture)



KidZania

Mitsubishi Motors has been supporting KidZania Tokyo since October 2006 and KidZania Koshien (Osaka) since March 2009, running a Driver's License Testing Office and a Car Rental Agency at the pavilions. By getting the children to think and take action by themselves, we help them to acquire a zest for living and an interest in learning about the structure of society, while also promoting a cooperative and positive attitude and the ability to communicate.



Sports classes

Okazaki Mizushima

We are promoting local sports by offering classes to local elementary and junior high school students in sports such as baseball, softball, rugby, and soccer. In fiscal 2016, eight classes were conducted for a total of 546 students. We also hold rugby training throughout the year for local junior high and high school students after work hours and on holidays.



Feedback from an employee volunteer

Many children took part in our soccer classes, where they learned about the fun of exercising through soccer. I have been practicing hard ever since our team “Mitsubishi Mizushima FC” won the 52nd All Japan Adults Football Tournament in 2016 so that the team can reach greater heights. After seeing the smiles on the children's faces as they chased after the ball, I hope to continue working hard to show the children that we are the best amateur soccer team in the prefecture.

(Shota Takase, Quality Control Department, Mizushima Plant)



Child sponsorship

Through the NPO World Vision Japan, we seek to give children in developing countries a chance to grow and thrive by supporting local environmental improvement and development to help fight poverty. In fiscal 2016, approximately 1.3 million yen was raised through voluntary donations from employees and the company's matching gift program. Approximately 5.2 million yen has been donated since fiscal 2009.



©World Vision Japan

Feedback from a support recipient

Mitsubishi Motors has been supporting the healthy growth of children in 12 countries in Asia, Africa, and Latin America. For example, Emebet from Ethiopia has received an education and learned more about hygiene, and the overall level of education and hygiene for this region has significantly improved. I'd like to thank you for your support from the bottom of my heart.

(Yoko Kiyomi, Sponsor Service Unit, World Vision Japan)



Forest building block project

The project donates wooden building blocks made of Japanese cypress taken from forest thinnings in the Pajero Forest in Hayakawa-cho, Yamanashi Prefecture, to kindergartens and nursery schools. The goal of this project is to get children to exercise their creativity through play while feeling the warmth of wood. In fiscal 2016, we donated blocks to 40 kindergartens and nursery schools. The blocks have been donated to 163 kindergartens since December 2010.



Feedback from a donation recipient

"Look! There are lots of wooden building blocks inside the *Pajero!*" As the children play with the blocks, they notice the nice scent given off by natural cypress. "It smells nice!" When they were told that the blocks were given by Mitsubishi Motors employees, they exclaimed, "We need to treat them nicely!" It made me so happy. Thank you for bringing us the wooden building blocks and teaching the children about the spirit of charity.

(Kuniko Taniguchi, principal of Shishin Fukushima's Hanabusa Nursery School)



Kids Engineer Okazaki

Mitsubishi Motors sponsors the "Kids Engineer" summer vacation event (organized by the Society of Automotive Engineers of Japan, Inc.) where children can enjoy science and technology and make things through hands-on learning in a wide range of fields, particularly the automotive field.



Supporting Student Formula Japan Okazaki

Mitsubishi Motors supports Student Formula Japan (organized by Society of Automotive Engineers of Japan, Inc.) in which students compete for overall strength in manufacturing using vehicles that they conceive, design, and produce.

In fiscal 2016, 14 employees supported the event as competition staff.



Campaign to deliver picture books

Head Office Okazaki Kyoto Shiga Mizushima

We participate and support the campaign organized by Shanti Volunteer Association to deliver picture books to children in countries such as Cambodia and Laos, where there are few books published for children. In fiscal 2016, 100 employees and family members volunteered to localize Japanese picture books using stickers with local translations.



Supporting the Japanese Theater Group ENJUKU formed by Indonesian students

We have been supporting the activities of ENJUKU, a Japanese theater group formed by Indonesian students, since 2016. ENJUKU is a volunteer theater group mainly made up of university students in Indonesia who are studying Japanese. Currently, it also holds performances in Japan, and so we sponsor a portion of the expenses incurred for performances in Japan.



The Philippines: Distributing picture books and donating vehicles for mobile libraries

Mitsubishi Motors Philippines Corporation (MMPC), our production and sales company in the Philippines, supports activities by the NPO CANVAS to raise awareness of improving children's literacy and Filipino arts. Besides distributing picture books, MMPC donated a *Montero Sport* for use as a mobile library.



Puerto Rico: Supporting children in need of medical treatment

Between December 2016 and March 2017, Mitsubishi Motor Sales of Caribbean, Inc. (MMSC), our sales company in Puerto Rico, sold stickers to raise money. They raised 20,000 US dollars and donated these to the NPO San Jorge Children Foundation, which provides financial support to children in need of medical treatment such as surgery.



Indonesia: "We Care, We Share" project

Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI), our sales company in Indonesia, has been carrying out the "We Care, We Share (WCWS)" project since 2010. WCWS started as a fun learning program with employees inviting orphans over and acting as "parents for a day." Since fiscal 2014, the project has targeted elementary school students and has been helping to renovate schools. In fiscal 2016, MMKSI took part in a government plan to assist disaster-stricken areas, helping to restore three elementary schools.



Thailand: Riding Bicycles to Schools Project

Mitsubishi Motors Thailand (MMTh), our production and sales company in Thailand, donated 200 bicycles to 10 schools in Sa Kaeo Province in March 2017. Together with the Channel 3 television station, MMTh has donated more than 1,000 bicycles to students in Thailand as part of this Riding Bicycles to Schools Project.





Corporate Citizenship

Traffic safety



Contributing to traffic safety education and the spread of safe driving with the goal of a zero-accident society

Driving school Head Office sales companies

Mitsubishi Motors offers a driving school to learn driving tips as well as important information about cars and safety. The concept of this driving school is for both participants and staff to think and learn together while having an enjoyable time.



Traffic safety around business sites Okazaki PMC MAE

Mitsubishi Motors employees work as traffic guards in the early morning at major traffic intersections around our business sites. In fiscal 2016, a total of 1,603 employees took part in these activities on 52 occasions. Employees of Mitsubishi Motors Corporation and Mitsubishi Automotive Engineering Co., Ltd. (MAE) participate in the Mitsubishi Motors Safety Drivers Club on a voluntary basis. In fiscal 2016, the club donated half a million yen from its membership dues to the *Tokai Kotsu-Iji wo Hagemasu Kai* (an organization to cheer up children who have become orphans as a result of traffic accidents in the Tokai district) to help children become independent and to promote traffic safety.



Traffic safety picture book project

We donate traffic safety picture books (a set of six books) to elementary schools, nursery schools and libraries neighboring our domestic workplaces to teach children about traffic safety rules and manners in a way that is easy to understand.

We donated 918 books in fiscal 2016. In total, 4,338 books have been donated since July 2010.



Feedback from a donation recipient

Traffic safety is a pressing issue for elementary school children. At school, we teach everyone together using supplementary teaching materials and through giving lectures. The set of traffic safety picture books we received through Mitsubishi Motors STEP Funds allows children to learn at their own pace. I hope what they learn in the library and in the classrooms can help them in their daily lives outside the school.

(Hideo Fujii, principal of Gotenyama Elementary School in Shinagawa Ward, Tokyo)





Environment preservation



Contributing to the preservation of our precious global environment

Pajero Forest All business sites

Mitsubishi Motors is preserving and cultivating 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.

In fiscal 2016, under the direction of the Hayakawa-cho forest union, 90 employees and their families planted trees and trimmed undergrowth, while 85 new employees trimmed the undergrowth and maintained the waterfronts within the forest.



Feedback from a partner

At Pajero Forest, we have finished thinning the trees and planting new trees, and have now entered a phase where the forest will grow. Thanks to Mitsubishi Motors, the newly-planted trees are growing well, and the cycle of the forest is gradually returning. The local residents are filled with hope, as these activities not only restore the health of the forest but also bring life to the local community.

(Mizue Tanaka, Director for Environment Projects, Domestic Operations Division, OISCA Japan)



Children's Forest program

Through the OISCA, we support greening activities in 10 countries, including Thailand and Indonesia, to give children a love for nature by providing them with opportunities to plant and care for seedlings at their schools.

In fiscal 2016, we raised approximately 400 thousand yen through voluntary donations from employees and the company's matching gift program. This brings the total amount donated since fiscal 2009 to approximately 1.8 million yen.



©OISCA

Feedback from a support recipient

As natural disasters become a severe problem around the world, we carry out activities to plant and care for saplings together with children as part of efforts to prevent disasters or reduce their impact. It is our wish that through hands-on activities, we can nurture children who love their hometowns and the people around them, and who can act independently. We deeply appreciate the ongoing support from Mitsubishi Motors.

(Hazuki Moroe, Children's Forest Program, International Cooperation Division, OISCA Japan)



Exhibiting at EcoPro 2016 Head Office

Mitsubishi Motors exhibited at EcoPro 2016 International Exhibition on Environment and Energy (organized by Japan Environmental Management Association for Industry and the Nihon Keizai Shimbun, Inc.). Besides displaying our plug-in hybrid vehicle *Outlander PHEV*, we introduced our environmental initiatives under the themes "Action on Products," "Action on Plants and Dealers," and "Action on Cooperation with Society." We also explained to children visiting our booth how electricity can be supplied by EV/PHEVs, and conducted a workshop where they could think and learn about how to use electricity drawn from the vehicles in homes and at the places they visit. Approximately 270 children took part in the workshop over three days.



Biodiversity conservation activities Kyoto Shiga PMC

As part of our biodiversity conservation activities, we carry out activities such as nurturing indigenous species of plants within our plant premises, and removing alien species from the surrounding areas.

In May 2016, we offered *asarum caulescens* (a species of wild ginger) that had been planted at our Kyoto Plant to Kamigamo Shrine in Kyoto, and Pajero Manufacturing Co., Ltd. carried out the removal of the alien species *coreopsis lanceolata* (a species of tickseed) within Sakahogi-cho, Gifu Prefecture. In November, we removed alien plants found in the Sagiso Wetland within the premises of our Shiga Plant.





Participation in Local Communities



Contributing to the revitalization and development of local communities

Plant tours Okazaki Kyoto Shiga Mizushima PMC

At every plant in Japan, Mitsubishi Motors conducts plant tours so that people can experience a manufacturing plant where robots and people work. In fiscal 2016, approximately 38,000 people came to visit our plants.



Volunteer cleanup activities Okazaki Kyoto Shiga Mizushima PMC MAE

We conduct volunteer cleanups, such as cleaning roads and pulling up weeds, around workplaces in certain areas. In fiscal 2016, we conducted 113 volunteer cleanup activities with approximately 1,600 participants.



Inclusion into Okazaki *Gururi Hayameguri* bus tour Okazaki

Collaborating with Okazaki City's Sightseeing Promotion Department, we have included our Okazaki Plant's "PHEV World" and Mitsubishi Auto Gallery as industrial tourist spots in the existing Okazaki *Gururi Hayameguri* bus tour. We welcomed visitors from the bus tour for the first time in fiscal 2016. In fiscal 2016, we welcomed a total of 125 visitors over four tours.



Triathlon event management volunteers Mizushima

At the Kurashiki International Triathlon held in September 2016 and hosted by Kurashiki City in Okayama Prefecture, 26 employees participated as management volunteers. Before the triathlon, employee volunteers worked with local residents to cut weeds and trees along the bike course and load them onto collection vehicles. On the day of the triathlon, employee volunteers helped at the halfway point of the running course by guiding the athletes the correct way.



KURUMAZA theater group of employee volunteers Mizushima

The KURUMAZA theater group, formed by volunteers who work at the Mizushima plant, celebrated its 15th anniversary in July 2017. Under the motto of "we want to bring people smiles and emotions," the group gives theater performances mainly at healthcare facilities for the elderly. The group gave five performances in fiscal 2016, for a total of 91 performances since their beginning.



Feedback from a theater group member

It has been 15 years since the KURUMAZA theater group was formed. One constant over this time has been the cheerful smiles and praise from our leader. It brightens my day to see the smiles on the audience's faces and to see them so happy, and allows me to continue enjoying my time as a volunteer and building experience. Good fortune and happiness will come to those who smile. This year, I hope to keep working with the other members to bring smiles to our audiences.

(Marie Morita, Regulation Administration & Audit Department)



Support for workers with disabilities Head Office Okazaki Shiga

In response to requests from local governments and through a social welfare organization, Mitsubishi Motors has set up special days at its business sites for employees to buy food (breads, cookies, etc.) made by people with disabilities who are training to acquire practical job skills.



Feedback from a support recipient

Our users (people with disabilities) usually spend their time within the facility without interacting with the outside world. We really appreciate this initiative that allows them to go out into society and play a respective role. All the processes, from making to baking the bread, are done by the users. They also work out the day's earnings using calculators. Through selling bread, our users are slowly getting better at thinking and doing independently. We hope to continue broadening the range of things they can do on their own.

(Motoyo Satomi, sales trainer at the social welfare corporation GLOW)



Project to find beautiful villages in China GMMC

Our production company in China, GAC Mitsubishi Motors Co., Ltd. (GMMC), carries out activities under the theme of "finding beautiful villages."

Since fiscal 2016, GMMC has widened its search area, and a total of 430 participants visited 16 beautiful villages in six administrative regions, including Hunan Province and Shaanxi Province. The participants gave school supplies, scholarships, and daily necessities (such as clothing, books, and bags) totaling 60 thousand yuan (equivalent to approximately one million yen) to children in elementary schools.



The Philippines: Donation of *Strada* to Philippine Red Cross

In August 2016, Mitsubishi Motors Philippines Corporation (MMPC), our production and sales company in the Philippines, donated a *Strada* to the Philippine Red Cross. The turnover ceremony was attended by the Philippine Red Cross Chairman and CEO Richard J. Gordon. MMPC Chairman and CEO said in his speech, "We firmly believe the *Strada* will be of help to the Philippine Red Cross in its activities in outlying regions, as the *Strada* withstands rough weather and road conditions."



Indonesia: Rescue car assisting disaster-stricken areas

Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI), our sales company in Indonesia, has developed a rescue car based on the *Triton*, which has off-road driving capabilities. This rescue car is helping Blue Cross Indonesia and NGO Aksi Cepat Tanggap to deliver food to people facing harsh conditions in disaster-stricken areas.





Disaster Assistance Initiatives



Every effort is made to provide a wide range of support in response to large-scale disasters and emergency situations. This includes contributions through donations and volunteer work by employees.

Assistance for Recovery from the Great East Japan Earthquake

We would like to express our sympathy for those who suffered from damage or injury as a result of the Great East Japan Earthquake. Immediately after the disaster, we carefully listened to the needs of the disaster-stricken areas and carried out support activities by creating a mechanism to support them through our business and in our employees' daily lives. We will continue to provide long-term support under the theme of "Don't Forget/Stay Connected."

Talks about occupations



In cooperation with the Project YUI Consortium, Mitsubishi Motors has been sending employees to junior high schools in Ishinomaki City as part of career education aimed at getting junior high school students to understand the importance of having a job.

In fiscal 2016, we sent a car designer to talk about what he was thinking during his school days before starting work and about his current job, emphasizing his life experiences.

Feedback from an employee volunteer

Students who like cars and drawing participated in the event. I was moved by their serious expressions when looking at the sketch drawings, and I would be happy if this served as a springboard for them to discover something in themselves.

Personally, talking to the students and seeing for myself the kind of assistance being given to the disaster-stricken areas gave me a chance to think about the social meaning of making products.

(Atsushi Goto, Design Strategy & Planning Department)



Planting abundant forests as a "lifeguard"



Mitsubishi Motors supports the Morino Project, to create a lifeguarding tide embankment forest to protect against damage from tsunamis by using rubble from the Great East Japan Earthquake.

Our 88 employees also volunteered to take part in tree planting activities in April 2017. In total, 248 employees have participated since 2014.

Feedback from an employee volunteer



This was the first time I took part in the tree planting activities along the coastline of the disaster-stricken areas. I was at a loss for words when I looked upon the almost bare *Sennen Kibō no Oka* (knoll of a thousand years of hope), and was told that the height of the memorial monument is the same as that of the tsunami.

Although we will not see immediate results from this tree planting activity, it made me realize that we must continue to support these activities until the trees are large enough to safeguard lives.

(Taiga Zakimi, Administration Department, Okazaki Plant)

Hiring graduates from disaster-stricken areas

As part of our efforts to assist students from disaster-stricken areas, we have administered employment tests mainly to technical high school students in five prefectures (Aomori, Iwate, Miyagi, Fukushima, and Ibaraki) since fiscal 2011. In April 2017, we hired three graduates. In total, 98 graduates have been hired since fiscal 2011. They are now working hard with us in automobile manufacturing.

“Drink and Donate”



In May 2013, Mitsubishi Motors implemented a “Drink and Donate” program, which donates part of the proceeds from purchases made from 20 vending machines inside the head office. Since March 2014, we have been cooperating with Kirin Beverage Co., Ltd. to install a total of five beverage vending machines decorated with images of Tohoku specialties at all business sites. In fiscal 2016, we donated approximately 2.5 million yen, for a total of 9.6 million yen since the project began, to *YUI no Ie* (a childcare facility in Ishinomaki City operated by the Project YUI Consortium) and to the MICHINOKU Future Fund.

Feedback from an employee volunteer

It was when I went to buy water from the vending machine behind the showroom at the head office that I found a Michinoku Future Fund Communication pamphlet and discovered that Mitsubishi Motors was one of its supporters. I am the father of two children and I wonder who would support my children in the unlikely event that something should happen to me. That’s why I endorse the activities of the MICHINOKU Future Fund.
(Shin Ito, Europe A Department)

Giving disaster orphans the dream of higher education



Mitsubishi Motors provides a portion of employee donations to the MICHINOKU Future Fund so that children who were orphaned by the disaster don’t have to give up their dreams of receiving higher education. As of March 2017, approximately 640 students have received funding through this program. In fiscal 2016, approximately 2.4 million yen were raised through voluntary donations from employees and the company’s matching gift program. This brings the total amount donated since 2013 to approximately 7.9 million yen.



Sutenai Seikatsu (Reducing waste)



Since 2009, Mitsubishi Motors has reduced waste by collecting unused household items like postcards and stamps and making sure they aren’t thrown away. We also hold used book sales once a year at our head office and offices in Okazaki, Kyoto and Shiga to sell books, CDs, and DVDs donated by employees and local residents. The proceeds are used to support areas devastated by the Great East Japan Earthquake, as well as activities to help economically-disadvantaged children overseas. Approximately 370,000 yen was donated in fiscal 2016.

Major Support for Disaster-Stricken Areas

Fiscal 2016			
Time	Disaster	Assistance	Support Recipient
September	Landslide caused by 2016 Typhoon No. 10 in Iwaizumi-cho, Iwate Prefecture	Free loan of five units of <i>Outlander PHEV</i> and five units of <i>Delica D:2</i> .	Iwaizumi-cho, Iwate Prefecture
April	2016 Kumamoto Earthquake	<ul style="list-style-type: none"> Five million yen in donations. Free loan of 20 units of <i>Outlander PHEV</i>. Removal of debris at Minamiaso-mura by 26 employee volunteer 	Kumamoto Prefecture



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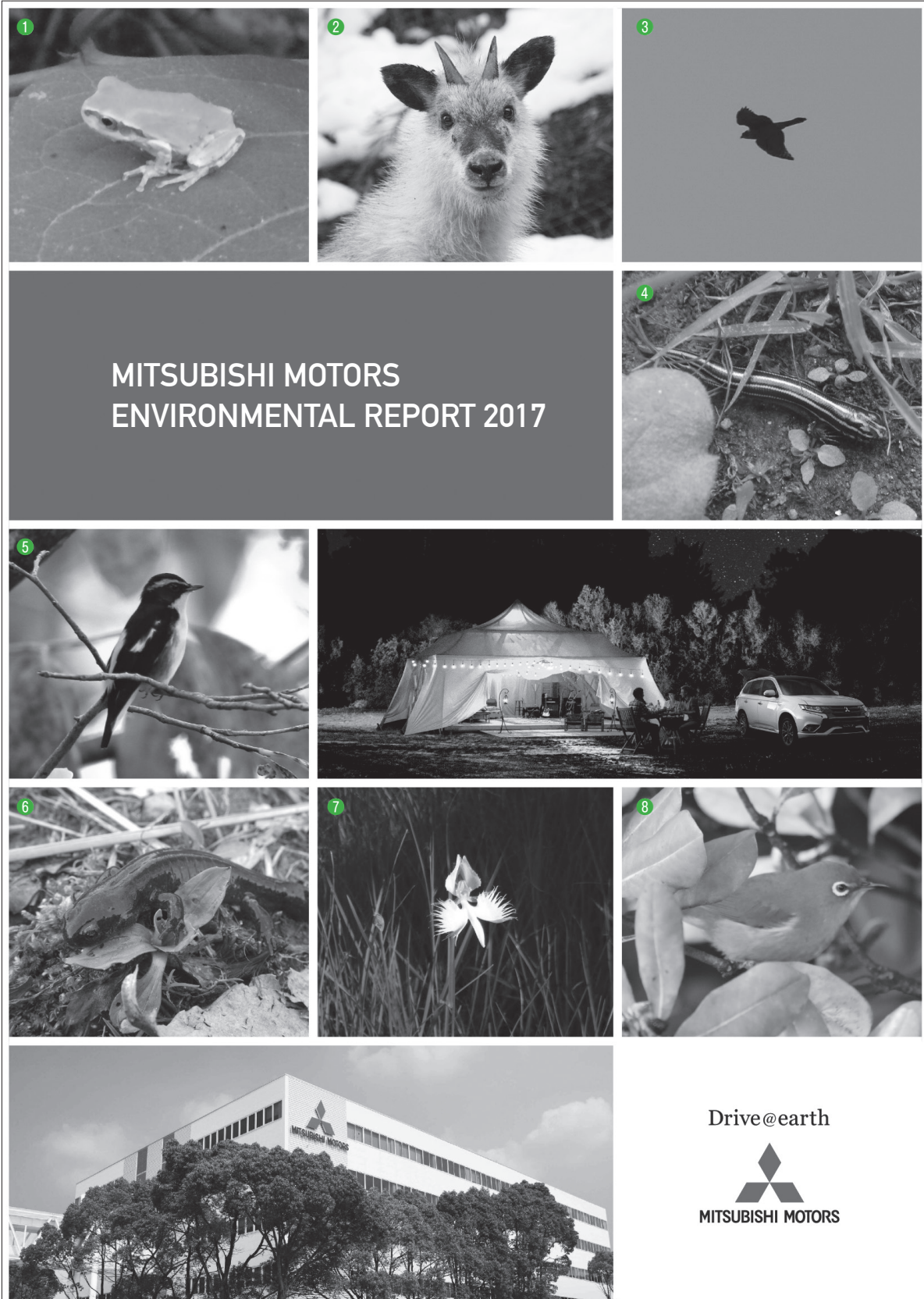
Drive@earth



The living creatures on the front cover

As part of our biodiversity preserving measures, we are conducting ecosystem studies at our domestic production sites. For details, please see: [Collaboration with Society > Initiatives for Preserving Biodiversity](#)

- ① Tree Frog (Okazaki Plant)
- ② Japanese serow (Kyoto Plant - Shiga)
- ③ Northern Goshawk (Okazaki Plant)
- ④ Japanese five-lined skink (Okazaki Plant)
- ⑤ Narcissus Flycatcher (Kyoto Plant - Shiga)
- ⑥ Clouded salamander (Kyoto Plant - Shiga)
- ⑦ White egret flower (Kyoto Plant - Shiga)
- ⑧ Japanese White-eye (Okazaki Plant)



Environmental Initiatives

Policies / Message from the Chief Environmental Strategy Officer

Drive@earth



Automobiles contribute significantly to society through their convenience. On the other hand, automobiles have an impact on the environment. As an automobile manufacturer, we believe it is our social responsibility to minimize this impact on the environment through all our business activities.

In order to fulfill this responsibility, we are working to develop electric vehicle technologies that contribute to reducing CO₂ emissions, while also improving the fuel economy of our gasoline and diesel engine vehicles. In addition, we work on decreasing our impact on the environment in all business activities including development, production, and service.

As promised in the "Mitsubishi Motors Group Environmental Vision 2020" announced in 2009, we will continue to contribute to society by raising the environmental performance of our products, centered on technological improvements to electric vehicles and plug-in hybrid vehicles. We will strengthen environmental measures in all areas of business, aiming to achieve a low-carbon society.



Masa Omid
The Chief Environmental Strategy Officer



Environmental Initiatives

Policies / Environmental Policy

Drive@earth



Mitsubishi Motors formulated the "Environmental Policy" that clarifies its initiatives for environmental preservation in corporate management.

Basic Policy

Mitsubishi Motors recognizes that protection of the global environment is a priority for humankind and as such makes the following pledges:

1. Taking a global perspective, we are committed to harnessing all our resources to achieve continuous reductions in the environmental impact of all our corporate activities, spanning development, procurement, production, sales, and after-sales servicing of vehicles.
2. As a good corporate citizen, we are committed to take actions that protect the environment at the level of local communities and society as a whole.

Behavioral Standards

1. We will endeavor to protect the environment by forecasting and assessing the environmental impact of our products at all stages in their life cycle.

<Priority Initiatives>

- Prevention of global warming by reducing emissions of greenhouse gases
 - Prevention of pollution by restricting emissions of substances harmful to the environment
 - Reduction of waste and maximizing efficient use of resources by promoting conservation of resources and recycling.
2. We will endeavor to improve our environment management practices as part of ongoing efforts to ameliorate the impact on the environment.
 3. We will comply with environmental regulations and agreements, and will work to protect the environment by establishing voluntary management targets.
 4. We will encourage our affiliates and suppliers, both in Japan and overseas, to cooperate in working to protect the environment.
 5. We will actively disclose environment-related information and will seek the understanding of local communities and of society at large.



Policies / Key Environmental Issues



Vehicles are convenient for transportation and logistics. On the other hand, vehicles have a major impact on the environment. While driving, vehicles consume fossil fuels such as gasoline and light oil. In addition, they emit gases such as CO₂, which is the cause of the global warming and the pollutants. The production of automobiles consumes resources and fossil fuels and also uses chemical substances which are a pollution risk to the environment.

Mitsubishi Motors, as a corporation that produces and sells vehicles, has been promoting environmental initiatives with particular emphasis on, recycling, resource conservation, environmental pollution prevention, and countermeasures against climate change caused by global warming.

Countermeasures against Climate Change

Climate change from global warming is thought to be behind the increase in natural disasters, rising sea levels, desertification, and the food shortage crisis. It is believed that the destruction of the ecosystem and damage to the human body caused by these phenomena will eventually put the human existence in danger. The Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) concluded that global warming during the 20th century is highly likely attributable to human activities.

Most vehicles move by burning gasoline or light oil. In the production phase of vehicles, energy such as power and gas are consumed. In this way, vehicles consume fossil fuels and emit CO₂, which is the cause of global warming, throughout their lifecycles. Most CO₂ emissions by vehicles occur during driving, so we anticipate regulations on vehicle fuel economy and CO₂ emissions will be stricter in each country and region. At the same time, due to the increasing tendencies for people to seek environmentally-friendly products, we believe that fuel economy performance will become more important when selecting a car. In addition, there is a possibility that fossil fuels will be unavailable for use due to the necessity of easing climate change, and in such case, there will be a risk in the procurement of fossil fuels.

Based on the above, the company is prioritizing effective energy use and the prevention of global warming, both of which act against climate change. The company released our "Environmental Vision 2020" in 2009, and we have been working on decreasing our energy consumption and reducing our CO₂ emissions for a pleasing and low-carbon society. We have set a CO₂ emissions reduction target and are reducing energy consumption by promoting the creation of electric-powered vehicles, improving fuel economy, increasing efficiency in our business activities, and introducing energy-efficient devices.

Furthermore, in response to increasing natural disasters due to climate change, we believe a power feeding function of electric-powered vehicles and plug-in hybrid vehicles such as V2X^{*1} will be one of the adaptation strategies.

*1 V2X : This refers to supplying power from the drive batteries of electric-powered vehicles to houses, buildings, or communities.

Recycling and Resource Conservation

The consumption of resources around the world tends to increase due to the rise in the world population and economic growth in emerging countries. In the production of vehicles, many resources are used, and in next generation vehicles such as electric-powered vehicles, in particular, many scarce resources including rare earth materials are used. Therefore, there are risks from resource depletion and difficulty in procurement.

Based on the above, the company regards effective resource use as our task and promotes initiatives for recycling and resource conservation. More specifically, we design products with a consideration for recycling and carry out recycling of end-of-life vehicles. In production, we work on the reduction of externally disposed waste.

Environment Pollution Prevention

Air pollution by nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM), along with soil and water pollution caused by heavy metals in waste water, impacts the health of humans and the ecosystem. Long-term risks of substances left in the environment without decomposing have become a significant concern.

Most of vehicles emit NOx and SOx due to engine combustion while driving. In production, in addition to emissions of NOx and SOx from combustion in boilers, volatile organic compounds (VOC) are emitted from the use of paint and solvents. Furthermore, since materials in vehicles contain environmentally hazardous substances, there is a risk of pollution throughout the entire lifecycle from production to disposal.

We believe that stricter regulations on the emissions performance of vehicles and management of environmentally hazardous substances will be enforced in each country and region going forward. We also believe it is important to consider the impact on the environment of waste water derived from business activities in regions with high water risk.

Based on the above, we have been promoting initiatives for the prevention of environmental pollution as a priority. For products, we are focusing on the development and diffusion of low-emission gas vehicles and the management and reduction of environmentally hazardous substances in materials. In production, we have been working on the reduction of VOC emissions released in the use of paints and solvents.



Policies / Environmental Vision 2020

Drive@earth



In fiscal 2009, Mitsubishi Motors formulated an "Environmental Vision 2020" based on its "Environmental Policy". The "Environmental Vision 2020" states our medium- to long-term policy for environmental initiatives across the entire group for a low-carbon society. The "Environmental Vision 2020" centers on the concept of "Leading the EV* era, toward a sustainable future. "We aim to create a sustainable future by pursuing environmental initiatives in technological development and business activities, spearheaded by EV technology. We aim to work with customers and society to create a clean and vibrant low-carbon society.

Achieving the Environmental Vision 2020

To achieve the goals of the "Environmental Vision 2020", we will focus our efforts in a three-pronged approach comprising "products & technologies," "business activities," and "collaboration with society."

Products & Technologies	<ul style="list-style-type: none"> • Promote development and application of EV technology • Reduce environmental impact during vehicle life cycle
Business Activities	<ul style="list-style-type: none"> • Step up corporate activities to promote widespread use of EVs • Raise level of environmental protection activities by setting new standards for each field of corporate activity
Collaboration with Society	<ul style="list-style-type: none"> • Create a pleasing and low-carbon society by working together with customers and society. • Step up contribution to protecting the global environment by environmental conservation activities with local communities

* EV: Electric vehicles, plug-in hybrid vehicles, and other electric-powered vehicles

Environmental Initiatives

Drive@earth



Policies / Environment Initiative Program

Mitsubishi Motors has formulated the Environment Initiative Program and defines overall targets for the Group to promote environmental initiatives. Until fiscal 2015, the period for each Environment Initiative Program had been five years. However, to make it easier to achieve the program goals, we are considering linking the content of the next Environment Initiative Program with the Mid-term Business Plan starting from fiscal 2017 and lasting for the next three years. We plan to put together the next Environment Initiative Program in autumn 2017, to span a period of three years. Fiscal 2016 was a transition period to the next Environment Initiative Program, and so we formulated a one-year program to work on. We achieved our targets in 18 items, such as reduction of vehicular running CO₂ emissions and reduction of CO₂ emissions in production. However, we did not achieve our targets in three items, including our target for EV/PHEV production ratio.

List of Results for Fiscal 2016

Products and Technologies

Evaluation ○:Achieved ×:Unachieved

Initiative	Fiscal 2016 Targets	Fiscal 2016 Results	Evaluation
Prevention of global warming			
Reduce vehicular running CO ₂ emissions	<ul style="list-style-type: none"> Reduce running CO₂ emissions by a global average of 19% (compared to fiscal 2005) 	<ul style="list-style-type: none"> 19.1 % reduction 	○
Enhance EV/PHEV product lineup and expansion of sales territory	<ul style="list-style-type: none"> Achieve EV/PHEV production ratio of 3.0% 	<ul style="list-style-type: none"> 2.7% 	×
Develop EV/PHEVs to reduce CO ₂ emissions	<ul style="list-style-type: none"> Promote the development of EV/PHEVs 	<ul style="list-style-type: none"> Promoted development of plug-in hybrid vehicles, and launched 2017 <i>Outlander PHEV</i> 	○
Develop and use technology that improves fuel economy	<ul style="list-style-type: none"> Pursue lightweight vehicles 	<ul style="list-style-type: none"> Pursued the production of lighter vehicles in the development of new vehicle models 	○
Recycling and resource conservation			
Develop new technologies for the recycling and reuse of EV/PHEVs and enhance relevant organizations and systems	<ul style="list-style-type: none"> Implement research into recycling technology for drive batteries 	<ul style="list-style-type: none"> Conducted research in new recycling technology (Japan, US, Europe) 	○
	<ul style="list-style-type: none"> Participate in field testing of battery reuse 	<ul style="list-style-type: none"> Conducted field testing for commercialization of battery reuse (Japan) 	
Improve recycling efficiency of used automobiles and parts	<ul style="list-style-type: none"> Achieve Japanese dealer repair/replacement bumper recovery rate of at least 34% 	<ul style="list-style-type: none"> 32.6% 	×
Prevention of environmental pollution			
Expand deployment of vehicles that emit little exhaust gas	<ul style="list-style-type: none"> Thoroughly comply with exhaust gas regulations 	<ul style="list-style-type: none"> Verified state of compliance with exhaust gas regulations 	○
Enhance management of hazardous substances in products	<ul style="list-style-type: none"> Promote compliance with environmentally hazardous substance regulations 	<ul style="list-style-type: none"> Conducted research into trends in various countries, and complied with revisions in regulations 	○

Business Activities

Initiative	Fiscal 2016 Targets	Fiscal 2016 Results	Evaluation
Prevention of global warming			
Reduce unit CO ₂ emissions in production	<ul style="list-style-type: none"> Reduce CO₂ emissions per production vehicle at Japanese and international plants by 30% (compared to fiscal 2005) 	<ul style="list-style-type: none"> 32% reduction 	○
Reduce unit CO ₂ emissions in non-production facilities	<ul style="list-style-type: none"> Reduce unit CO₂ emissions at non-production facilities by 20% (compared to fiscal 2010) 	<ul style="list-style-type: none"> 28% reduction 	○
Reduce unit CO ₂ emissions in logistics	<ul style="list-style-type: none"> Reduce CO₂ emissions per unit of transportation in Japan by 0.3% (compared to fiscal 2006) 	<ul style="list-style-type: none"> 3.4% reduction 	○
Recycling and resource conservation			
Conserve resources and recycle in production	<ul style="list-style-type: none"> Reduce externally disposed waste at Japanese plants by 46% (compared to fiscal 2005) 	<ul style="list-style-type: none"> 48% reduction 	○
Conserve resources and recycle in logistics	<ul style="list-style-type: none"> Reduce steel used per unit shipment volume at KD*¹ plants in Japan by 83% (compared to fiscal 2006) 	<ul style="list-style-type: none"> 91% reduction 	○
Prevention of environmental pollution			
Reduce hazardous substances generated in production	<ul style="list-style-type: none"> Reduce VOC*² per unit painting area to less than 35 g/m² (body and bumper painting) 	<ul style="list-style-type: none"> 37.9g/ m² 	×

Collaboration with Society

Initiative	Fiscal 2016 Targets	Fiscal 2016 Results	Evaluation
Spread of EV/PHEVs			
Enhance the charging infrastructure	<ul style="list-style-type: none"> Promote adaptation to smart charging systems 	<ul style="list-style-type: none"> Promoted response to implementation of smart charging systems 	○
Expand the use of EV/PHEVs	<ul style="list-style-type: none"> Promote initiatives for increasing of the value of EV/PHEVs 	<ul style="list-style-type: none"> Conducted research into actual state of V2H device usage 	○
Environmental preservation			
Promote activities to preserve biodiversity under our basic guideline	<ul style="list-style-type: none"> Conduct Ecosystem Survey in the Okazaki Plant 	<ul style="list-style-type: none"> Conducted Ecosystem Survey in Okazaki Plant 	○

Stronger Base of Implementation

Initiative	Fiscal 2016 Targets	Fiscal 2016 Results	Evaluation
Environmental management			
Promote LCA* ³	<ul style="list-style-type: none"> Examine disclosure of LCA results for models that were already assessed 	<ul style="list-style-type: none"> Disclosed LCA results for Triton on website 	○
Promote consolidated environmental management	<ul style="list-style-type: none"> Establish consolidated environmental management guidelines 	<ul style="list-style-type: none"> Expanded scope of companies for consolidated environmental management, and carried out selection 	○
Enhance environment-friendliness in purchasing	<ul style="list-style-type: none"> Encourage business partners to improve their management system for environmentally hazardous substances 	<ul style="list-style-type: none"> Revised Green Procurement Guidelines and deployed to suppliers 	○
Enhance environmental information disclosure and environmental communications	<ul style="list-style-type: none"> Enhance information disclosure according to GRI Sustainability Reporting Guidelines 	<ul style="list-style-type: none"> Expanded scope of disclosed information in Environment Report based on GRI guidelines 	○
	<ul style="list-style-type: none"> Set material issues for the environment 	<ul style="list-style-type: none"> Defining important issues regarding the environment (material issues) in preparation for discussions with experts 	

*1 Knockdowns (vehicles exported as parts for assembly at local plants)

*2 VOC stands for Volatile organic compounds

*3 LCA stands for Life Cycle Assessment, which is a technique for calculating the environmental impact of a product from manufacturing to disposal



Environmental Initiatives

Environmental Management / Environmental Organization

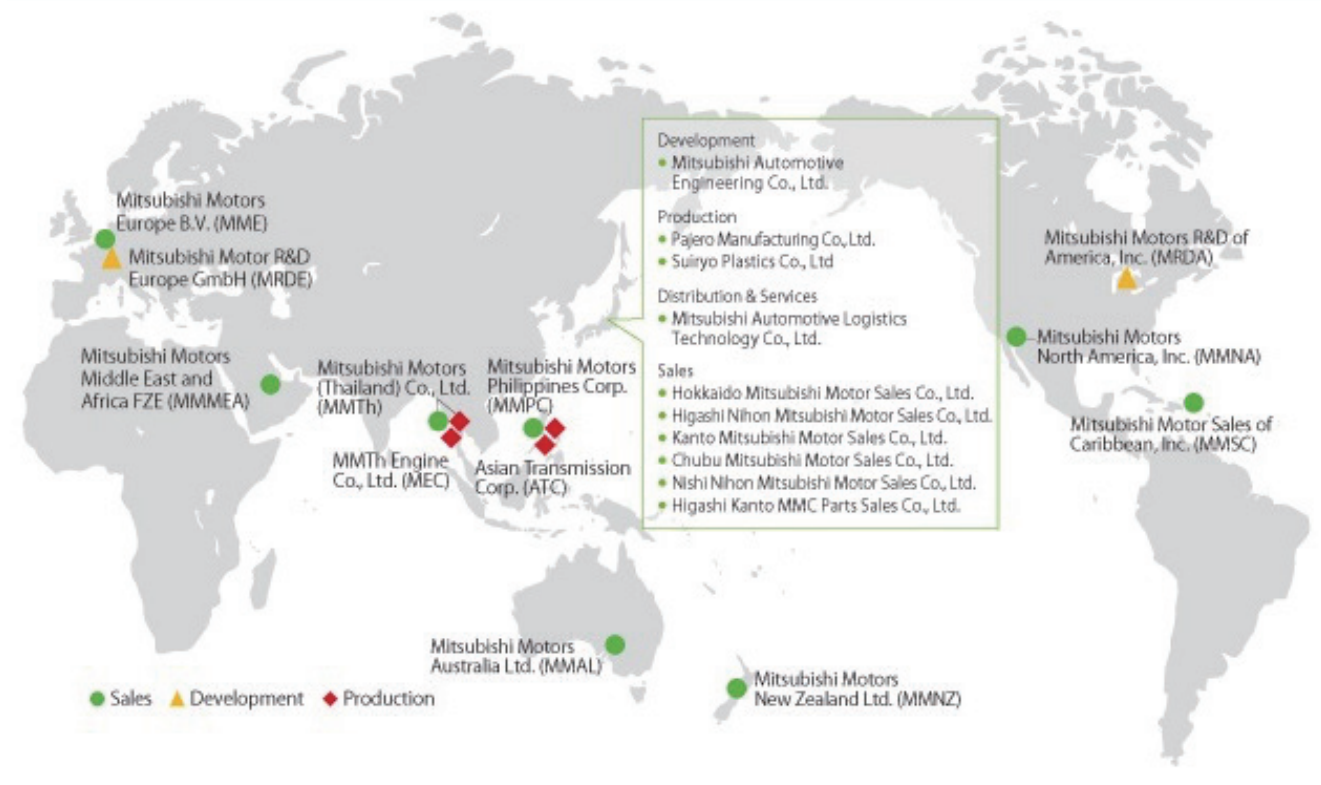


Mitsubishi Motors has been holding the "Environmental Council" since 1993. At the council, the President and other executive directors discuss environmental initiatives such as the medium- to long-term basic policy, targets, and implementation plans. They also check the progress and results of initiatives for the fiscal year. The proceedings of the Environmental Council are then reported to the Board of Directors.

Since we obtained ISO 14001 certification for the entire company in fiscal 2010, we have been encouraging environmental initiatives within each department—such as development, production, purchasing, and sales—to reduce the environmental impact at all stages of our vehicles' life cycles.

We have also built a framework to collect CO₂ emissions data at each domestic and overseas business site for production, development, and sales through regular reporting. We will continue to enhance our global environmental management systems by improving the efficiency and speed of data collection.

Covered Companies of Global Environmental Management (22 Domestic and Foreign Affiliated Companies)



Environmental Initiatives

Environmental Management / Environmental Management System



Mitsubishi Motors acquired ISO14001 integrated certification, and is promoting environmental initiatives on company-wide basis.

Major domestic and overseas affiliated companies also acquired ISO14001 certification. For the domestic dealers, we promote EA21*1 certification.

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

Environmental Management System Certification (Affiliated Companies and Dealerships)

ISO14001

Development	Production	Distribution & Services	Sales
Mitsubishi Automotive Engineering Co., Ltd.	Pajero Manufacturing Co., Ltd. Suiryo Plastics Co., Ltd. MMPC (Philippines) ATC (Philippines) MMTh (Thailand) MEC (Thailand)	Mitsubishi Automotive Logistics Technology Co., Ltd	Meinan Mitsubishi Motor Sales Co., Ltd.

Eco-Action 21

Sales	
Hokkaido Mitsubishi Motor Sales Co., Ltd. Higashi Nihon Mitsubishi Motor Sales Co., Ltd. Kanto Mitsubishi Motor Sales Co., Ltd. Chubu Mitsubishi Motor Sales Co., Ltd. Nishi Nihon Mitsubishi Motor Sales Co., Ltd. Tokai Mitsubishi Motor Sales Co., Ltd	Aomori Mitsubishi Motor Sales Co., Ltd. Ibaraki Mitsubishi Motor Sales Co., Ltd. Sunen Mitsubishi Motor Sales Co., Ltd. Kyoto Mitsubishi Motor Sales Co., Ltd. Shiga Mitsubishi Motor Sales Co., Ltd Sobu Mitsubishi Motor Sales Co., Ltd

Environmental Initiatives

Environmental Management / Environmental Education



Mitsubishi Motors educates its employees on its policy, initiatives and issues regarding the environment in order to encourage employees to take the lead in promoting environmental initiatives.

Environmental education is incorporated into training programs by job grades. We work to promote understanding of the relationship between environmental problems and business activities and of the social responsibility that companies are expected to fulfill.



Trainings

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

Systematic environmental education to improve employees' environmental awareness

■ Do! Fiscal 2016 Achievements

Environmental education was conducted during training for staff newly promoted to management level, as well as for technical employees during engineer training. In order to promote the acquisition of official environment qualifications, junior technical employees were sent to training sessions outside the company.

In Japan, June was designated as Environment Month. During this month, the President sent a message about our environmental initiatives, and we also held an Environment Month Children Drawing Contest to increase the environmental awareness of employees and their families. During the contest, we accepted drawings by our employees' children under the theme "beautiful nature," and awarded prizes to outstanding works.



Winning work for President's Prize

■ Check! Fiscal 2016 Self Evaluation

Environmental education was provided as planned.

■ Action! Future Issues and Plans

The company will continue strengthen environmental education.



Judging the children's drawings in the Environment Month Children Drawing Contest



Environmental Management / Environmental Risk Management



Mitsubishi Motors has learned from past cases of failing to comply with environmental regulations such as those aimed at preventing pollution. We make every effort to comply with relevant laws, and our dedicated compliance department supports other departments and confirms that they are complying with environmental regulations. We sincerely respond to complaints from neighboring residents after investigating the situation.

We clearly set roles and procedures in our legal compliance framework and Environment Management System to ensure compliance with laws and regulations. In the event that environmental laws and regulations are violated or an environmental accident occurs, 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, emergency measures, causes, and correction measures. Furthermore, we have been working to improve our environmental management system to prevent reoccurrence of incidents (improving work processes, enhancing the supervision system, and increasing employee awareness).

Fiscal 2016 Results

The compliance situation of Mitsubishi Motors and Pajero Manufacturing Co., Ltd. in FY2016 is as follows.

Two environment-related accidents occurred. Both were discovered by the company during regular inspections and were promptly reported to the respective prefectural and municipal offices.

There were no cases where the company was charged fines or penalties due to environmental accidents or violating laws.

Mitsubishi Motors and Pajero Manufacturing Co., Ltd. enhanced the day-to-day management of equipment and facilities and took measures to prevent future occurrences by sharing information about the accidents within both companies.

Fiscal 2016 Environment-Related Accidents

1. At Mizushima Plant, fluorocarbon gas was not recovered and instead disposed of due to a mistake in the model of the heat exchanger. This resulted in fluorocarbon gas being unintentionally released into the atmosphere.
2. At Mizushima Plant, due to overspill from heavy rains, the concentration of oil in waste water exceeded the level specified by Kurashiki City.

The company received one complaint about odor from our Kyoto Plant. We have been making efforts to reduce the odor from the corresponding facility, including the installation of a mist type odor eliminator.

Environmental Initiatives

Environmental Management / Environmental Accounting



In order to quantitatively assess environmental conservation costs and benefits, Mitsubishi Motors has introduced environmental accounting since 1998. It is based on the guideline published by the Japanese Ministry of Environment and the company's unique standard.

(1) Environmental conservation costs

Category		Main initiatives details	Fiscal 2016		Fiscal 2015	
			Investment (Million yen)	Cost (Million yen)	Investment (Million yen)	Cost (Million yen)
Business Area Cost	Pollution Prevention Cost	Preventing air pollution, water pollution and soil pollution	234	1,281	286	1,688
	Global Environmental Conservation Cost	Preventing global warming and the ozone depletion	311	13	883	6
	Resource Circulation Cost	Reduction, proper disposal and recycling of the waste	5	874	0	828
Upstream/Downstream Costs		Withdrawing used bumpers and corresponding automobile recycling law	0	1,851	0	1,928
Administration Activity Cost		Maintaining certification of ISO14001, educating employees and monitoring	0	706	49	620
R&D Cost		Research and development about reductions in environmental impact of products such as improving fuel economy and exhaust gas measures	1,358	34,651	964	33,535
Social Activity Cost		Hands-on environmental lessons, supporting global environmental activity, donation to environmental groups and disclosing environmental information	17	150	0	217
Environmental Remediation Cost		Compensation for environmental damage by business activities	3	79	0	23
Total			1,928	39,604	2,182	38,845

	Capital investment (100 Million yen)	R&D cost (100 Million yen)	Capital investment (100 Million yen)	R&D cost (100 Million yen)
<Reference>The group entire capital investment, R&D cost	581	890	690	787

(2) Environmental conservation benefit

Category	Environmental performance indicators (Units)	Fiscal 2016	Fiscal 2015	Benefit (Reduced volume)
Environmental conservation benefit related to resources input into business activities	Total energy consumption (thousand GJ)	6,010	6,442	432
	Energy consumption by transportation (thousand GJ)	267	308	41
	Input of PRTR-listed substances (t)	1,644	1,628	-16
	Input of water (thousand m ³)	3,439	3,805	366
Environmental conservation benefit related to waste or environmental impact originating from business activities	GHG(CO ₂) emissions (thousand t-CO ₂)	329	369	40
	GHG(CO ₂) emissions by transportation (thousand t-CO ₂)	18	21	3
	Transfer and release of PRTR-listed substances (t)	409	411	2
	Total waste (thousand t)	107	127	20
	Waste landfilled directly (t)	32	31	-1
	Wastewater volume (thousand m ³)	2,640	2,990	350
Other environmental conservation benefit	Transport volume (million t-km)	212	247	35

(3) Economic Benefit Associated with Environmental Conservation Activities (Actual Benefits)

Category	Details of Benefit	Fiscal 2016	Fiscal 2015
		Benefit (Million yen)	Benefit (Million yen)
Revenue	Operating revenue from the sale of recycled waste products and used products produced through key business	1,597	1,808
Cost Reduction	Energy expense saving through energy conservation	1,861	1,647
	Water expense saving through water conservation	13	-11
	Disposal cost saving through lower resource input or recycling	-18	178
	Packaging materials cost saving through recycling	251	322
Total		3,704	3,943

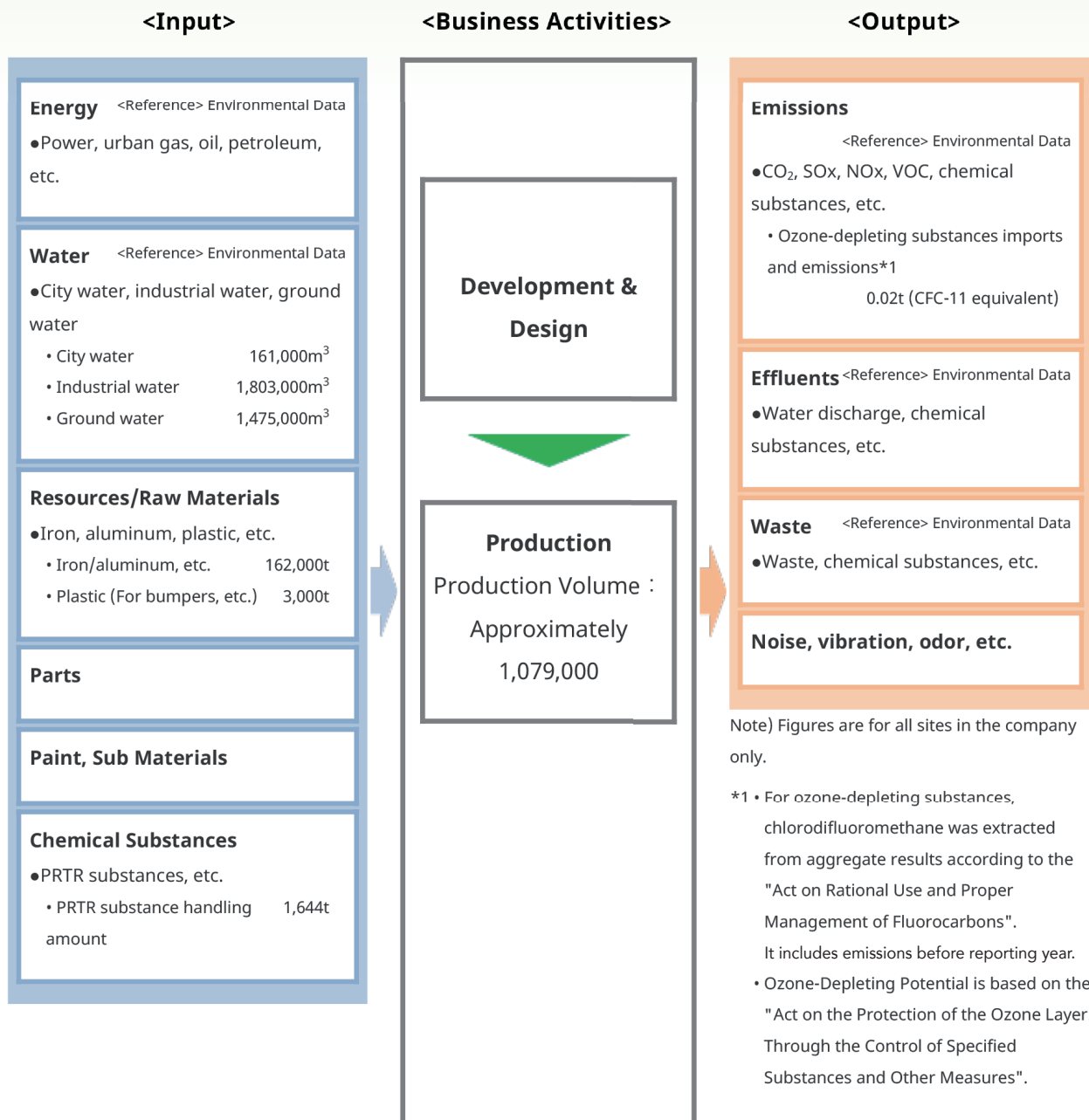
- Target sites : Mitsubishi Motors, Pajero Manufacturing Co., Ltd.
Following amounts cover only Mitsubishi Motors.
 - Energy input and CO₂ emissions through the transportation
 - Transportation volume
- Including summary by dividing
- Excluding depreciation
- In Table (2), minus sign "-" shows amount increasing.
- In Table (3), "Benefit" shows cost reduction compared to the previous year.



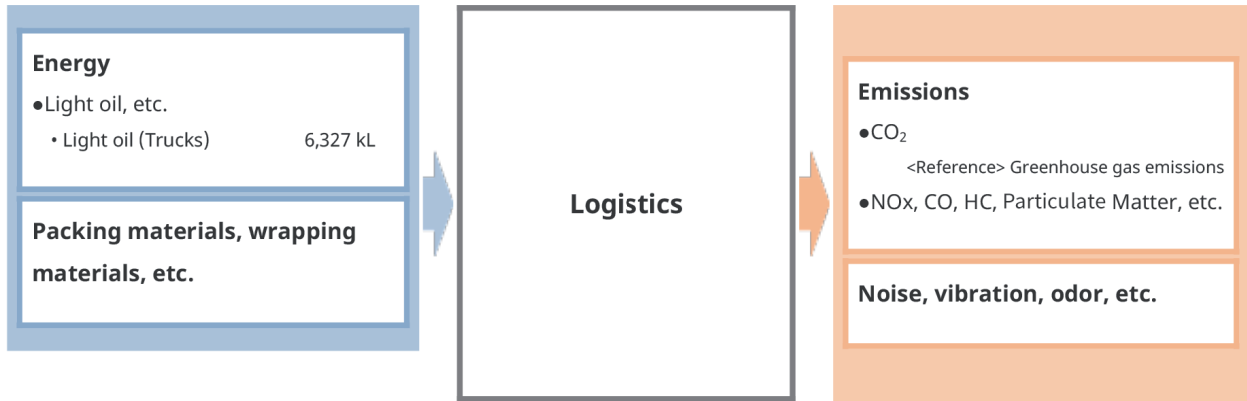
Environmental Management / Monitoring Environmental Impact within Supply Chain / Environmental Impact of Business Activities

FY 2016 Material Flow

Automobiles have impacts on the environment in all phases from development and design to disposal. Mitsubishi Motors makes efforts to understand the impacts on the environment in every single business activity as a corporation that produces and sells automobiles.



Note) Figures are for production sites in Japan.



Note) Figures are for consignment transport within Japan

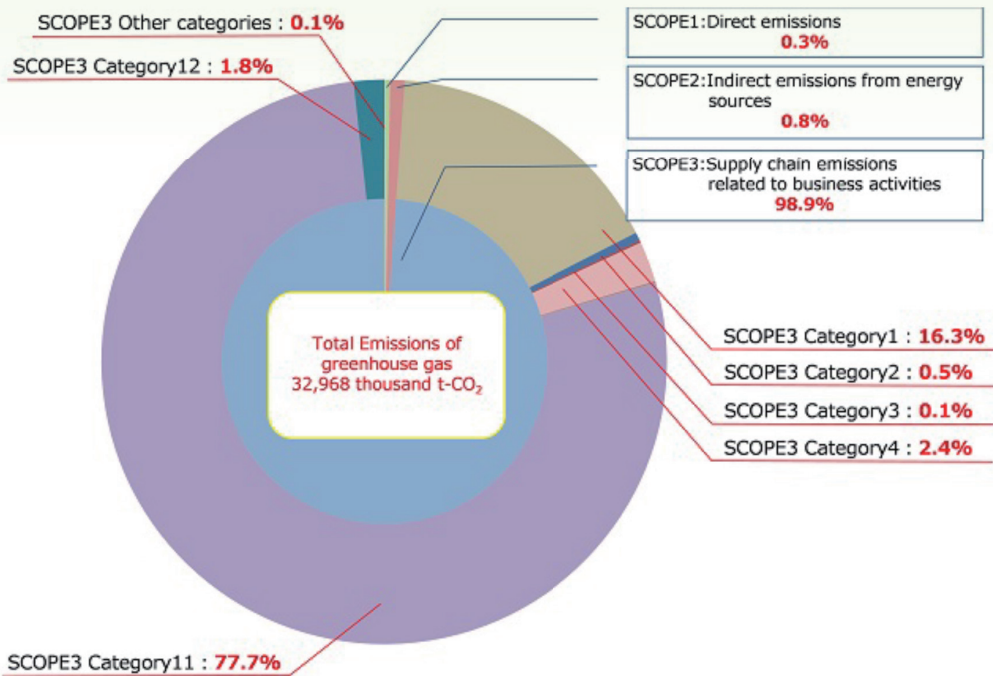




Environmental Management / Monitoring Environmental Impact within Supply Chain / Greenhouse Gas Emissions



Mitsubishi Motors calculated greenhouse gas emissions of entire supply chain related its activity in fiscal 2016. Total emissions were 32,968 thousand t-CO₂. Continuously, we will promote our monitoring of greenhouse gas emissions.



Breakdown of greenhouse gas emissions

Category list		CO ₂ emissions (thousand t-CO ₂)	Coverage	
SCOPE1	Direct emissions	104	consolidated	
SCOPE2	Indirect emissions from energy sources	271	consolidated	
SCOPE3	Category1	Purchased goods and services	5,390	consolidated (only production)
	Category2	Capital goods	159	non-consolidated
	Category3	Fuel-and energy-related activities (not included in scope 1 or scope 2)*1	42	consolidated
	Category4	Upstream transportation and distribution	772	consolidated
	Category5	Waste generated in operations	10	non-consolidated (only production)
	Category6	Business travel	4	consolidated
	Category7	Employee commuting	13	consolidated
	Category8	Upstream leased assets	–	–
	Category9	Downstream transportation and distribution	–	–
	Category10	Processing of sold products	–	–
	Category11	Use of sold products	25,623	all destination
	Category12	End-of-life treatment of sold products	575	all destination
	Category13	Downstream leased assets	–	–
	Category14	Franchises	5	some of dealers which are not affiliated
	Category15	Investments	–	–
	Subtotal	32,593		
Total		32,968		

*1 Including city water and industrial water



Environmental Management / Life Cycle Assessment (LCA)

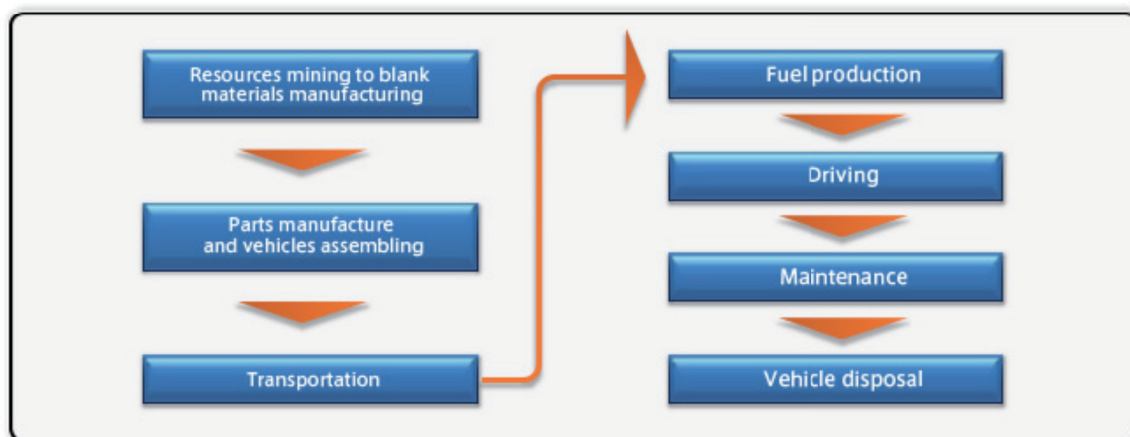


The LCA is an approach to quantify the environmental impact of a part or vehicle through all stages of its life cycle.

For automobiles, the LCA is used to examine the processes of mining natural resources for parts and materials, manufacturing materials and parts, assembling vehicles, driving vehicles, producing fuel, disposing the vehicle, and so on in order to quantify the carbon dioxide gas emitted from the respective processes as well as the physical quantities of other environmental items, which are then summed up and assessed.

With this method, Mitsubishi Motors gains a full picture of the CO₂ emissions of parts and vehicles throughout their life cycle. Thus, we use the LCA method to develop products with lower life cycle CO₂ emissions.

General automobile life-cycles in view of the LCA



Effectively utilizing the results of the applied LCA

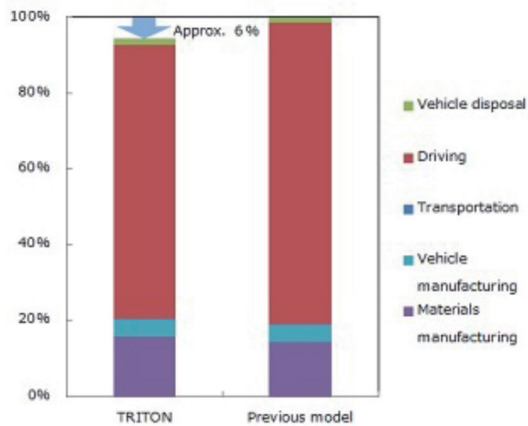
We use the LCA to develop environment-friendly parts, production technologies, electric-powered vehicles, and new model vehicles, and compares the life cycle CO₂ emissions with conventional parts and vehicles. The results are then used to determine whether further development is required, and to verify the effect of development.

Subjects and Purposes of the LCA

	Typical subjects of the LCA (Example)	Major purposes
Components and technologies	Parts and accessories made of plant-derived materials and production engineering	Determining whether further development is required.
	Body parts employing plastics	Verifying the effect of weight reduction
Vehicle	<i>Outlander PHEV</i>	Assessing the effect of improvement from the gasoline-driven vehicle platform Assessing the impact of element parts
	<i>Mirage, Triton</i>	Comparing the effect of improvement from conventional vehicles

LCA result of TRITON

Our assessment shows that over its life cycle the *TRITON*, launched in November 2014 produces lower CO₂ emissions than the previous model.



Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

Study disclosure of LCA results for models that have already been assessed

■ Do! Fiscal 2016 Achievements

Disclosed LCA results of TRITON, launched in November 2014.

■ Check! Fiscal 2016 Self Evaluation

Progress was made according to the initial plan.

■ Action! Future Issues and Plans

We will continue to conduct LCA and disclose information for newly developed vehicles and parts.

Environmental Initiatives

Products and Technologies / Reduction of CO₂ Emissions while Driving



Gasoline and diesel engines inevitably generate exhaust gases that contain large quantities of CO₂, a cause of global warming.

For the sake of the environment, Mitsubishi Motors is striving to reduce the CO₂ emissions caused by driving.

Mitsubishi Motors focuses on products and technology-related initiatives, recognizing the importance of developing technologies for improving fuel economy and electric-powered systems, as well as spreading the use of vehicles equipped with these innovative systems.

Development of electric vehicle technologies

We introduced our Electric Vehicle *i-MiEV* in 2009, and Plug-in Hybrid Electric Vehicle *Outlander PHEV* based on Electric Vehicles in 2013.

We are also developing electric-powered vehicles by improving drive batteries and enhancing motor efficiency toward the realization of the vehicles to be expected in the future.



Outlander PHEV

Development of improving fuel economy technologies

We are committed to developing technologies to improve the fuel economy of gasoline and diesel engines, which greatly contributes to the reduction of CO₂ worldwide.

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

- Market entry of improved *eK Space* and *eK Space Custom*
- Market entry of hybrid *Delica D:2*

■ Do! Fiscal 2016 Achievements

Market entry of improved *eK Space* and *eK Space Custom*

In December 2016, the minicars *eK Space* and *eK Space Custom* were significantly improved and introduced to Japanese market. These models come with turbocharged engines equipped with an Auto Stop & Go function (idling-stop mechanism), added with a coasting stop function that stops the engine when driving at speeds of 13 km/h and slower, thereby reducing the amount of fuel being consumed. This improves the fuel consumption rate (JC08 mode) by 0.2 km/l to reach 22.2 km/l for the 2WD model, and 20.4 km/l for the 4WD model.

Market entry of hybrid *Delica D:2*

A hybrid model of the compact minivan *Delica D:2* was added to the series and introduced to the Japanese market in January 2017. EV driving is made possible through the use of a parallel hybrid system - which comprises a dual-jet engine, drive motor, high-voltage lithium-ion battery, and 5-speed automatic manual transmission (5AMT) - to achieve a fuel consumption rate (JC08 mode) of 32.0 km/l.

■ Check! Fiscal 2016 Self Evaluation

We encouraged the reduction of CO₂ emissions through the release of the improved models of the *eK Space* and *eK Space Custom*, and the hybrid model of the *Delica D:2* into the market as scheduled.

■ Action! Future Issues and Plans

We will continue to expand our lineup of EV/PHEVs and promote their deployment around the world.



eK Space



eK Space Custom



hybrid *Delica D:2*

Environmental Initiatives

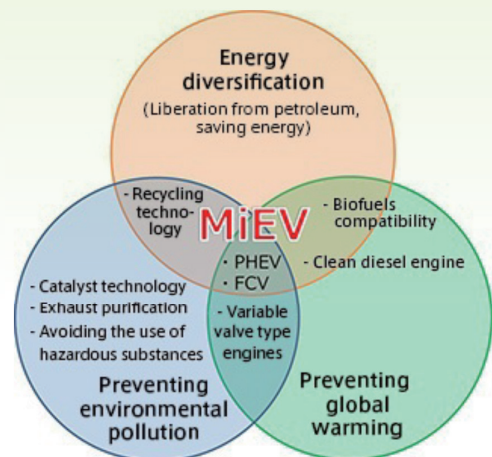
Products and Technologies / Development of Electric Vehicle Technologies



Vehicles are expected to be environmentally-friendly. This includes preventing environmental pollution and global warming, as well as diversifying energy sources from petroleum in recent years. Mitsubishi Motors strives to address these issues through initiatives such as improving the fuel economy of conventional engine-driven vehicles and developing clean diesel vehicles.

In particular, we position the electric vehicle technology incorporated in the MiEV*¹ series as our core technology for environmental friendliness, and we are committed to developing it further.

We would like to contribute to global environmental conservation by developing and promoting electric vehicles and plug-in hybrid electric vehicles featuring our electric vehicle technologies.



New values of Vehicle

Our EV/PHEVs are fitted with a large-capacity battery, which means that customers can connect their electrical appliances to use them even while on holiday or traveling. The batteries can also serve as an emergency source of electrical power in the event of disaster.*² (For the *Outlander PHEV*, a maximum of 10 days*³ of electrical power can be provided, including electricity generated by the engine*⁴.)

In addition, by adopting Vehicle to Home (V2H) technologies, which connect vehicles to the electrical supply of homes, batteries can be used for energy management or serve as an alternate power supply during power outages.

*1: MiEV: Mitsubishi innovative Electric Vehicle

*2: Please follow the instructions for each vehicle when connecting appliances.

*3: Calculated based on an approximate daily electric power consumption of 10 kWh for an average household (excluding conversion efficiency such as from V2H equipment)

*4: When connected to V2H equipment, the engine cannot be used to generate electricity

Environmental Initiatives

Products and Technologies / Development of Electric Vehicle Technologies / Electric Vehicle



Electric Vehicle *i-MiEV*

The Electric Vehicle *i-MiEV* is powered by an electric motor, and so it emits no exhaust gases such as CO₂ while being driven. In 2009, Mitsubishi Motors released *i-MiEV* as the world's first mass-produced Electric Vehicle.

i-MiEV has built up a remarkable reputation among customers for its many advantages over 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.



Electric Vehicle *i-MiEV*

Environmental Initiatives

Products and Technologies / Development of Electric Vehicle Technologies / Plug-in Hybrid Electric Vehicle



Plug-in Hybrid Electric Vehicle *Outlander PHEV*

Plug-in hybrid electric vehicles are powered by electricity stored in batteries. They use the engine to generate electric power when the battery level is low.

The Plug-in Hybrid EV System for the *Outlander PHEV* automatically shifts to the optimum driving mode for each running condition. "EV Drive Mode" uses electric power from the drive battery and is suitable for low to medium speeds in residential and urban areas. When the battery level is low, it shifts to "Series Hybrid Mode," which generates electric power using the engine. During high-speed driving, the vehicle shifts to "Parallel Hybrid Mode" driven by the engine and simultaneously assisted by the battery-powered motor.

Based on electric vehicle technology, the system has inherently lower CO₂ emissions than conventional gasoline engine vehicles, delivering outstanding environmental performance.

Concern over insufficient power is no longer an issue with the *Outlander PHEV*. It offers the advantages of EVs: powerful driving, superb quietness, and high stability.



Plug-in Hybrid Electric Vehicle
Outlander PHEV



Products and Technologies / Development of Fuel Economy Improving Technologies



Concern over the environment is growing, and regulations on fuel economy and emissions are becoming stricter worldwide.

Mitsubishi Motors has worked hard to improve fuel economy by developing various technologies to increase engine efficiency, ensure precise control, improve the drive train, minimize aerodynamic drag, and reduce vehicle weight.

Major technologies for improving fuel economy:





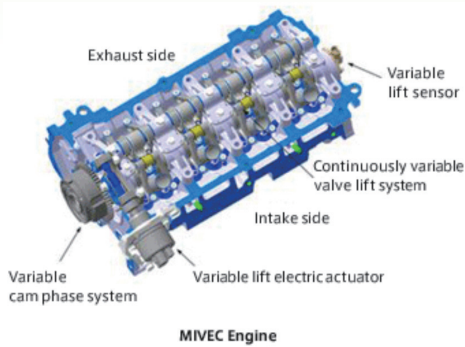
Products and Technologies / Development of Fuel Economy Improving Technologies / Engine Improvement



The key issues in developing technologies for improving fuel economy are how to minimize waste when burning fuel, and how to reduce the resistance of air intake and the friction of sliding parts. Mitsubishi Motors uses these perspectives to promote the development of technologies for improving the fuel economy of new engines.

Fuel economy improving technologies (Engines)

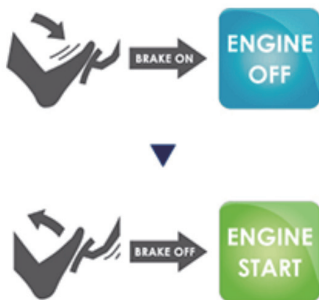
Variable valve timing mechanism "MIVEC" Mitsubishi Innovative Valve timing Electronic Control System



The new 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.

Idle-stop "AS&G" Auto Stop & Go



AS&G is an idling stop function that automatically stops and starts the engine when the vehicle stops or moves off. It improves fuel efficiency by not running the engine when the vehicle is stopped.

When fitted with a coasting stop function, AS&G stops the engine when decelerating.

Reducing engine friction

■ Reducing friction inside the engine to Improve fuel economy

Various engine losses can affect fuel economy: exhaust loss, cooling loss, mechanical friction loss, pump loss, and drive loss of auxiliary units.

Engine friction is a mechanical friction loss resulting from combustion gas within the cylinder causing engine parts such as the piston and crank shaft to move. This friction loss is mainly caused by these sliding parts. We make improvements to decrease the sliding resistance of such parts to reduce engine friction.

■ Approaches to reducing engine friction

■ Improving contact surfaces

Optimization of the shape and surface treatment of the piston skirt, and surface treatment of the cam

■ Reducing contact force

Improvements to the shape, and reduction of tension of piston rings, optimization of the set load of valve springs, crank shaft layout, shape of timing chain, tension of timing belt, etc.

■ Reducing friction by improving lubricants

Application of low-viscosity engine oils

■ Reducing resistance when stirring the engine oil

Optimization of the oil level

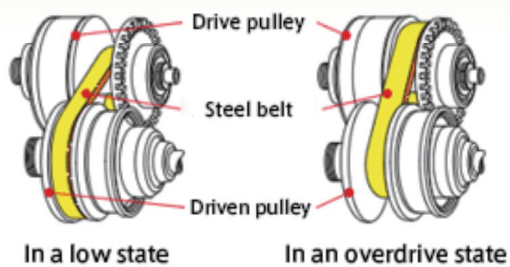
Environmental Initiatives

Products and Technologies / Development of Fuel Economy Improving Technologies / Vehicle Body Improvement



Components other than the engine also need to be examined to improve fuel economy. Mitsubishi Motors is developing various technologies related to the vehicle body.

CVT Continuously Variable Transmission



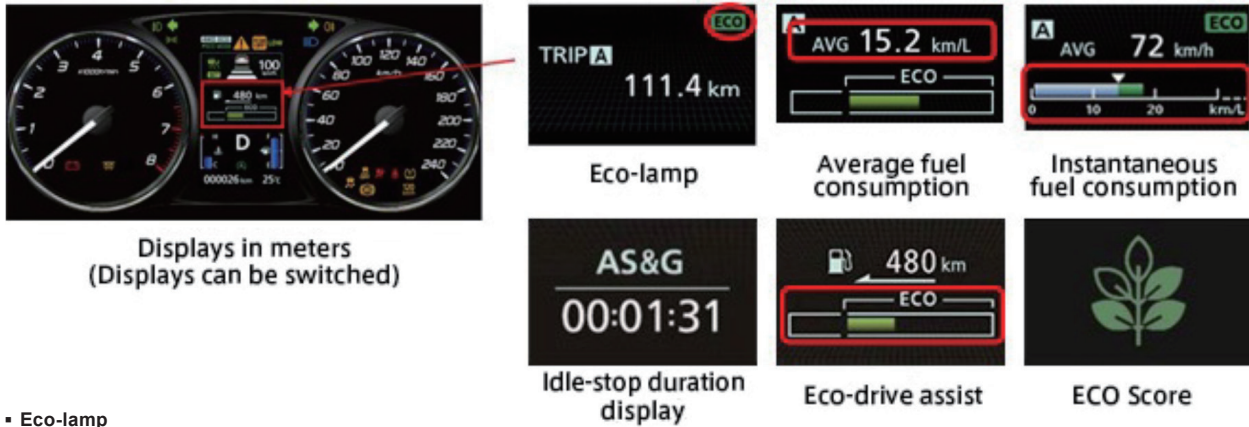
A continuously variable transmission (CVT) varies transmission ratio by seamlessly changing the effective diameter of the pulleys.

It seeks to improve fuel efficiency by controlling driving power. 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.

Eco-drive support

We are spreading equipment to support eco-driving, such as by equipping our vehicles with eco-drive support displays including an eco-lamp and fuel economy meter in the combination meter and central information display.

Eco-Drive Support Equipment (for Outlander)



- **Eco-lamp**
Lights up while driving in a fuel-efficient manner.
- **Fuel consumption meter**
Displays the average and current fuel economy.
- **Idle-stop duration display**
Displays the cumulative time of engine halts by the AS&G idle-stop mechanism.
- **Eco-drive assist**
Displays how fuel-efficient the current driving style is.
- **ECO Score**
Determines the driving status at predetermined intervals, and displays the eco-drive rate in a leaf-shaped gauge.

Aerodynamics



Improving aerodynamic performance for better fuel economy.

We optimize the shape of our vehicles to deliver excellent aerodynamic characteristics through repeated analysis and wind tunnel tests using Computational Fluid Dynamics (CFD) from the conceptual design stage.

Weight reducing technologies



We improve fuel economy by reducing vehicle weight.

We use aluminum, light but strong high-tensile strength steel panels, and rationalization of structures to keep vehicle weight down while ensuring safety through a larger vehicle body, thereby achieving a balance between fuel economy and safety.

Environmental Initiatives

Products and Technologies / Purifying Exhaust Gas while Driving



Vehicles powered by gasoline and diesel engines inevitably emit combustion gases from the engine while driving. These exhaust gases contain pollutants. Mitsubishi Motors constantly develops and promotes gasoline and diesel engine vehicles that emit lower concentrations of these noxious exhaust gases.

Improving Gasoline Engine Vehicles

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

We have 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.

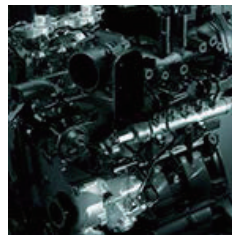
Since such regulations were first introduced, we have taken measures including improving the combustion technology. To comply with these regulations, we have developed and produced clean diesel engines by systemizing technology such as VG turbochargers, controlling combustion with a common rail fuel 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.

NOx trap catalyst



This converts toxic NOx into harmless nitrogen.

Diesel particulate filter (DPF)



This substantially reduces particulate matter.

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

Expanded launch of ultra-low emission vehicles certified as ULEV70 standard for North America

■ Do! Fiscal 2016 Achievements

In the *Mirage* and *Mirage G4* for North America, the company developed ultra-low emission vehicles classified as ULEV70 in California's Low Emission Vehicle Regulations. We greatly reduced the emissions of toxic substances in these models.

■ Check! Fiscal 2016 Self Evaluation

As scheduled, we expanded the launch of ULEV70-standard vehicles for North America.

■ Action! Future Issues and Plans

The company will continue to take action to comply with exhaust gas regulations in Europe and North America.



Mirage for North America



Mirage G4 for North America

Environmental Initiatives

Products and Technologies / Reduction of In-cabin VOC



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

VOCs are compounds that easily volatilize 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.

Progress

In order to reduce the amount of in-cabin VOCs, we are taking measures to reduce the sources of VOCs as well as VOCs themselves. All new models since the Mitsubishi / launched in January 2006 satisfy the voluntary guidelines set by the Japan Automobile Manufacturers Association (JAMA).

Example of Measures to Reduce VOCs*

	Area	Details of improvement
Measures against sources of VOCs	Central panel	Reduced organic solvents in the surface painting
	Carpet	Reduced aldehydes in pile adhesives
	Seat	Reduced organic solvents in fabric adhesives
Measures for reducing existing VOCs	Ceiling	Adsorbs and decomposes formaldehyde using the clean air filter deodorizing function
	Air-conditioner	Reduces VOCs with clean air filter with deodorizing function

* The performance of reduction measures depends on the vehicle model.

Environmental Initiatives

Products and Technologies / Recycling Initiatives



In the 1980s, large-scale illegal dumping of automotive shredder dust occurred due to a shortage of final disposal sites for such dust. In response, the Ministry of International Trade Industry (the present Ministry of Economy and Industry):METI drew up the Used Automobile Recycling Initiative in May 1997, to encourage proper recycling and disposal.

Following METI's action, the Japan Automobile Manufacturers Association, Inc. (JAMA) established a voluntary action project called the "Automobile Recycling Initiative" in February 1998. Mitsubishi Motors introduced the "Mitsubishi Motors Recycling Initiative" in the same month.

In the Mitsubishi Motors Recycling Initiative, we set targets and continued improving the ease of recycling, reducing the use of lead (except for batteries), and introducing recycled parts (bumpers, interior substrate materials, floor mats, etc.) for new vehicles. In line with this unique guideline, we consider ease of recycling from the initial stage of designing and developing products, and have achieved our voluntary target values.

Dealing with automobile recycling acts of other countries

Since the Automobile Recycling Law was enforced in Japan in 2005, automotive manufacturers have been properly recycling shredder dust of discarded automobiles, airbags and freons (3 items), thus helping to create a recycling-based society.

The ELV Directive (2003) was enacted in Europe as well, specifying ease of recycling as a certification requirement and promoting recyclable design. We will comply step-by-step with automobile recycling regulations which are now being introduced in developing countries in Asia.

Environmental Initiatives

Products and Technologies / Recycling Initiatives / Recycling-based Design and Development



Under vehicle recycling legislation in Japan and Europe, automotive manufacturers are obligated to consider recycling when developing products. Mitsubishi Motors actively incorporates not only recycling, but all aspects of the 3Rs including reduction and reuse. Since 1999, our unique Recycling Plan Guidelines have been observed throughout each process, beginning with the conceptual design stage. For wires, harnesses and motors, both detachability and ease of recycling have been improved based on the Harness Design Guideline. Example of parts made from recycled materials include spare tire covers and battery trays made using recycled materials from bumpers replaced during repairs by dealers.

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

- Promote 3R Design
- Use parts made from recycled materials

■ Do! Fiscal 2016 Achievements

- Promoted 3R Design
We proactively adopted 3R Design based on the Recycling Plan Guidelines in all vehicles developed in fiscal 2016.
- Used parts made from recycled materials
Bumper materials which were replaced during repairs at dealers were recycled to make the splash shield of the *Outlander PHEV*.

■ Check! Fiscal 2016 Self Evaluation

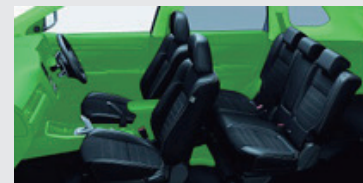
3R design was incorporated according to the Recycling Plan Guidelines during vehicle development, and development targets such as recyclability were achieved.

■ Action! Future Issues and Plans

We will continue to manufacture vehicles with due consideration to the 3Rs from the initial stages of development, so as to promote resource conservation and simplify recycling.



Exterior



Interior

Main sections (green sections) with easily recyclable "thermoplastic resin" in the *Outlander PHEV*, which was partially improved in fiscal 2016.

Environmental Initiatives

Products and Technologies / Recycling Initiatives / End-of-life Vehicle Recycling



Mitsubishi Motors is promoting the recycling of end-of-life vehicles to reduce the environmental impact of waste from end-of-life vehicles. In Japan, the EU, etc., we recycle materials in accordance with the automobile recycling laws of each country.

Response to Automobile Recycling Laws in Japan

The company accepts automobile shredder residue (ASR), airbags, and fluorocarbons for recycling. For the recycling of ASR, we participate in ART (Automobile Shredder Residue Recycling Promotion Team: Team established by Nissan Motor Corporation, Mazda Motor Corporation, Mitsubishi Motors, etc.) to jointly process 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.

Recycling Promotion in the EU

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

In the EU, automobile manufacturers or importers must accept and recycle end-of-life vehicles in accordance with the End-of-Life Vehicles Directive*. The company built a system of acceptance and recycling in line with the actual situation of EU member countries centering on our European subsidiary MME (Netherlands).

* "Directive of the European Parliament and of the Council on End-of-Life Vehicles" effective from October 2000

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 to the EU meet the requirements of the directive under this system.

Collection of drive batteries in electric-powered vehicles/Construction and operation of the recycling system

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

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

- Automobile shredder residue (ASR) recycling rate improvement by developing a new processing facility (Japan)
- Satisfying the requirement for the recyclability rate in approval for new model vehicles (EU)

■ Do! Fiscal 2016 Achievements

Response to the Act on Recycling, etc. of End-of-Life Vehicles in Japan

The company accepted and recycled 3 items (shredder dust (ASR), airbags, fluorocarbons). As a result, the ASR recycling rate rose above the 70% statutory standard for fiscal 2015 and later to 97.8%.

Satisfying the requirement for the recyclability rate in approval for new model vehicles

Vehicles sold to the EU have met the requirements of this directive.

■ Check! Fiscal 2016 Self Evaluation

For the recycling of ASR, partially due to the use of the new recycling facility, a high recycling rate was achieved.

■ Action! Future Issues and Plans

We will promote the development of new recycling facilities so we can continuously recycle ASR stably.

For new model vehicles sold in the EU, we will continue to satisfy the necessary recyclability rate sequentially for the approval of new model vehicles.

Environmental Initiatives

Products and Technologies / Reduction of Hazardous Substances



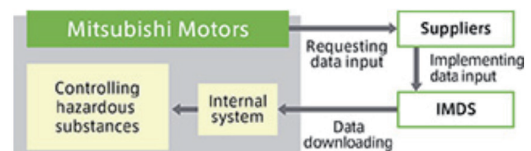
In accordance with the reduction targets of the Japan Automobile Manufacturers Association, Inc. and EU end-of-life vehicles directive, Mitsubishi Motors is working to reduce the use of four substances (lead, mercury, cadmium, and hexavalent chromium). We are also taking measures to comply with regulations on the use of hazardous substances in each country in compliance with the REACH regulation*¹ concerning substances. At present, in addition to lead, mercury, cadmium, hexavalent chromium 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 have established internal technical standards to voluntarily reduce hazardous 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 MMTh (Thailand), 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, authorisation and restriction of substances used in the EU.



Flow of data collection through IMDS

*1 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, authorise and restrict the use of substances.

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

Conformity with regulations for environmentally hazardous substances of continuously produced vehicles and reduction of use of environmentally hazardous substances.

■ Do! Fiscal 2016 Achievements

Conformity with regulations for environmentally hazardous substances of continuously produced vehicles sold in FY 2016 and the reduction of use were confirmed by material data management with IMDS.

■ Check! Fiscal 2016 Self Evaluation

For continuously produced vehicles sold in FY 2016, the annual target was achieved.

■ Action! Future Issues and Plans

The company will continue to comply with regulations for environmentally hazardous substances and reduce the use of environmentally hazardous substances.

Environmental Initiatives

Business Activities / Efforts in Production



Mitsubishi Motors mainly manufactures and sells vehicles.

While vehicles are convenient for users, they affect the environment in various ways throughout their life cycle, from development and use to final disposal. As a manufacturer, we have a responsibility to minimize the impact of vehicles on the environment.

Automobile production is related to various environmental issues, ranging from the community level to the global scale. We are constantly striving to reduce environmental impacts, including reducing CO₂ emissions from the production plants, and preventing air and water pollution.



Okazaki Plant



Mizushima Plant



Kyoto Plant - Kyoto



Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)

Environmental Initiatives

Business Activities / Efforts in Production / Reducing CO₂ Emissions



Mitsubishi Motors produces automobiles with less energy to prevent global warming along the theme of "Driving the earth; living with the earth".

By reducing the consumption of energy sources such as electricity and fossil fuels, we can control CO₂ emissions that cause global warming while also conserving the earth's limited resources. We actively promote global warming prevention through energy saving.

Equipment improvement for production

The waterborne paint lines at Okazaki Plant and Mizushima Plant use the waterborne 3WET paint method. This reduces CO₂ emissions by passing the painting workpieces through driving ovens only once compared to usual twice.



The waterborne paint Plant

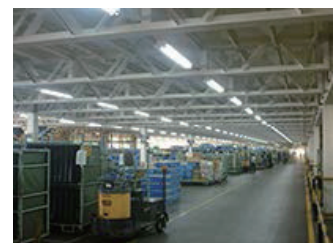
Promoting renewable energy and energy-saving units

By installing photovoltaic power generation panels on the roof of plants, we use renewable energy for office lighting and to charge electric-powered vehicles.

In addition, we have changed all the newly installed lighting devices to LEDs to reduce power consumption.



Photovoltaic power generation panels



In-plant LED lighting

Improving production processes

We are reducing our energy consumption by consolidating our production processes by reviewing our production capabilities.

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

30% reduction of CO₂ emissions per production vehicle in plants in Japan and overseas (MMTh, MEC, MMPC) compared to FY2005

■ Do! Fiscal 2016 Achievements

CO₂ emissions per vehicle are reduced by 32% compared to FY 2005. We worked on the following main initiatives to promote energy conservation.

1. Introduction of high efficient devices

- Installation of LED lighting

2. Energy saving by altering operating hours

3. Energy use reduction by consolidating production processes

4. Energy saving measures

- Energy efficient modifications to air conditioning systems
- Modification of paint drying ovens

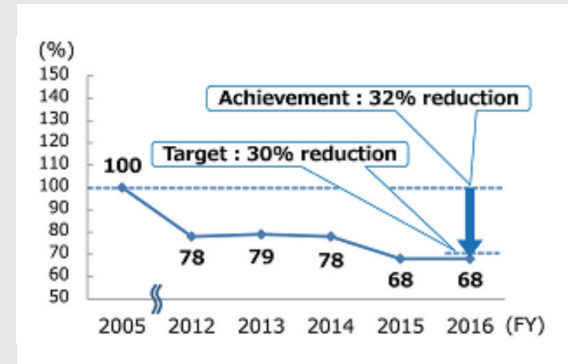
■ Check! Fiscal 2016 Self Evaluation

CO₂ emissions per production vehicle were reduced by 32% in plants in Japan and overseas compared to the 30% reduction target for FY 2016.

■ Action! Future Issues and Plans

We will continue to promote activity for lowering CO₂ emissions to achieve the reduction target through the implementation of energy saving measures.

CO₂ emissions index per production vehicle in plants in Japan and overseas



Target Sites

- Mitsubishi Motors
Okazaki Plant, Mizushima Plant, Kyoto Plant
- Domestic affiliated companies
Pajero Manufacturing Co., Ltd., Suiryo Plastics Co., Ltd.,
- Overseas affiliated companies
MMTh, MEC, MMPC
- CO₂ emission factors,
Electricity power 0.381kg-CO₂/kWh,
Urban gas 2.348kg-CO₂/m³,
Kerosene 2.491kg-CO₂/L, Bunker A 2.709kg-CO₂/L.

Environmental Initiatives

Business Activities / Efforts in Production / Preventing Air Pollution



To prevent air pollution, Mitsubishi Motors takes a variety of measures to reduce contaminating substances in smoke emitted from production plants, which can be a cause of acid rain and photochemical smog.

Reducing VOCs*¹ Emissions

We endeavor to reduce the amount of VOCs emitted from vehicle body production by reducing consumption of paint and improving recovery rate of used paint thinner. We achieve this by updating painting robots and adjusting the painting production lot size.

*1 Abbreviation of Volatile Organic Compounds.



Painting robots in Plant

Reducing NOx and SOx*² emissions

We introduced low NOx content boilers and burners as the heat source used for paint process in production, to reduce the emission rate of NOx. To reduce SOx emissions, we changed the fuel for the boilers to kerosene or city gas, which has less sulfur.

*2 NOx: Nitrogen oxide, SOx: Sulfur oxide

Reducing particulate matter

We abolished waste incinerators to reduce the generation of soot and dioxins.

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

35g/m² or less of VOC emissions per painting area in domestic plants (painting of vehicle body and bumpers)

■ Do! Fiscal 2016 Achievements

We aimed to reduce the amount of VOC emissions per painting area from body and bumper painting, by collecting waste paint during color changes, optimizing paint discharge, and using electro static air spray guns. However, emissions increased to 38g/m².

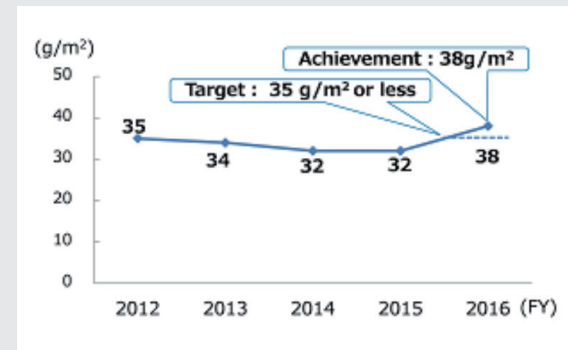
■ Check! Fiscal 2016 Self Evaluation

Due to the transfer of production lines, the increased number of thinner cleaning process in production of prototypes with new colors, and slow adoption of measures to deal with over spray areas during production, we did not achieve our fiscal 2016 target.

■ Action! Future Issues and Plans

Given the above reasons for the increase, we work to reduce emissions by reviewing the painting process.

VOC emissions per painting area in domestic plants



Target Sites

Okazaki Plant, Mizushima Plant,
Pajero Manufacturing Co., Ltd., Suiryo Plastics Co., Ltd.

Environmental Initiatives

Business Activities / Efforts in Production / Preventing Soil and Water Pollution



Mitsubishi Motors has long since conducted surveys and examinations to ensure that underground water or soil are not contaminated, to prevent adverse influence on human health. If contamination is to be observed, we take immediate measures to prevent its dispersion, and report to authorities and communities for information disclosure.

Environmental survey of soil and water pollution

We conduct regular monitoring of underground water quality at the wells along the border of the premises, and ensure that no hazardous substances are dispersing towards the outside.

Prevention measures against soil and water pollution

To prevent soil and water pollution, we implement effluent purification through installing a waste water treatment system by activated carbon, and an emergency reservoir tank. We have also established voluntary control standards that are stricter than law-regulated values, to tackle pollution prevention.



General effluent treatment facilities

Environmental Initiatives

Business Activities / Efforts in Production / Management of Chemical Substances



To minimize the impact on the environment of chemical substances, Mitsubishi Motors ensures management of the usage and discharge status of chemical substances used in production plants.

Control of PRTR*¹ substances

We have long since examined the physical properties and details of usage plans of new chemical substances by using the "substances toxicity prior examination system", to determine whether or not those new chemical substances may be introduced, in order to emphatically suppress the toxicity from highly risky chemical substances.

*1 Abbreviation of "Pollutant Release and Transfer Register". Report on the discharge removal quantities of substances

Appropriate Management of Hazardous Waste

We manage hazardous waste so that we do not import or export hazardous waste which is restricted by the Basel Convention on the Control of Transboundary Movements of Hazardous and Their Disposal. In addition, in case of domestic transportation and disposal of hazardous waste, we make efforts to appropriately transport and dispose hazardous waste to prevent the exposure of toxic materials.

Appropriate Management of Waste Containing PCBs

Polychlorinated biphenyls(PCBs) are contained in transformers and condensers as insulation oil, and there were cases where we disposed polluted waste containing PCBs as regular waste by mistake.

To prevent incorrect disposal, we thoroughly investigate the current management of PCB waste, and we are thoroughly implementing appropriate management in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes.

In FY 2016, we properly disposed of 3,457 fluorescent light ballasts stored at our Okazaki Plant. Wastes with low concentrations of PCB were also properly disposed in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes.

Environmental Initiatives

Business Activities / Efforts in Production / Promoting Effective Use of Resources



At production plants, we convert industrial waste materials generated from production processes into reusable resources, reduce the volume of waste discharged, and maintain landfill waste disposal rate of zero*¹ at every plant.

*¹ This means land reclamation rate below 0.1 %

Converting waste into reusable resources and suppressing waste generation

We convert spent oil into usable oil, waste sand from foundries into base course material, and sludge into raw material for cement. We also aim to reduce the metal scraps generated from production processes and the amount of waste sand that is generated by foundries.

Conserving Resources at Knock-Down (KD)*² Plants

To reduce the amount of cartons and pallets used for transporting product to knock-down plants, we are increasing the use of returnable racks, thereby reducing our consumption of steel.

*² Refers to the exporting in the form of parts for assembling vehicles at the local plants.



Returnable racks

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

- 46% reduction of externally-disposed waste per production vehicle at domestic plants compared to fiscal 2005 (116 kg/vehicle)
- 83% reduction in steel used per unit shipment volume at domestic KD plants (13 kg/case)
- 0.4% reduction of by-products (metal scrap and casting waste sand) per sales by the end of fiscal 2016 compared to fiscal 2011 (9.3 t/hundred million yen)

■ Do! Fiscal 2016 Achievements

Reducing externally-disposed waste

We promoted the recycling activities to internally reuse waste and valuable resources generated within our companies. As a result, externally-disposed waste (amount recycled externally as opposed to being used within the company) per production vehicle was reduced 48% to 112 kg/vehicle from fiscal 2005. Direct landfill disposal rate of waste is maintained at a high level of 0.03%.

Conserving resources in KD plants

Steel used per unit shipment volume was reduced 91% to 7.0 kg/case compared to fiscal 2006 due to the expansion of returnable rack use.

Suppressing generation of by-products

Metal scraps and casting waste sand per sales was reduced 48% from fiscal 2011 to 4.9 t/hundred million yen.

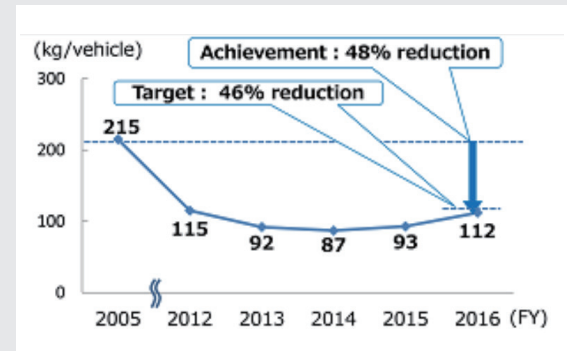
■ Check! Fiscal 2016 Self Evaluation

The company achieved all targets for three items.

■ Action! Future Issues and Plans

We will continue to carry out the appropriate disposal of waste and activities to recycle resources.

Externally disposed waste per production vehicle



Target Sites

Okazaki Plant, Mizushima Plant, Kyoto Plant

Environmental Initiatives

Business Activities / efforts in production / Preserving Water Resources



Water resources are essential for creatures to live. The production activity of automobiles requires a large amount of industrial water, city water, and well water, etc. In recent years, due to the increase of droughts, flooding and water pollution, the stable use of the water resource is increasingly exposed to risk around the world. Mitsubishi Motors sources its water from rivers and lakes in its production activities and discharges the used water in sewage lines and rivers, etc. We believe*1 that none of our key production plants are exposed to a high water risk, however, we are considering preparation for a future water risk as a task, and we are working on water resource conservation mainly by reducing the amount of water withdrawal.

*1 According to water risk map "Aqueduct" developed by Water Resources Institute. Evaluation of the impact on business by regulatory risk and physical risk such as shortage of water resources, flooding, drought, significant seasonal changes, and water quality.

Water Withdrawal Source and Drainage Location in Main Production Plants

Plant	Water Withdrawal Source (Industrial water, City water)	Drainage
Okazaki Plant (Okazaki, Aichi Pref.)	Yahagi River	Tributary of Kanda River, etc.
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
MMTh (Thailand)	Nong Pla Lai Reservoir, etc.	Sewage line

Initiatives in the Reduction of the Water Withdrawal Amount by Production Plants in Japan

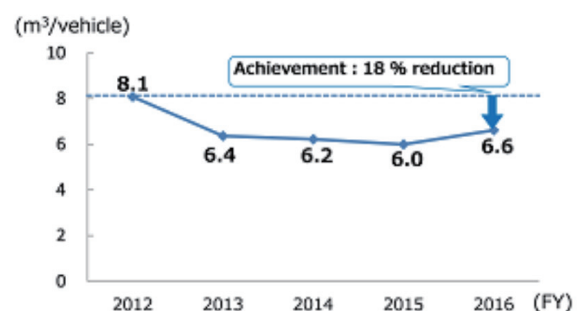
As a result of efforts to reduce the water withdrawal amount, in FY 2016, in production plants of the company and Pajero Manufacturing Co., Ltd., the water withdrawal amount per production vehicle was approximately 6.6m³/vehicle which is an 18% reduction compared to FY 2012.

We will continue to work on reducing the withdrawal amount to conserve water resources.

Initiative Example

- **Recycling of industrial water**
 - Recycling of washing water to pre-washing
 - Recycling of purified discharged water for watering green spaces
- **Reuse of industrial water by circulating**
 - Recycling of cooling water/temperature control water by circulating in cooling towers
 - FY 2016 circulated water used amount:111 million m³
- **Use of rain water**
 - Watering flower beds on the premises with rain water storage tanks and automatic watering systems
- **Use of industrial water and well water that were treated with filters (Okazaki Plant)**

Transition of Water Withdrawal per Production Vehicle



Target Sites

Okazaki Plant, Mizushima Plant, Kyoto Plant, Pajero Manufacturing Co., Ltd

Environmental Initiatives

Business Activities / Efforts in Distribution

Automobiles are made of numerous parts and materials transported from different regions and are shipped around the world. The environmental impact of logistics, including energy use and CO₂ emissions, is particularly significant.

Mitsubishi Motors proactively works to establish environmentally-friendly logistics systems such as by improving transport efficiency and reducing packing materials.

CO₂ Emissions Reduction Initiatives

We set reduction targets for unit CO₂ emissions (kg-CO₂/1000t·km) during the transport of procured parts and products to promote initiatives for achieving these targets. We strive to increase the load factor by improving the packing appearance and combination of parcels in procurement logistics.

For other transportation*1, we work to improve the modal shift rate and use ECO Drive in transport vehicles. We also consolidate transportation routes for parts and accessories.

*1 Transportation pertaining to following:

- Finished vehicles in Japan
- Finished vehicles exported to overseas
- Knock Down
- Engines and Transmissions
- Spare parts

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

Reduction in CO₂ emissions per unit of transportation (procurement logistics and other transportation) by 0.3% compared to fiscal 2006.

■ Do! Fiscal 2016 Achievements

Reduced CO₂ emissions per unit of transportation for logistics in Japan by 3.4% compared to FY 2006.

Reduced CO₂ emissions (gross weight) to 17.9 kilotons, approximately 2,900 tons less than the amount for the previous year.

■ Check! Fiscal 2016 Self Evaluation

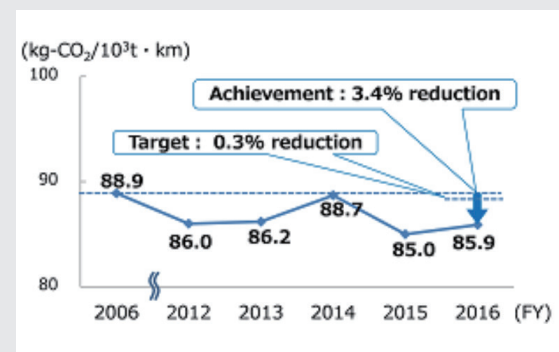
The targets for reduction rate of CO₂ emissions per unit was achieved, with an actual reduction of 3.4% against the target of 0.3%.

■ Action! Future Issues and Plans

We will continue to promote the following activities for improving logistics route, increasing load factor, and improving fuel economy to reduce unit CO₂ emissions in FY 2017.

- Change transport method of finished vehicles and components to transport by vessels and • railways (improve modal shift rate)
- Reduce transportation distance by locally procuring parts for production
- Improve packaging appearance and packing of parts parcels for production during shipping
- Improve freight efficiency by consolidating transport routes for parts and accessories
- Increase freight efficiency by increasing the number of engines loaded for transport
- Improve packing of KD parts in containers
- Improve fuel economy by encouraging the introduction of ECO Drive and eco-tires
- Promote fuel economy improvements by using fuel-efficient vehicles

CO₂ emissions per unit of transportation



Environmental Initiatives

Business Activities / Collaborative Efforts with Suppliers



Automobiles are composed of a wide variety of materials and parts which are developed and produced by our suppliers. Mitsubishi Motors believes that our impact on the environment can be reduced not only through our own business activities but also through initiatives that take into account all processes from manufacturing of materials and parts to the delivery of these materials and parts. Based on the basic concept of purchasing materials and parts with low environmental impact from suppliers who continuously work to reduce their environmental impact, we request compliance with environmental specifications, etc.*1 (restrictions of use of hazardous substances) in production to suppliers, in addition, we formulated "Green Procurement Guidelines" to promote green procurement while establishing a management system of hazardous substances, and we have rolled out the guidelines to all our suppliers.

*1 Environmental specifications of products, etc.

Environmental specifications include restrictions of use of certain substances by laws and regulations, prohibition of the use of materials that are restricted for use by voluntarily initiatives by Japan Automobile Manufacturers Association, Inc. as a general rule, and stipulations for substances whose use should be monitored. Some substances targeted by these specifications are designated by groups of manufacturers of automobiles, parts and materials from Japan, U.S., and Europe for the purpose of conservation of a sustainable global environment while other substances are stipulated by the company independently.

We promote green procurement together with suppliers under our belief of spreading of initiatives to reduce the environmental impact. We believe that these initiatives, implemented through Green Procurement Guidelines, will create a chain reaction that will spread to sub-suppliers and that this will lead to the realization of a clean and low-carbon society.

Expansion of Green Procurement Guidelines

The company requests suppliers to acquire and renew of external certifications of environment management systems, as well as to manage hazardous substances, promote the 3Rs submit LCA data to allow us to understand the lifecycle environmental impact, reduce environmental impact reduction in business activities, and reduce their environmental impact related to logistics.

Green Procurement Guidelines is also supplied to suppliers of key overseas plants such as Thailand.

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

- Promote improvements to the management system of environmentally hazardous substances at suppliers
- Revise the Green Procurement Guidelines and make suppliers aware of them

■ Do! Fiscal 2016 Achievements

- Promoted improvements to the management system of environmentally hazardous substances at suppliers
We promoted improvements to management methods for data on environmentally hazardous substances. We did this by conducting opinion-sharing sessions with our suppliers on the issues of IMDS entry and regulations governing chemical substances.
- Revised the Green Procurement Guidelines and made suppliers aware of them

Our Green Procurement Guidelines have been revised to include the latest information on related regulations and our initiatives for attaining external certification of our entire supply chain. The revised guidelines have been sent to all suppliers. In addition, at our New Year Meeting for suppliers and at our annual Supplier Meeting, we explained to our suppliers the importance of our environmental initiatives as well as our procurement policy.

■ Check! Fiscal 2016 Self Evaluation

All items were carried out as planned.

■ Action! Issues and Plans

We will enhance the Green Procurement Guidelines and work to further enhance the management system of environmentally hazardous substances at suppliers, including at those of our main overseas production bases such as Thailand.

Environmental Initiatives

Business Activities / Efforts in Offices and Dealers



Automobiles have an impact on the environment during all phases of the lifecycle, from development, production, logistics, sales, and use to disposal. Therefore, Mitsubishi Motors believes that we promote action to reduce the environmental impact through all business activities including our offices and dealers.

At dealers in particular, we promote action to spread electric-powered vehicles with outstanding environmental performance in addition to energy conservation activities and recycling activities. In this way, we can work toward a clean low-carbon society together with our customers.

Activities in Dealers in Accordance with Environmental Guidelines

Our dealers in Japan carry out environmental initiatives in accordance with our Environmental Guidelines. These initiatives include acquisition of the "Eco-Action 21" environmental management system certificate which was formulated based on ISO14001 by the Ministry of the Environment. We also promote the sales of environmentally friendly vehicles centered around EV and PHEV, as well as installation of battery charging infrastructure necessary for environmentally friendly vehicles.

Dealers that acquired the Eco Action 21 Certificate formulate targets and action plans and carry out specific activities. These targets and action plans cover reduction of energy use, waste and water use, green purchasing and the promotion of sales of environmentally friendly vehicles.

In order to promote and spread EV and PHEV, quick charging points are installed at each dealer and "EV QUICK" signboards are also displayed so everyone can immediately know about the quick charging point. Local residents are also welcome to use these quick charging points. We are also putting effort into next-generation dealer "Dendō Drive Station" to introduce the value brought by the EV/PHEV.



"EV QUICK" Signboard



Quick charger installed in a dealer

Reduction of CO₂ Emissions

We set CO₂ emissions reduction targets for each fiscal year at internal non-production facilities such as offices and development facilities, as well as development, sales, logistics, and afterservice affiliated companies in Japan and overseas. We then promote initiatives to achieve these targets.

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

Reduce unit CO₂ emissions in non-production facilities*1 by 20% (compared to fiscal 2010)

■ Do! Fiscal 2016 Achievements

Energy conservation activities focusing on the reduction of power use were carried out, and unit CO₂ emissions at target sites were reduced by an average of 28%.

■ Check! Fiscal 2016 Self Evaluation

The fiscal 2016 target of 20% reduction was achieved.

■ Action! Future Issues and Plans

We will continue to promote thorough energy control and introduce energy efficiency equipment for the reduction of CO₂ emissions.

*1 The target sites are as below.

- Development, logistics, and other non-production facilities within Mitsubishi Motors Corporation
- Seven affiliated non-production companies in Japan:
Mitsubishi Automotive Logistics Technology Co., Ltd., Higashi Kanto MMC Parts Sales Co., Ltd., Hokkaido Mitsubishi Motors Sales Co., Ltd., Higashi Nihon Mitsubishi Motors Sales Co., Ltd., Kanto Mitsubishi Motors Sales Co., Ltd., Chubu Mitsubishi Motors Sales Co., Ltd., Nishi Nihon Mitsubishi Motors Sales Co., Ltd.
- Eight non-production overseas affiliated companies
MMNA, MRDA, MME, MRDE, MMSC, MMMEA, MMNZ, MMAL



Collaboration with Society / Initiatives for Preserving Biodiversity



All living creatures are connected through various intricate relationships to live in balance. We, as human beings, live with the blessings of this biodiversity every day. As an automobile manufacturer, Mitsubishi Motors has impacts biodiversity both directly and indirectly due to land use (including the construction of plants), the release of chemical substances from sites, and the greenhouse gas emitted from the use of the company's products and business activities. For this reason, we believe it is a priority to protect biodiversity so that the next generation 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. We learned that Shiga Plant has a high biodiversity value since the area around the plant is home to various rare species.

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.

Main Activities

Priority	Priority Activity Details
1. Consideration to biodiversity in business activities	<ul style="list-style-type: none"> • Energy conservation/ CO₂ emissions reduction (Production, offices/dealers, logistics) • Reduction of waste generation (Production) • Decrease in chemical substance release
2. Consideration to biodiversity in products	<ul style="list-style-type: none"> • Fuel economy improvement/ CO₂ emission reduction • Exhaust gas countermeasures • Recycling-based design
3. Education, understanding and self-awareness	<ul style="list-style-type: none"> • Ecosystem Survey at Kyoto Plant-Shiga (2013) -Publication of "Mitsubishi Motors Wild Life of Kyoto Plant-Shiga" (2014) <Japanese only> • Kyoto Plant-Shiga Wild Life Study Meeting (2013) • Okazaki Plant Ecosystem Survey (2016)
4. Cooperation and collaboration with society	<ul style="list-style-type: none"> • Request for consideration of the environment to suppliers • Collaborative environmental preservation with society
5. Information disclosure	<ul style="list-style-type: none"> • Information disclosure through environment websites and environmental reports (CSR report, etc.)

Fiscal 2016 Initiatives

■ Plan! Fiscal 2016 Targets

- Conduct ecosystem surveys at the Okazaki Plant

■ Do! Fiscal 2016 Achievements

From February to November 2016, we conducted ecosystem surveys in the Okazaki region (Okazaki Plant and Research & Development Center) targeting plants, mammals, amphibians, reptiles, avian species and insects. Through the surveys, we gained an understanding of the composition of plants in the green spaces within the Okazaki region and of how animals use these green spaces. The distinctive species we found were Eurasian Sparrowhawk, Northern Goshawk, and *Polistes japonicus japonicus* (a species of paper wasp found in Japan). These species are listed in the Red Data Book (RDB) published by Japan's Ministry of the Environment. We also have a clearer understanding of the issues facing us, such as the presence of alien plant species.

■ Check! Fiscal 2016 Self Evaluation

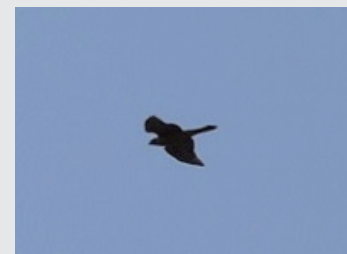
Progressed as planned.

■ Action! Future Issues and Plans

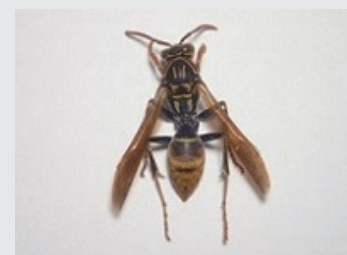
With a clearer understanding of the issues through our ecosystem surveys, we intend to plan and execute measures within the Okazaki region. These include management of green spaces, and raising the awareness of our employees. In addition, we will commence new ecosystem surveys in the Mizushima region from fiscal 2017.



Eurasian Sparrowhawk
"Near Threatened" in RDB



Northern Goshawk
"Near Threatened" in RDB



Polistes japonicus japonicus
"Data Deficient" in RDB

Environmental Initiatives

Collaboration with Society / Environmental Communication



Mitsubishi Motors aims to be a corporation trusted by all of its stakeholders. For this goal, we release our environmental initiatives on our website. In addition, we listen to opinions from various people through our participation in environmental exhibitions and events, and then use these opinions in our initiatives.

Release of Environmental Information in Website and Environmental Report

The company releases information on the concept and details of our initiatives on the company website and in environmental report to make our environmental initiatives known widely.

Environmental report is included in the "Mitsubishi Motors Corporate Social Responsibility Report."



Environmental Website



Environmental Report

Participation in Environmental Exhibitions and Events

The company proactively participates in environmental exhibitions and events. There, we spread awareness about our environmental initiatives, which are built around electric-powered vehicle technology, and listen to opinions from various people for use in our initiatives.

Main Environmental Exhibitions and Events

Eco-Pro Exhibition



Eco-Pro Exhibition is the largest environmental exhibition in Japan. We introduce our environmental initiatives, including EV/PHEVs, and ask for opinions from the visitors. In addition, we have a quiz for children to provide them with an opportunity to think about the environment.

Automotive Engineering Exposition



The Automotive Engineering Exposition is Japan's largest exhibition of automotive engineering.

We introduce our environmentally friendly technologies, including exhibits of component technology that forms the structure of EV/PHEVs and new model engines with great environmental performance.

FY 2016 Main Participating Exhibitions and Events

Time	Event	Venue	Exhibition Details
April	Outdoor Day Japan Tokyo	Yoyogi Park event area and others (Tokyo)	Power feeding demonstration with Outlander PHEV
	GO OUT JAMBOREE	Fumotoppara Camp Site (Shizuoka)	Power feeding demonstration with Outlander PHEV
	Motor Sport Japan 2016 Festival in Odaiba	Aomi district, Tokyo Waterfront City (Tokyo)	Power feeding demonstration and test drive of Outlander PHEV
November	EV Festival 2016	Tsukuba Circuit Course 1000	Power feeding demonstration and test drive of Outlander PHEV
December	EcoPro 2016	Tokyo Big Sight (Tokyo)	Panel displays on environmental initiatives, and exhibition and test drive of Outlander PHEV

Fiscal 2016 Initiatives

■ Plan! FY 2016 Targets

- Enhance information disclosure according to GRI*1 Sustainability Reporting Guidelines
 - Define important environmental issues (materiality)
- *1 Global Reporting Initiative

■ Do! FY 2016 Achievements

- Enhanced information disclosure according to GRI Sustainability Reporting Guidelines
We enhanced the information in our Environmental Report and website by referencing the GRI G4 Sustainability Reporting Guidelines. Specifically, we expanded the scope of environmental data collected. At the same time, we added additional indicators, such as fuel economy data by country and region for product indicators, and emissions of sulphur and nitrogen oxides for business activity indicators.
- Defined important environmental issues (materiality)
Using the concept in the GRI guidelines, we identified important environmental issues (materiality) based on importance to our company and the expectations of our stakeholders, and developed proposals for these issues.

■ Check! Fiscal 2016 Self Evaluation

Actions were taken as planned.

■ Action! Future Issues and Plans

On April 20, 2016, we made an announcement regarding improper conduct in fuel consumption testing. We recognize this has significantly changed our company's situation and the expectations of our stakeholders. Given this, we will be defining materiality and announcing results. In addition, we will make effort to enhance information disclosed based on this materiality.

Environmental Initiatives

Collaboration with Society / Collaborative Environmental Preservation with Society

Mitsubishi Motors believes initiatives in collaboration with society are important in environmental conservation. For this reason, we have been working on environmental conservation activities such as the forest preservation, cleaning, mowing, and termination of alien species in collaboration with stakeholders including communities, municipal governments, ministries and government agencies, and NPOs.

For collaboration with ministries and government agencies in particular, we support the national campaign "COOL CHOICE" for countermeasures against global warming and the climate change campaign "Fun to Share" by the Ministry of the Environment, and we participate in the "Light-Down Campaign".

Pajero Forest (Forest conservation activity)



Since 2006, we have been working on protecting and cultivating a forest in Hayakawa-cho, Yamanashi Prefecture named "Pajero Forest" with the aim of protecting water sources and fostering the environmental awareness of the employees.

Children's Forest Program (Forest Conservation Activity)



In this Program, active in 10 countries such as Thailand and Indonesia, children promote greening of the earth by planting and growing young trees in school yards, thus developing a love of nature.

Light-Down Campaign (Global Warming Countermeasures)



This campaign is organized by the Ministry of the Environment on the day of the summer solstice and "Cool Earth Day" in July to turn off the lights at light-up facilities and houses. We participate in this campaign in key sites.

Hands-on Lessons (Hands-on Environmental Lessons)



The company offers hands-on lessons to students on the environment to learn about the relationship between cars and environmental problems and quizzes using eco parts in coordination with education boards. Our employees visit elementary schools to provide the lessons.

FY 2016 Environmental Conservation Activities

Initiatives		Venue	Collaboration Partner	Time
Forest preservation activity	"Pajero Forest"	Hayakawa-cho, Yamanashi-Pref.	Hayakawa-cho, Yamanashi-Pref. OISKA	April, July, September
	Children's Forest Program	10 countries including Thailand and Indonesia	OISKA	Throughout the year (10 times)
Energy conservation, educational activity	"Light-Down Campaign" by Ministry of the Environment	Each site	Ministry of the Environment	June, July
Raising plants activity	Preserving biodiversity (Preservation of White egret flower wetland)	Kyoto Plant-Shiga (Konan, Shiga-Pref.)	Lago Co., Ltd.	November
Cleaning activity, mowing activity	Mowing and cleaning activity	Okazaki Plant (Okazaki, Aichi-Pref.)	—	Throughout the year (59 times)
		Mizushima Plant (Kurashiki, Okayama-Pref.)	—	Throughout the year (32 times)
		Kyoto Plant-Kyoto (Kyoto, Kyoto-Pref.)	—	Throughout the year (12 times)
		Kyoto Plant-Shiga (Konan, Shiga-Pref.)	—	Throughout the year (9 times)
		Pajero Manufacturing Co., Ltd. (Sakahogi-cho, Gifu-Pref.)	—	Throughout the year (Twice)
	"Lake Kojima Watershed Cleaning Campaign"	Kurashiki, Okayama-Pref.	"Small Kindness Movement" Kurashiki, Okayama Branch Lake Kojima Watershed Environment Preservation Promotion Council	October November
Alien species termination activity	"Lanceleaf tickseed Termination Campaign"	Pajero Manufacturing Co., Ltd. (Sakahogi-cho, Gifu-Pref.)	Sakahogi-cho, Gifu-Pref.	May
	Preservation of White egret flower wetland	Kyoto Plant-Shiga (Konan, Shiga-Pref.)	—	November

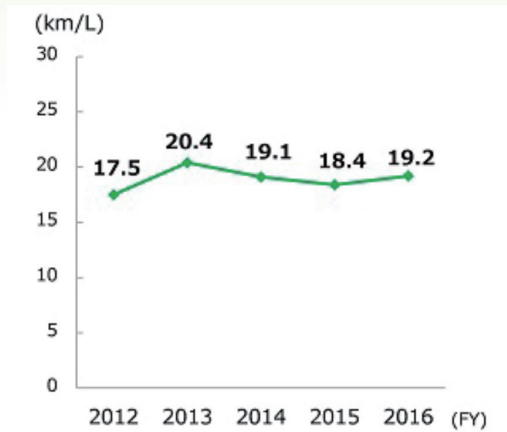


Environmental Data



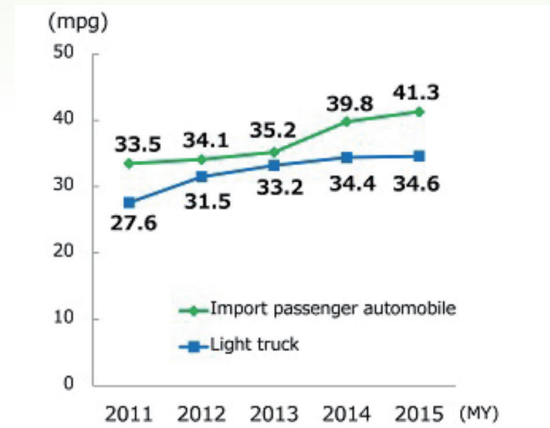
Product Indicators (Fuel Economy/CO₂ Emissions)

Corporate Average Fuel Economy in Japan



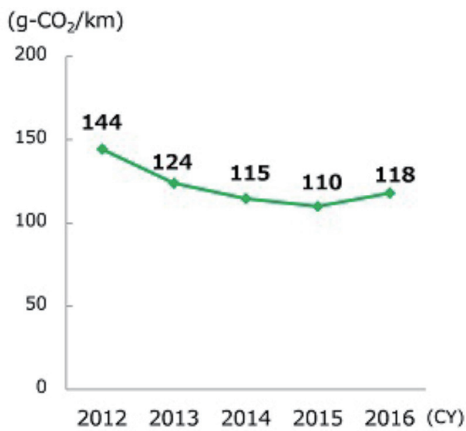
• Excluding electric vehicle and plug-in hybrid electric vehicle

Corporate Average Fuel Economy in the United States



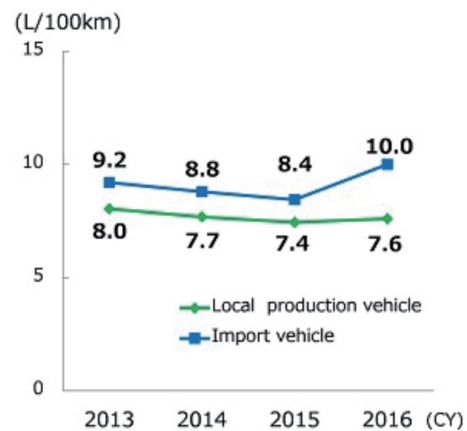
• Reported values to United States Environmental Protection Agency

Corporate Average CO₂ Emissions in Europe (Passenger cars)



• Reported values to European Commission

Corporate Average Fuel Consumption in China



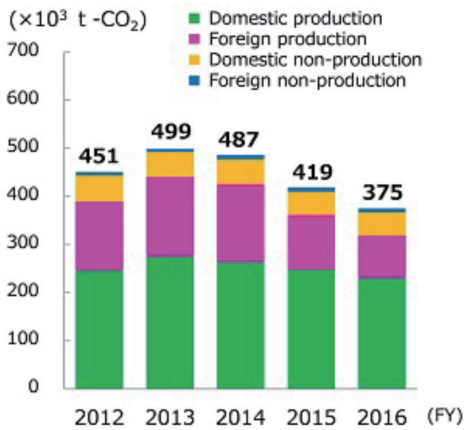
• Reported values to Chinese authorities

Local production vehicle : values reported by GAC Mitsubishi Motors Co., Ltd.
 Import vehicle : values reported by Mitsubishi Motor Sales (China) Co., Ltd.

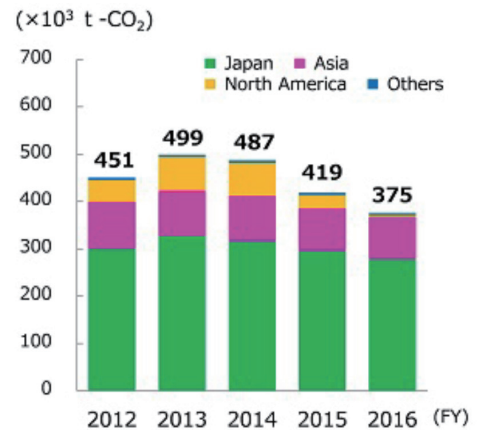
Business Activity Indicators

- Target sites are 22 global environmental management target companies (excluding the data with annotation).
- Some data in the past years was recalculated.

CO₂ Emissions (individual production or non-production)



CO₂ Emissions (individual region)



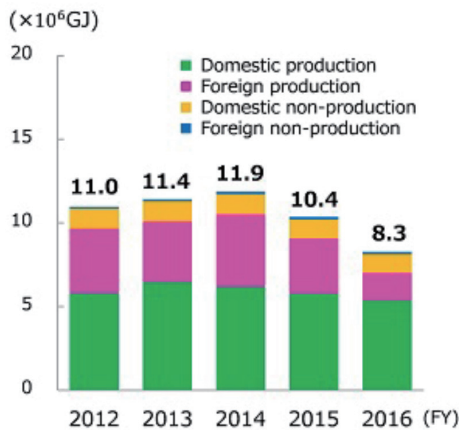
CO₂ Emission Factors

Electrical power used in Japan : 0.381 kg-CO₂/kWh

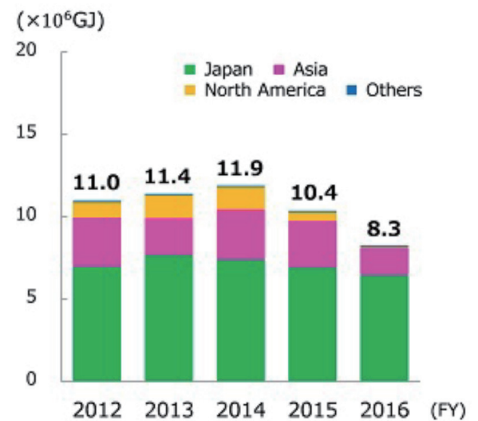
Electrical power used in overseas : values for 2005 with reference to IEA "CO₂ Emissions from Fuel Combustion (2010 edition)" or available values at each site

Other energy input : values of "Act on Promotion of Global Warming Countermeasures," etc.

Energy Input (individual production or non-production)

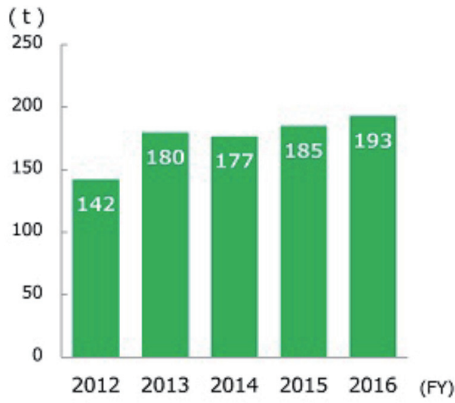


Energy Input (individual region)



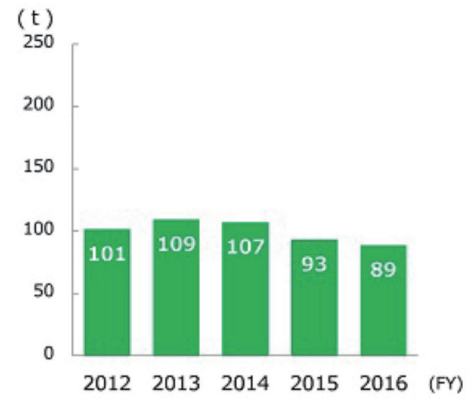
- Conversion factor: based on "Act on the Rational Use of Energy," etc.

Sulphur oxide (SOx) Emissions



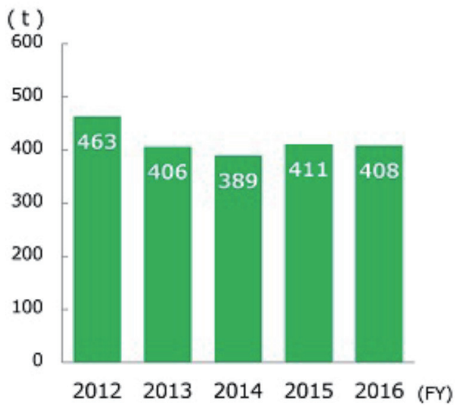
Calculation method : calculated the weight of sulphur contained in the used fuel and converted the weight into sulphur dioxide (SO₂)

Nitrogen oxides (NOx) Emissions



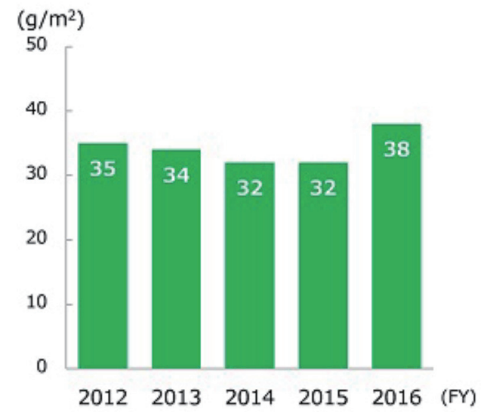
- Calculation method : calculated with multiplying each conversion factor to fuel consumption
- Conversion factor : based on "Environmental Activity Evaluation Program" of the Ministry of the Environment

Release and Transfer of PRTR substances



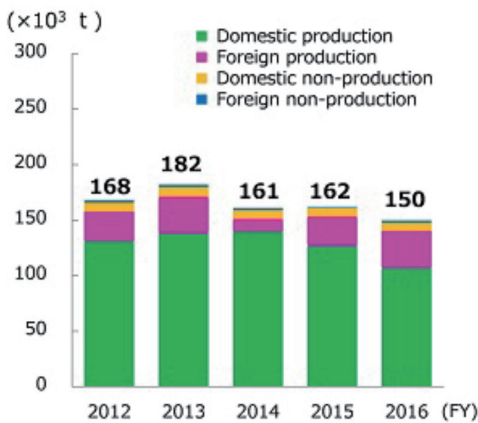
Target site : Okazaki Plant, Mizushima Plant, Kyoto Plant, Pajero Manufacturing Co., Ltd

VOC Emissions (per unit painting area)



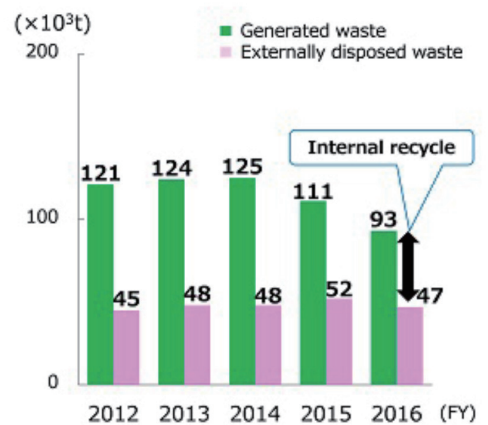
Target site : Okazaki Plant, Mizushima Plant, Pajero Manufacturing Co., Ltd, Suiryu Plastic Co., Ltd

Generated Waste



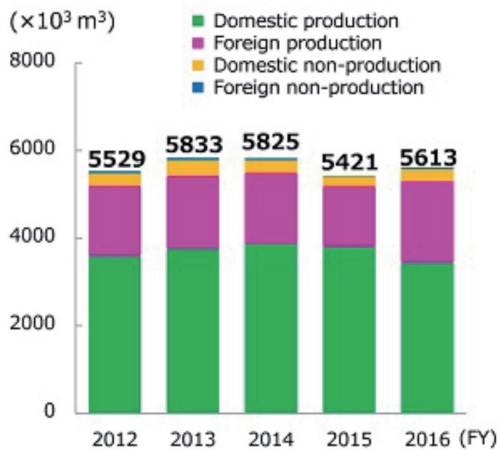
• Excluding some foreign affiliated companies

Generated Waste and Externally Disposed Waste (Mitsubishi Motors production sites)



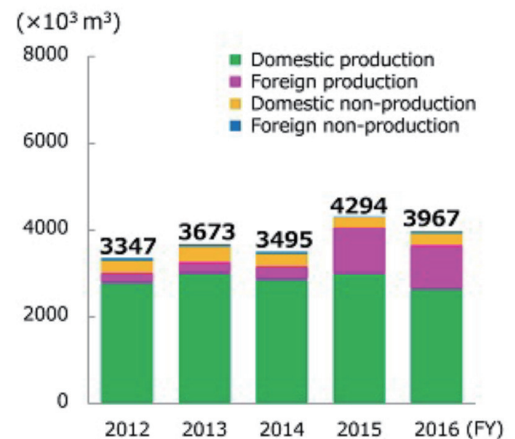
Target site : Okazaki Plant, Mizushima Plant, Kyoto Plant

Withdrawn water volume



• Excluding some foreign affiliated companies

Wastewater volume



• Excluding some foreign affiliated companies
• Including some estimates

Biodiversity Indicators

Condition of Protected or Restored Habitats (Achievements by FY2016)

	Protection : Initiative of preserving native plants and creatures in and around the plant	Restoration : Initiatives of restoring the ecosystem in and around the business areas 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

Habitat status of rare species (Red List of Ministry of the Environment) in and around the plants (the status to FY2016)

Kyoto Plant-Shiga (investigation period :from 2013 to 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 Sparrowhawk, Japanese pond turtle, Black-spotted Pond Frog, Trigomphus citimus and Trigomphus interruptus
EN (Endangered)	1	One species of insects not to disclose

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

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

Mitsubishi Motors CSR Report 2017

GRI/ISO26000 Guideline Reference Chart


[GRI Guideline Reference Chart](#)
[ISO26000 Guideline Reference Chart](#)

GRI Guideline Reference Chart

G4 General Standard Disclosure Items

[Strategy and Analysis](#)
[Organizational Profile](#)
[Identified Material Aspects and Boundaries](#)
[Stakeholder Engagement](#)
[Report Profile](#)
[Governance](#)
[Ethics and Integrity](#)

G4 Specific Standard Disclosure Item

[Economic](#)
[Environmental](#)
[Social](#)
[Labor Practices and Decent Work](#)
[Human Rights](#)
[Society](#)
[Product Responsibility](#)

G4 General Standard Disclosure Item

Strategy and Analysis			
Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
G4-1	a. Statement from the most senior decision-maker of the organization	Message from Top Management	—
G4-2	a. Key impacts, risks, and opportunities.	Message from Top Management	Securities Report (P15-18)
Organizational Profile			
Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
G4-3	a. Name of the organization.	—	Profile of MITSUBISHI MOTORS
G4-4	a. Primary brands, products, and services.	—	Securities Report (P4-5)
G4-5	a. Location of organization's headquarters.	—	Profile of MITSUBISHI MOTORS
G4-6	a. Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	—	Profile of MITSUBISHI MOTORS Securities Report (P6-10)
G4-7	a. Nature of ownership and legal form.	—	Profile of MITSUBISHI MOTORS
G4-8	a. Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	—	Profile of MITSUBISHI MOTORS Securities Report (P4-5) Investors > Business Performance and Financial Information

G4-9	a. Scale of the organization, including: <ul style="list-style-type: none"> Total number of employees; Total number of operations Net sales (for private sector organizations) or net revenues (for public sector organizations); Total capitalization broken down in terms of equity and debt (for private sector organizations); and Quantity of products and services provided. 	Employee Initiatives > Human Resource-related Data	Profile of MITSUBISHI MOTORS Securities Report (P11-13)
G4-10	a. Total number of employees by employment contract and gender. b. Total number of permanent employees by employment type and gender. c. Total workforce by employees and supervised workers and by gender. d. Total workforce by region and gender. e. Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Any significant variations in employment numbers	Employee Initiatives > Human Resource-related Data	Securities Report (P11)
G4-11	a. Percentage of total employees covered by collective bargaining agreements.	Employee Initiatives > Dialog between Labor and Management	—
G4-12	a. Organization's supply chain	Business Partner Initiatives	—
G4-13	a. Any significant changes during the reporting period regarding the organization's size, structure, ownership or its supply chain.	—	Securities Report (P32)
G4-14	a. Whether and how the precautionary approach or principle is addressed by the organization.	Risk Management Environmental Initiatives > Environmental Management > Environmental Organization	Securities Report (P15-18)
G4-15	a. Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Editorial Policy CSR Management	—
G4-16	a. Memberships of associations and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> Holds a position in the governance body; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic. 	CSR Management > Participation in External Organizations	—

Identified Material Aspects and Boundaries

Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
G4-17	a. 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 covered by the report.	—	Securities Report (P6-10)
G4-18	a. Process for defining the report content and the aspect boundaries b. How the organization has implemented the "Reporting Principles for Defining Report Content"	—	—
G4-19	a. All the material aspects identified in the process for defining report content	—	—
G4-20	a. Aspect boundary within the organization for each material aspect	—	—
G4-21	a. Aspect boundary outside the organization for each material aspect	—	—
G4-22	a. Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	N/A	—
G4-23	a. Significant changes from previous reporting periods in the scope and aspect boundaries	N/A	—

Stakeholder Engagement

Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
G4-24	a. A list of stakeholder groups engaged by the organization.	CSR Management	—
G4-25	a. Basis for identification and selection of stakeholders with whom to engage	CSR Management	—
G4-26	a. Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder groups, and whether any of the engagements was undertaken specifically as a part of the report preparation process	CSR Management Compliance	—

G4-27	a. Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	CSR Management Compliance	—
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Report Profile			
Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
G4-28	a. Reporting period (e.g., fiscal/calendar year) for information provided.	Editorial Policy	—
G4-29	a. Date of most recent previous report (if any).	Editorial Policy	—
G4-30	a. Reporting cycle (annual, biennial, etc.)	Editorial Policy	—
G4-31	a. Contact point for questions regarding the report or its contents.	Editorial Policy	—
G4-32	a. "In accordance" option the organization has chosen b. GRI Content Index for the chosen option c. Reference information of the external assurance report if the report has been externally assured.	GRI Guideline Reference Chart	—
G4-33	a. Organization's policy and current practice with regard to seeking external assurance for the report. b. Scope and basis for external assurance provided if not included in the assurance report accompanying the sustainability report. c. Relationship between the organization and the assurance provider(s). d. Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	—	—

Governance			
Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
G4-34	a. Governance structure of the organization, including committees of the highest governance body. Any committees responsible for decision-making on the economic, environmental, and social impacts.	CSR Management	Information for our Shareholders and Investors > Corporate Governance Securities Report (P56-66)
G4-35	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees	CSR Management	Information for our Shareholders and Investors > Corporate Governance Securities Report (P56-66)
G4-36	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics and whether those people report directly to the highest governance body.	CSR Management	Securities Report (P44-66)
G4-37	a. Processes for discussion between stakeholders and the highest governance body on economic, environmental and social topics. If those discussions are delegated, to whom and any feedback process to the highest governance body..	CSR Management	Securities Report (P44-66)
G4-38	a. Composition of the highest governance body and its committees by the following items. <ul style="list-style-type: none"> Executive or non-executive Independence Term of office in governance body Other important positions of members, number of commitments, and nature of commitments Gender Member of a group with a low-ranking right to speak Ability related to economic, environmental, and social impact Stakeholder representative 	—	Securities Report (P44-66)
G4-39	a. Whether the Chair of the highest governance body is also an executive officer (and, if so, his/her function within the organization's management and the reasons for this arrangement).	—	Securities Report (P56-66)
G4-40	a. Nomination and selection process for the highest governance body and its committees. <ul style="list-style-type: none"> Whether and how diversity is considered Whether and how independence is considered Whether and how expertise and experience relating to economic, environmental and social topics are considered Whether and how stakeholders (including shareholders) are involved 	Corporate Governance	Shareholders' Meeting Convocation Notice Securities Report (P56-66)
G4-41	a. Process for the highest governance body to ensure conflicts of interest are avoided and managed. Whether the information has been disclosed to stakeholders regarding the conflicts of interest, and at a minimum, whether the following items have been disclosed. <ul style="list-style-type: none"> Cross-board membership Cross-shareholdings with suppliers and other stakeholders Existence of controlling shareholde Related party disclosures 	Corporate Governance	Securities Report (P37)

G4-42	a. The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	CSR Management	—
G4-43	a. Measures taken to develop and enhance the collective knowledge of the highest governance body with regard to economic, environmental and social topics.	—	Securities Report (P56-66)
G4-44	a. Processes for evaluating the highest governance body's performance with respect to the governance of economic, environmental and social topics. Whether such evaluation is independent or not, and its frequency. Whether such evaluation is a self-assessment. b. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	Compliance	Securities Report (P56-66)
G4-45	a. Role of the highest governance body in identification and management of economic, environmental and social impacts, risks and opportunities. b. Whether discussions with stakeholder are utilized to support identification and management of economic, environmental and social impacts, risks and opportunities.	—	Risk Management Securities Report (P15-18)
G4-46	a. Role played by the highest governance body in reviewing the effectiveness of the risk management process regarding the organization's economic, environmental and social topics.	—	Risk Management
G4-47	a. Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	—	Risk Management
G4-48	a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	—	—
G4-49	a. Process for communicating critical concerns to the highest governance body.	Compliance	—
G4-50	a. Nature and total number of critical concerns communicated to the highest governance body and the mechanism(s) used to address and resolve them.	—	—
G4-51	a. Remuneration policies for the highest governance body and senior executives concerning the following types of remuneration. • Fixed pay and variable pay Performance-based pay Equity-based pay Bonuses Deferred or vested shares • Payment of sign-on bonuses and incentive at time of hiring • Termination payments • Clawbacks • Retirement benefit b. How the performance criteria in the remuneration policy relates to the highest governance body's and senior executives' economic, environmental and social objectives.	—	Securities Report (P39, 67)
G4-52	a. Process for determining remuneration. Whether or not remuneration consultants are involved in determining remuneration and whether or not they are independent of management. Any other relationships which the remuneration consultants have with the organization.	—	Securities Report (P67)
G4-53	a. How stakeholders' views are sought and taken into account regarding remuneration, including the voting results for remuneration policies and proposals, if applicable.	—	General Shareholders Meetings
G4-54	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.	—	—
G4-55	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.	—	—

Ethics and Integrity

Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
G4-56	a. Organization's values, principles, standards and norms of behavior (code of conduct, code of ethics, etc.)	CSR Management	Three Principles/Corporate Philosophy
G4-57	a. Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to such as organizational integrity, such as helplines or advice lines.	Compliance	—
G4-58	a. Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Compliance	—

G4 Specific Standard Disclosure Item

Economic			
Disclosure on Management Approach			
Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
Economic Performance			
G4-EC1	Direct economic value generated and distributed	Corporate Citizenship	Securities Report (P74-75)
G4-EC2	Financial impacts and other risks and opportunities of the organization's activities due to climate change.	—	Securities Report (P15-18)
G4-EC3	Scope of the organization's defined benefit plan obligations.	—	Securities Report (P100-103)
G4-EC4	Financial assistance received from government.	—	—
Local Presence			
G4-EC5	Ratio of the standard entry level wage by gender compared to local minimum wage at significant locations of operation	—	—
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	—	—
Indirect Economic Impacts			
G4-EC7	Development and impact of infrastructure investments and services supported	CSR Special Feature 2017 > Aiming to Realize a Sustainable Society through the Popularization of Electric-Powered Vehicles	—
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	Corporate Citizenship	—
Procurement Practices			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	—	—

Environmental			
Disclosure of Management Approach			
Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
Materials			
G4-EN1	Materials used by weight or volume	Environmental Initiatives > Environmental Management > Monitoring Environmental Impact within Supply Chain > Environmental Impact of Business Activities	—
G4-EN2	Percentage of materials used that are recycled input materials	—	—
Energy			
G4-EN3	Energy consumption within the organization	Environmental Initiatives > Environmental Data	—
G4-EN4	Energy consumption outside of the organization	Environmental Initiatives > Environmental Management > Monitoring Environmental Impact within Supply Chain > Greenhouse Gas Emissions	—
G4-EN5	Energy intensity	Environmental Initiatives > Business Activities > Efforts in Production > Reducing CO2 emissions Efforts in Distribution Efforts in Offices and Dealers Environmental Initiatives > Environmental Data	—
G4-EN6	Reduction of energy consumption	Environmental Initiatives > Environmental data	—
G4-EN7	Reductions in energy requirements of products and services	Environmental Initiatives > Environmental Data	—

Water			
G4-EN8	Total water withdrawal by source	Environmental Initiatives > Environmental Management > Monitoring Environmental Impact within Supply Chain > Environmental Impact of Business Activities	—
G4-EN9	Water sources significantly affected by withdrawal of water.	Environmental Initiatives > Business Activities > Efforts in Production > Preserving Water Resources	—
G4-EN10	Percentage and total volume of water recycled and reused		—
Biodiversity			
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Initiatives > Collaboration with Society > Initiatives for Preserving Biodiversity	—
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		—
G4-EN13	Habitats protected or restored	Environmental Initiatives > Environmental Data	—
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		—
Emissions			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Environmental Initiatives > Environmental Data	—
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Environmental Initiatives > Environmental Data	—
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environmental Initiatives > Environmental Management > Monitoring Environmental Impact within Supply Chain > Greenhouse Gas Emissions	—
G4-EN18	Greenhouse gas (GHG) emissions intensity	Environmental Initiatives > Business Activities > Efforts in Production > Reducing CO2 Emissions Efforts in Distribution Efforts in Offices and Dealers	—
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Environmental Initiatives > Environmental Data	—
G4-EN20	Emissions of ozone-depleting substances (ODS)	Environmental Initiatives > Environmental Management > Monitoring Environmental Impact within Supply Chain > Environmental Impact of Business Activities	—
G4-EN21	NOx, SOx, and other significant air emissions	Environmental Initiatives > Environmental Data	—
Effluents and Waste			
G4-EN22	Total water discharge by quality and destination.	Environmental Initiatives > Environmental Data	—
G4-EN23	Total weight of waste by type and disposal method.	Environmental Initiatives > Environmental Data	—
G4-EN24	Total number and volume of significant spills.	Environmental Initiatives > Environmental Management > Environmental Risk Management	—
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Environmental Initiatives > Business Activities > Efforts in Production > Management of Chemical Substances	—
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	Environmental Initiatives > Business Activities > Efforts in Production > Preserving Water Resources	—

Products and Services			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Environmental Initiatives > Environmental Data	—
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category a. Report the percentage of reclaimed products and their packaging materials for each product category b. Report how the data of this indicator has been collected	Environmental Initiatives > Products and Technologies > Recycling Initiatives > End-of-life Vehicle Recycling	—
Compliance			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Environmental Initiatives > Environmental Management > Environmental Risk Management	—
Transport			
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	Environmental Initiatives > Environmental Management > Monitoring Environmental Impact within Supply Chain > Greenhouse Gas Emissions	—
Overall			
G4-EN31	Total environmental protection expenditures and investments by type.	Environmental Initiatives > Environmental Management > Environmental Accounting	—
Supplier Environmental Assessment			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Environmental Initiatives > Business Activities > Collaborative Efforts with Suppliers	—
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken		—
Environmental Grievance Mechanisms			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Environmental Initiatives > Environmental Management > Environmental Risk Management	—

Social			
Labor Practices and Decent Work			
Disclosure of Management Approach			
Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
Employment			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region.	Employee Initiatives > Human Resource-related Data	—
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Employee Initiatives > Creating an Environment where Each and Every Employee Can Excel	—
G4-LA3	Return to work and retention rates after parental leave, by gender.	Employee Initiatives > Human Resource-related Data	—
Labor/Management Relations			
G4-LA4	Minimum notice period(s) regarding operational changes, including whether or not these are specified in collective labor agreements.	Employee Initiatives > Dialog between Labor and Management	—
Occupational Health and Safety			
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Employee Initiatives > Creating a Safe Working Environment	—
G4-LA6	Type of injuries and rates of injuries, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Employee Initiatives > Creating a Safe Working Environment	—
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	—	—
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	Employee Initiatives > Creating a Safe Working Environment Employee Initiatives > Dialog between Labor and Management	—

Training and Education			
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	—	—
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Employee Initiatives > Creating an Environment where Each and Every Employee Can Excel Employee Initiatives > Employee Program	—
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Employee Initiatives > Human Resource-related Data	—
Diversity and Equal Opportunity			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Employee Initiatives > Human Resource-related Data	—
Equal Remuneration for Men and Women			
G4-LA13	Ratio of basic salary and total remuneration of women to men by employee category, by significant locations of operation	Employee Initiatives > Human Resource-related Data	—
Supplier Assessment of Labor Practices			
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Business Partner Initiatives	—
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Business Partner Initiatives	—
Grievance Mechanisms for Labor Practices			
G4-LA16	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms.	Compliance	—
Human Rights			
Disclosure of Management Approach			
Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
Investment			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	—	—
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Employee Initiatives > Human Rights Initiatives	—
Non-discrimination			
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	—	—
Freedom of Association and Collective Bargaining			
G4-HR4	Operations and suppliers identified where the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support those rights.	—	—
Child Labor			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Business Partner Initiatives	—
Forced and Compulsory Labor			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to elimination of all forms of forced or compulsory labor.	Business Partner Initiatives	—
Security Practices			
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures relevant to operations.	N/A	
Indigenous People's Rights			
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	N/A	

Human Rights Assessment			
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	—	—
Supplier's Human Rights Assessment			
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Business Partner Initiatives	—
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Business Partner Initiatives	—
Human Rights Grievance Mechanisms			
G4-HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms.	Compliance	—

Society			
Disclosure of Management Approach			
Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
Local Communities			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	—	—
G4-SO2	Operations with significant actual and potential negative impacts on local communities	—	—
Anti-Corruption			
G4-SO3	Total number and percentage of operations assessed for risk related to corruption, and the significant risks identified	Compliance > Anti-corruption Initiatives	—
G4-SO4	Communication and training on anti-corruption policies and procedures	Compliance > Anti-corruption Initiatives	—
G4-SO5	Confirmed incidents of corruption and actions taken	Compliance > Anti-corruption Initiatives	—
Public Policy			
G4-SO6	Total value of political contributions by country, recipient and beneficiary.	—	—
Anti-Competitive Behavior			
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopolistic practices, and their outcomes.	Compliance > Anti-corruption Initiatives	—
Compliance			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Compliance > Anti-corruption Initiatives	—
Supplier Assessment for Impacts on Society			
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Business Partner Initiatives	—
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Business Partner Initiatives	—
Grievance Mechanisms for Impact on Society			
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through the formal grievance mechanisms	Compliance > Anti-corruption Initiatives	—

Product Responsibility			
Disclosure of Management Approach			
Item	Description	MITSUBISHI MOTORS CSR Report 2017	MITSUBISHI MOTORS Global Website
Customer Health and Safety			
G4-PR1	Percentage of significant products and services categories for which health and safety impacts are assessed for improvement.	Customer Satisfaction Initiatives > Product Quality Improvements	—

G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their lifecycle, by type of outcomes	—	Recall Information
Product and Service Labeling			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	—	Securities Report (P4-5)
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Message from Top Management CSR Special Feature 2017 > Overview and Measures Regarding Improper Conduct in Fuel Consumption Testing Compliance > Preventative Measures against Improper Conduct in Fuel Consumption Testing (Compliance-related Measures)	—
G4-PR5	Results of surveys measuring customer satisfaction.	Customer Satisfaction Initiatives > Communicating with Customers	—
Marketing Communications			
G4-PR6	Sales of banned or disputed products	—	—
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by types of outcomes	Message from Top Management CSR Special Feature 2017 > Overview and Measures Regarding Improper Conduct in Fuel Consumption Testing Compliance > Preventative Measures against Improper Conduct in Fuel Consumption Testing (Compliance-related Measures)	—
Customer Privacy			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	—	—
Compliance			
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Compliance > Preventative Measures against Improper Conduct in Fuel Consumption Testing (Compliance-related Measures)	—

ISO26000 Reference Table

ISO26000 Core Subject	Issues	Posting page
Organizational governance	1:Organizational governance	Message from Top Management CSR Management Corporate Governance Internal Control System Risk Management Compliance
Human rights	1:Due diligence	CSR Management Compliance Social Initiatives > Business Partner Initiatives Social Initiatives > Employee Initiatives > Human Rights Initiatives
	2:Human rights risk situations	
	3:Avoidance of complicity	
	4:Resolving grievances	
	5:Discrimination and vulnerable groups	
	6:Civil and political rights	
	7:Economic, social and cultural rights	
	8:Fundamental principles and rights at work	
Labor practices	1:Employment and employment relations	CSR Management Social Initiatives > Employee Initiatives
	2:Conditions of work and social protection	
	3:Social dialogue	
	4:Health and safety at work	
	5:Human resource development and training in the workplace	
The environment	1:Prevention of pollution	CSR Special Feature 2017 Environmental Initiatives
	2:Sustainable resource use	
	3:Climate change mitigation and adaptation	
	4:Environment protection, biodiversity and natural habitat restoration	
Fair business practices	1:Anti-corruption	Compliance Social Initiatives > Business Partner Initiatives
	2:Responsible political involvement	
	3:Fair competition	
	4:Promoting social responsibility in the value chain	
	5:Respect for property rights	
Responding to consumer issues	1:Fair marketing, factual and unbiased information and fair contractual practices	Message from Top Management CSR Management Compliance Social Initiatives > Customer Satisfaction Initiatives
	2:Protecting consumers' health and safety	
	3:Sustainable consumption	
	4:Service and Support for Consumers and complaint and dispute resolution	
	5:Consumer data protection and privacy	
	6:Access to essential services	
	7:Education and raising awareness Message from Top Management	

Community involvement and development	1:Community involvement	CSR Management CSR Special Feature 2017 Social Initiatives > Corporate Citizenship
	2:Education and culture	
	3:Employment creation and skills development	
	4:Technology development and access	
	5:Wealth and income creation	
	6:Health	
	7:Social investment	