

Social and Environmental Report 2010

MITSUBISHI MOTORS CORPORATION



Mitsubishi Motors
Social and Environmental Report 2010
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Drive@earth



Note to Readers

Corporate Philosophy (formulated in January 2005)

“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.”

Customer-centric approach

Mitsubishi Motors will give the highest priority to earning the satisfaction of its customers, and by doing so will become a company that enjoys the trust and confidence of the community at large. To this end, Mitsubishi Motors will do its utmost to tackle environmental issues, to raise the level of passenger and road safety and to address other issues of concern to car owners and the general public.

A clear direction for the development and manufacturing of Mitsubishi Motors vehicles

The cars that Mitsubishi Motors will manufacture will embody two major concepts: “driving pleasure” and “safety.” Mitsubishi Motors will manufacture cars that deliver superior driving performance and superior levels of safety and durability, and therefore those who use them will enjoy peace of mind.

Going the extra mile

Mitsubishi Motors will pay close attention to even the smallest details in the belief that this approach will lead customers to discover new value in their cars, giving them a richer and more rewarding driving experience.

Importance of continuity

Mitsubishi Motors will continue to manufacture distinctive cars with the passion and conviction to overcome all challenges.

Corporate Tagline (formulated in June 2008)

Drive@earth

Mitsubishi Motors’ corporate tagline “Drive@earth” holds two meanings

First, Drive@earth means that automobiles connect us to the world. Mitsubishi’s 4WD legacy has carried a generation of drivers to every corner of the earth, from desert dunes to city streets. Rally-tested toughness, performance and reliability make Mitsubishi Motors a trusted name on five continents.

Second, Drive@earth means that no enterprise — automotive or otherwise — makes sense without the context of a healthy planet, and that MMC vehicles are designed to represent a synergy between dynamic and environmental performance.

Mitsubishi vehicles forge a connection to customers, to communities, and ultimately to the natural world around us.

CSR Promotion

In addition to the continuation and strengthening of CSR programs, Mitsubishi Motors Corporation (MMC), as a company that prioritizes CSR, is actively engaged in activities aimed at building a prosperous and sustainable relationship with society.

Overview of Step Up 2010 Initiatives

Revitalization Plan: FY2005–FY2007	Step Up 2010: FY2008–FY2010
Restore Trust To restore trust in MMC and be recognized as a company with integrity	Prosperous and sustainable relationship with society To continue to be a company that makes ongoing contributions to society and the environment
Compliance First	Continue compliance and CSR programs
Safety First	Environment as a top priority
Customers First	Strengthen corporate governance
	Bolster social contribution activities

In response to the recall problems of 2004, MMC implemented a thorough investigation of the causes, and based on the lessons learned from this investigation we adopted the policies of “Compliance First,” “Safety First,” and “Customers First.” Based on these policies, the entire company worked as one to restore trust in MMC during the Mitsubishi Motors Revitalization Plan, a three-year business plan covering fiscal 2005 through fiscal 2007.

Upon launching our new mid-term business plan, Step Up 2010, covering fiscal 2008 through fiscal 2010, MMC made the following commitment to society: placing top priority on corporate social responsibility (CSR), MMC seeks, in addition to continuing conventional compliance and CSR activities, to actively engage in activities aimed at building a prosperous and sustainable relationship with society.

Recognizing that rebuilding trust is a continuing process, MMC will remain engaged in activities with a strong focus on building a prosperous and sustainable relationship with society, such as by continuing conventional compliance and CSR initiatives, in addition to environmental measures, corporate governance, and social contribution activities.

With respect to making the environment a top priority, in July 2008 we made a commitment to the Minister of the Environment to participate in the “Eco-First Program.”

Looking ahead to 2020, the 50th anniversary of the establishment of the company, we announced in June 2009 the “Mitsubishi Motors Group Environmental Vision 2020,” a medium- to long-term roadmap for environmental activities, and unveiled the *i-MiEV* model, the ultimate eco-car that produces no CO₂ emissions while driving. In fiscal 2009 we shipped the *i-MiEV* to customers at local government bodies, agencies and corporations. Sales to the general public started from fiscal 2010.

With regard to strengthening corporate governance, we are implementing company-wide measures, including the establishment of internal controls.

We continue to build an infrastructure for enhancing and expanding our social contribution activities. Measures include establishing a Corporate Citizenship Promotion Office in April 2008, and continuing and strengthening existing activities based on a company-wide Corporate Citizenship Activity Policy, while putting in place ways for individual employees to participate in these activities.

We receive objective, common sense guidance and advice on these initiatives from the Business Ethics Committee, which is made up solely of external experts.

MMC’s Approach to CSR Activities

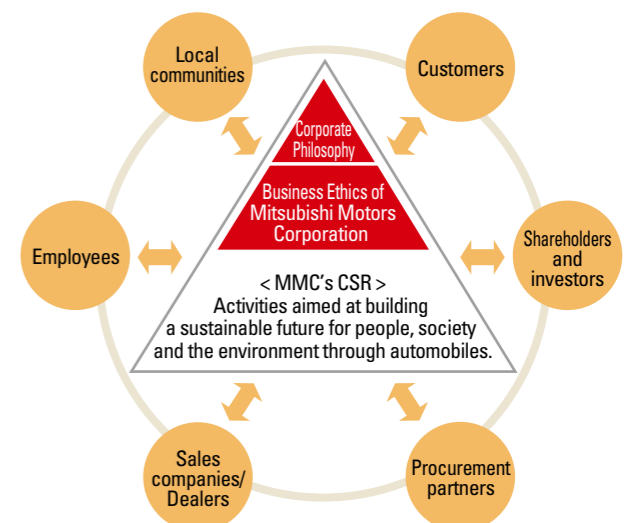
At MMC, we work to ensure compliance with not only laws and ordinances, international rules and internal regulations, but also business ethics, acting in a manner that fully respects changing societal norms.

While winning trust in MMC by implementing our Corporate Philosophy based on compliance with corporate ethics, and fulfilling our stakeholders’ expectations and demands, we strive to build a prosperous and sustainable future for people, society and the environment through automobiles by continually contributing to society and the environment.

Mitsubishi Motors Corporation’s CSR Activities

Continually contribute to both society and the environment by winning trust in MMC through the fulfillment of the expectations and demands of stakeholders through the implementation of our Corporate Philosophy

Activities aimed at building a sustainable future for people, society and the environment through automobiles.



Electric Vehicles Changing Lifestyles and Society



Fiscal 2010 is the final year of Step Up 2010, a mid-term business plan that sought to build the foundations of growth for MMC. While we had to partially revise that plan in light of dramatic changes in the operating climate stemming from the global financial turmoil that started with the U.S. financial crisis, building these foundations became even more important for us. The worst of the global economic turmoil subsided at the start of 2010, when the hard-hit automobile market gradually began to recover. Nonetheless, it is important to note that the economic crisis transformed the demand structure for automobiles, one change being strong interest in eco-friendly vehicles due to rising global awareness of environmental issues.

MMC considers environmental responsibility as one of the facets of building the foundations of growth; therefore we created medium and long-term goals in this area that we are working hard to achieve. In July 2009, we launched the next-generation *i-MiEV* electric vehicle as a "pioneer opening the door to the next 100 years of the automobile." This ultimate eco-car could help resolve the key issues of air pollution, global warming, and the shift away from dependence on oil. We aim to create even more user-friendly, attractive, and accessible vehicles. We believe that we can steadily overcome technical challenges such as further enhancing battery performance. We also are pushing ahead with development to commercialize technologies other than batteries, one example being contactless chargers. I think that the dream of charging while driving and being able to travel as far as one wants may eventually become reality.

In June 2009, we announced the Mitsubishi Motors Group Environmental Vision 2020, through which we seek to raise the total production ratio for electric vehicles to 20% by 2020. We aim to overcome each challenge regarding electric vehicles, making them a core business and helping to swiftly realize a low-carbon society.

The popularization of electric vehicles will not only help to cut CO₂ emissions and resolve other environmental problems but could also benefit lifestyles and society in other ways. People will basically charge their electric vehicles at home. Once their homes run on solar power, wind power, or other natural energy sources, people will enjoy environmentally friendly houses and cars having eliminated their residential and vehicle CO₂ emissions. The smart grid concept is attracting attention as an integral part of the storage capabilities of electric vehicles. We expect these grids to play a major role in revolutionizing energy supply systems.

I think that electric vehicles will evolve further. For example, in-wheel motor systems would greatly alleviate design constraints and enhance design freedom. Vehicles could also move sideways or rotate on the spot, which would be inconceivable with conventional vehicles, transforming our established ideas about automobiles. Electric vehicles can operate indoors because they are quiet and free of exhaust gas emissions, extending their potential application beyond regular modes of transport to encompass living spaces and parts of homes.

Several countries have announced plans to shift to new transportation systems that are efficient and environmentally friendly. Aircraft and high-speed railways would handle long-distance travel while automobiles would be the main transport means for short journeys. Combining bullet trains and other high-speed rail systems planned around the world with electric vehicles that people rent or share would probably do much to reduce CO₂ emissions.

The understanding and cooperation of many people is vital if we are to sufficiently popularize electric vehicles to reach their potential for contributing greatly to lifestyles and society. We would deeply appreciate even more understanding and support for our activities to optimize the benefits of electric vehicles, especially through the development and installation of quick-chargers and other social infrastructure and proposals for employing these vehicles in various fields. I think that new ideas and approaches to using electric vehicles that come from this process would generate numerous business opportunities, stimulate economies, and help promote the popularization of these next-generation automobiles even more.

I hope that the electric vehicles that MMC introduces will contribute greatly to a better environment, more convenient living, and economic prosperity.

Thank you for your continued support. I look forward to hearing your unreserved opinions regarding the popularization of electric vehicles and our endeavors.

August 2010

A handwritten signature in black ink that reads "O. Masuko". The signature is stylized and cursive.

Osamu Masuko
President





Feature 1 Contributing to the Environment

Driving an *i-MiEV* on one of the Goto Islands

Building an Electric Vehicle Society With Our Customers

MMC commercialized the lithium-ion battery-powered next-generation *i-MiEV* electric vehicle in Japan in July 2009. MMC delivered around 1,400 units to regional public bodies, government agencies, and corporate customers. MMC began selling this model to the general public in April 2010.

Overseas, MMC conducted proving tests, and has shipped about 200 units to date to governments and electric utilities. The *i-MiEV* has therefore already begun to appear on roads around the world.

MMC has received numerous suggestions from people in various fields for new applications for electric vehicles and for a charging infrastructure. There is a steady stream of initiatives underway in many parts of the world to help popularize electric vehicles.

MMC will be at the forefront of various activities by drawing on the support of customers while collaborating with them to promote the widespread use of electric vehicles.

Electric Vehicles Opening the Door to the Next 100 Years of the Automobile

After 100 years in which automotive technologies have matured and transformed societies, we have reached a turning point at this early stage of the 21st century. As we shift away from 20th century fossil fuel reliance toward a new century powered by electricity, the *i-MiEV* next-generation electric vehicle is pioneering efforts to resolve environmental and energy issues and to move towards creating a low-carbon society.

The focus on electric vehicles goes well beyond its potential for minimizing CO₂ emissions on roads. Research is under way on incorporating electric vehicles into smart grids—next-generation electricity grids in which

electricity from solar, wind, or other renewable power sources charges electric vehicles, which in turn release electricity back to these grids during power demand peaks and at other times. Once these become a reality, electric vehicles will function not only as a means of transportation, but also as a part of our energy systems.

The *i-MiEV* is a significant advance toward the realization of this vision. Still, we have yet to achieve real popularization of electric vehicles. Our efforts in that direction include collaborating with customers and other companies in various relevant fields to address challenges such as enhancing charging infrastructures and creating a global standard for charging systems.

i-MiEV Helping to Realize a Tourism Model For the Future

Cluster of Churches in Nagasaki Prefecture Seeking World Heritage Status

Nagasaki Prefecture seeks to obtain World Heritage status for its churches and other heritage sites related to Christianity. They have been on the United Nations Educational, Scientific and Cultural Organization's provisional list since January 2008. The Ministry of Economy, Trade and Industry chose this prefecture to represent the Kyushu region for EV*¹ & PHV*² Towns, a program to promote electric and plug-in hybrid vehicles. In October 2009, the prefecture launched the Nagasaki EV & ITS*³ Project, through which 140 industry, government, and academic organizations are collaborating to safeguard the regional cultural heritage and promote tourism. This project aims to combine environmentally friendly electric vehicles and intelligent transport systems to create a tourism model for the future.

As part of this project, 100 rental *i-MiEV* cars are now in service on the prefecture's Goto Islands, where there are numerous churches. Tourists can set up the navigation systems of these cars to help them visit these facilities with ease. One project goal is to use dedicated short-range communication systems to provide tourist information. As of June 2010, there were 15 quick-charge stations at 8 locations on the islands, enabling tourists to charge their *i-MiEV* cars while looking around the churches.

*¹ EV: Electric vehicle
*² PHV: Plug-in hybrid vehicle
*³ ITS: Intelligent Transport Systems



Locations of churches and quick-charge stations on Goto Islands



100 *i-MiEV* cars in a parade that Guinness World Records certified as the longest for electric vehicles

Parade of 100 *i-MiEV* Cars Earns Guinness World Record Certification

On July 3, 2010, 65 *i-MiEV* cars from Goto City and 35 *i-MiEV* vehicles from Shinkamigoto Town paraded around Fukue Island, one of the Goto Islands. Guinness World Records certified the parade as the world's longest for electric vehicles.

i-MiEV to be Part of Large Social Experiment

Submarine cables from Nagasaki supply the Goto Islands with electricity. Nagasaki Prefecture is endeavoring to deploy wind power and other sources of renewable energy. Goto City is looking to install a large solar power facility at Fukue Port with sufficient capacity to charge more than 200 *i-MiEV* cars per day.

The Nagasaki EV & ITS Consortium is exploring communications standards and content for an ITS

infrastructure and is considering the use of electric vehicles with microgrids. The organization plans to internationally disseminate the results of its social experiments, including through gatherings of the World Conference on ITS Systems.



Navigation system makes sightseeing easier



An *i-MiEV* in front of Aosagaura Church

Employing **iMiEV** in Kyoto, Japan's Ancient Former Capital

Playing a Role in the Kyoto Eco-Tourism Initiatives of Kyoto's Prefectural and City Governments

The governments of Kyoto Prefecture and Kyoto City each took delivery of five *iMiEV* cars in August 2009. The prefecture has joined several other regional administrative bodies in deploying electric and plug-in hybrid vehicles under the EV & PHV Towns program.

The prefectural and city governments have taken several steps under their Kyoto Eco-Tourism initiatives to safeguard the heritage of the ancient capital, including using electric vehicles for environmentally friendly tours of scenic and historic sites. In July 2010, the city government, Nissan Motor Co., Ltd., HORIBA, Ltd., and MMC launched the Kyoto Next-Generation Electric Vehicle Project to popularize these cars and promote eco-driving.

Electric Vehicles in Car-Sharing Program for Residents

The Kyoto City Government implemented an experimental car-sharing program from October 2009 through February 2010 in which it provided free rentals of its two *iMiEV* cars to residents on weekends, when the city office was closed. The goal was for as many residents as possible to ride in electric vehicles following the idea that nothing trumps personal experience. More than 80 residents enjoyed driving the *iMiEV* under the program.

Other public bodies around Japan have deployed

similar initiatives with the *iMiEV*, including the Kanagawa Prefectural Government and the Okayama City Government.



Electric sightseeing taxi (Miyako Taxi) touring a bamboo forest (photo courtesy of JTB Corp.'s tourism information website)

Electric Vehicles for Park-and-Ride Initiative during Fall Tourist Season

During the holidays every fall, the Kyoto City Government prohibits private cars from entering the Higashiyama and Arashiyama areas, which are famed for their autumnal colors. Tourists must leave vehicles at train station car parks. MMC has a powertrain plant in Uzumasa, Kyoto, which is near Arashiyama, and opens its car park to tourists on November holidays. In 2009, some of the Kyoto City Government's *iMiEV*s were used to ferry people between the car park and the nearby Randen-Tenjingawa Station of Keifuku Electric Railroad Co., Ltd., which contributed greatly to alleviating congestion and pollution.

Reduced Admission Charges for Using An Electric Taxi or Renting Electric Vehicles

Another program is EV & PHV Kyoto Story, launched in June 2010 to offer discounted admissions and commemorative gifts to people visiting shrines and temples by electric or plug-in taxis or rental vehicles. More of these religious sites are installing charging stations for such visitors to enable them to charge their vehicles while sightseeing. There is also a guide to the locations of quick-charge stations for rental car users.

The *iMiEV* is seeing a lot of use around Japan in initiatives to help safeguard historical and natural heritage sites, another example being near the Oirase Gorge

in Aomori Prefecture.



iMiEV cars used for ferrying people in a park-and-ride initiative

Other Applications for **iMiEV**

Saitama's E-KIZUNA Project

The City of Saitama is pushing ahead with its E-KIZUNA Project, a collaborative effort between residents, businesses, and government to popularize electric vehicles as part of creating a sustainable low-carbon society. MMC is one of three automakers and numerous organizations participating in this initiative.

In January 2010, MMC delivered 10 *iMiEV* vehicles to the city government, which painted them colorfully for use as patrol cars to keep its communities safe in its

crime prevention program.



*iMiEV*s operating as colorful patrol cars

iMiEV's Increasing Role as Taxis

The use of minicars as taxis was traditionally prohibited in Japan, but the government is now permitting the use of minicars provided that they are electric vehicles as part of its environmental policy. *iMiEV* taxis are now a common sight on the roads as eco- and people-friendly vehicles. These taxis currently operate in such areas as Matsuyama, Kashiwazaki, Okayama, Kyoto, Shizuoka, Ichihara, and Tokyo.

These taxis have proved extremely popular among passengers for being completely free of CO₂ and other exhaust gas emissions and for their quietness and comfort.



A Hinomaru Limousine-operated "Zero Taxi"

Performance of **iMiEV** Proven Around the Globe

On-Road Testing in Birmingham, U.K.

December 12, 2009 saw 25 *iMiEV* cars gather in Century Square, Birmingham, the United Kingdom's second-largest city. MMC supplied these vehicles for an ultralow CO₂ car-testing program of the U.K. Technology Strategy Board. With the aim of fostering environmentally friendly cities by making electric vehicles popular, after the program we proved the utility of *iMiEV*s as police and other public service vehicles and provided the populace with opportunities to use these vehicles on a daily basis.



25 *iMiEV*s gathered in Birmingham

Road Testing in Dublin, Ireland

We secured the support of the Government of the Republic of Ireland and the nation's Electricity Supply Board in conducting road tests in Dublin with 15 *iMiEV* cars from May 2010. The testing will run for the next two years as part of an Irish government effort to increase the percentage of electric vehicles on the roads to 10% of the total by 2020.

The Irish government already supports the use of electric vehicles in various ways, notably by providing a EUR 5,000 subsidy per unit and exempting electric vehicle owners from its automobile registration tax. The government has announced that it will install chargers at 3,500 sites and set up 30 quick-charge stations around the country by the end of 2011.



*iMiEV*s cruise through Dublin

Road Testing in Monaco

In November 2009, we held a delivery ceremony of four *iMiEV* cars at the Palace of Monaco, which was graciously attended by Prince Albert II.

The Principality of Monaco is doing much to resolve environmental issues, replacing internal combustion automobiles on its roads with electric vehicles that generate less CO₂.

The government plans to deploy the *iMiEV* at post offices, public car parks, SMEG, the principality's electric power and gas utility, and the Prince Albert II Foundation in an effort to popularize electric vehicles in the country.

As well as conducting road tests with the assistance of governments and electric utilities, we are also undertaking independent testing programs around the world.

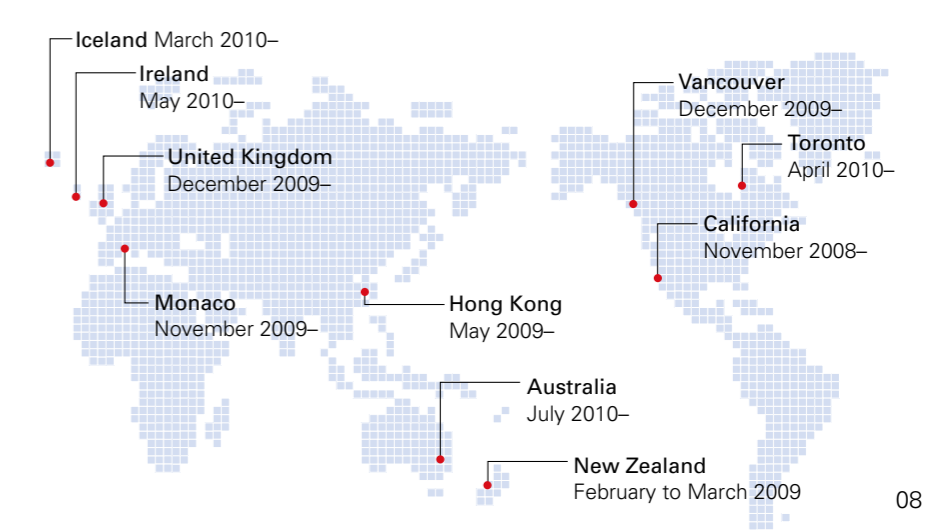


iMiEV delivery ceremony at the Prince's Palace in Monaco



An *iMiEV* on the streets of Paris

Progress With Road Testing in Cooperation With Overseas Governments and Electric Utilities



Collaborating With Various Industries to Promote Electric Vehicles

CHAdeMO Association Established

In March 2010, several industries jointly established the CHAdeMO Association to increase the number of quick-charge stations around Japan and standardize charging methods, essential to popularizing electric vehicles. The five executive members are MMC, Nissan Motor Co., Ltd., Fuji Heavy Industries Ltd., Toyota Motor Corporation, and the Tokyo Electric Power Company, Incorporated. Another 259 domestic and overseas corporations and organizations are also members, including charger manufacturers, charging service suppliers, and other businesses and government organizations with interests in electric vehicles.

The association's name is derived from *Charge de Move* ("move by charging"), and is also a word play on *Chademo do desuka?* (Japanese for "How about a cup of tea?"), to convey the notion that people can take a short break while their cars are charging.



International Standardization of CHAdeMO System

In addition to pursuing technological improvements for quick-chargers and further enhancing charging performances, the association plans to encourage the global spread of electric and plug-in hybrid vehicles by drawing on Japanese quick charger expertise to create international standards.

Japan currently leads the electric vehicle field in terms of commercialization and market participation. The CHAdeMO Association will leverage that advantage



to promote international standard adoption of Japan's CHAdeMO System, which the *i-MiEV* also uses.

Building a Charging Infrastructure

More Quick-Charge Stations Being Set Up on Expressways

In April 2010, the Central Nippon Express Company Limited inaugurated quick-charge station services for electric vehicles at inbound and outbound service areas of the Tomei Expressway. The two locations were Ebina, Kanagawa Prefecture and Kamigo, Aichi Prefecture.

Central Nippon Express plans to gradually install more quick-chargers at service areas between Tokyo and Nagoya on the Tomei Expressway. Once infrastructure development has progressed, long-distance travel by electric vehicles will easily become practical. Drivers with preregistered cards or mobile phone payment systems can use the chargers. The cost of ¥100 per charge is very inexpensive, providing sufficient energy to travel for more than 100 kilometers.

Charging Electric Vehicles with Batteries Powered by Solar Panels

In March 2010, the city of Kyoto installed a solar-powered electric vehicle charge station in the car park of Nishikyogoku Athletic Park, located in Ukyo Ward. System

developer Nichicon Corporation also manufactures onboard chargers for the *i-MiEV*. The system works by charging electric vehicles with solar power stored temporarily in the charger's lithium-ion battery. The system stores electricity, so it can charge at night and on rainy days, and the solar panel area can be reduced for a more compact installation area.

Kyoto City plans to deploy these chargers at six sites within the city to help create a low-carbon society. Kyoto Prefecture also plans to adopt similar systems.

Such charging setups are free of CO₂ emissions, so several manufacturers are developing and commercializing systems that combine solar panels and storage cells.

Identifying Charge Stations at a Glance

Drivers can visit an MMC website to search for and download data showing the locations of the charge stations of affiliated dealers. The website also links to other sites to enable further searches.

MMC electric vehicle website <http://global.ev-life.com/>



Quick-charge station at Ebina Service Area



Charging with clean solar power

i-MiEV and Peripheral Technologies Extend to Various Fields

i-MiEV Complements Smart Homes

Smart homes are expected to become more common in the coming years. These houses use solar and other environmentally friendly power sources to slash household CO₂ emissions. Housing manufacturers have commercialized various smart homes, some of which now sell power to electric utilities.

Since these homes are all-electric, an electric vehicle is a natural choice for the family car. Running an *i-MiEV* on clean energy such as solar power would generate no CO₂ at all, enabling people to dramatically reduce their emissions.



C'e-si-bo smart home by Eyehome and an *i-MiEV*

i-MiEV Battery Powers Waste Compactors on Garbage Trucks

Garbage truck engines normally power their waste compactors, increasing noise and exhaust emissions during collections. Kyokuto Kaihatsu Kogyo Co., Ltd., an automotive equipment manufacturer, developed ePacker, an electric garbage truck that employs an electric compactor with an *i-MiEV* battery pack to eliminate CO₂ emissions and reduce noise during collection.

The environmentally friendly ePacker can operate very quietly in residential areas even early in the morning or late at night and is free of CO₂ or other exhaust emissions during collection.



ePacker electric garbage truck by Kyokuto Kaihatsu Kogyo

Customer Feedback on the *i-MiEV*

Q. How do you normally use your *i-MiEV*?

I use my *i-MiEV* to drive around five kilometers every day when I move from my office to my work location. About once a week, I also make a round trip of over 60 kilometers each way from Tokyo to my home or to an FM radio station in the Shonan area. I drove nearly 10,000 kilometers in the first year after purchasing my car.

Q. Is the *i-MiEV* comfortable to drive?

Extremely so. It's quiet and zippy. I usually drive in E mode, which minimizes energy losses. E-mode is sufficient for city driving.

Q. What about charging?

I can use 200-volt chargers in four locations at my work places and home, so that is completely adequate for me. When I drive the more than 60 kilometers to the Shonan area, the battery needle drops more than a half. But if I plug into a charger the car is fully charged by the time I finish a business meeting. That is why I find that half of the maximum range of 160 kilometers for one trip is sufficient. I never need to use a quick-charger.



Taro Kimura

A journalist who previously worked for NHK, and heads Shonan Beach FM and the Taro Kimura Office. He has driven his *i-MiEV* since August 2009.

Q. Do you think electric vehicles will become popular?

I think we'll see a full-fledged trend in that direction very soon because other automakers are moving into the field, and then there are new entrants like Tesla Motors and BYD Auto. I look forward to the creation of new industries and employment and the economic stimulation that will come through concepts like the smart grid, which promises an optimal balance of self-sustained power supply and greater efficiency.



Feature 2 Respecting Diversity

Customer Relations Department

A Workplace Where Every Employee Can Participate Actively

In order for a company to grow and develop while accommodating society's ongoing globalization and diversification, it is important that all employees respect and honor their diversity as distinct individuals. MMC is committed to establishing workplace environments that enable each and every employee to participate actively.

Work-Life Balance: Making It Possible to Balance Work With Raising Children

MMC is working to help employees better balance their jobs with raising children. In line with the objectives of the Japanese Act on Advancement of Measures to Support Raising Next-Generation Children, MMC is enhancing various related programs, which include expanding the scope of its systems for childcare leave and shortened working hours and establishing a new maternity leave

scheme. MMC has also been certified by the Ministry of Health, Labour and Welfare as childcare-friendly, under a program popularly known as the Kurumin mark. The Customer Relations Department, for example, is involved in creating workplace conditions that enable women to balance work and childcare responsibilities.

An Experienced Mother's Viewpoint



Miho Yamasaki
Customer Relations Department

Childhood only happens once, so I did not hesitate in taking childcare leave to spend valuable time with my child. After returning to work, it was somewhat difficult to get back in the swing of things, but being able to spend time with my child helped motivate me at work. I am really happy that I took childcare leave.

A Manager's Viewpoint

It takes three years to become a full-fledged customer consultant, and it takes another two to three years to become a supervisor capable of instructing consultants. It is a shame that women who have worked so hard to acquire this skill quit to get married or have a child, from both an individual and company standpoint. I think it is important that we create an atmosphere that makes it easier for women to keep working after they get married or have children.



Yoshiko Fujikura
Manager
Customer Relations Department

New Mothers' Viewpoints

We work with senior colleagues who have already become mothers, so we had an idea what it would be like to work on shortened hours after coming back from childcare leave.

When your child first enters daycare, you may have to leave work to attend to a sudden illness and inconvenience your co-workers in the process. But they understand the situation, which makes it easier to put your child into a daycare center.

Time with your children is something you don't get back, so we planned to utilize these programs while striving for a good balance between our jobs and family responsibilities.



Sayaka Kinoshita (left) / Tomomi Kuwabara (right) Customer Relations Department

Utilizing Global Human Resources: Creating Workplaces That Utilize Employee Individuality in Business

At MMC, employees from overseas draw on their individuality and areas of expertise to make valuable contributions at various workplaces. Cars sold overseas account for around 70% of MMC's total sales volume, so employees of different nationalities and cultures play an essential role.

MMC has over thirty people from the United States, China, South Korea, Malaysia, Jamaica and other countries working as employees in Japan in product planning, development and overseas sales. For example, in the Marketing Strategy Office, employees from China conduct analysis of the Chinese market, interpret market information that cannot be gleaned from data alone and incorporate resulting insights into product planning.



A meeting in progress

A Staff Member's Viewpoint

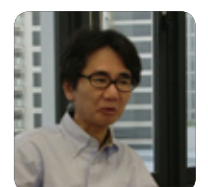
There are differences between the auto market in Japan and China. For example, cars designed for women in Japan put an emphasis on "cuteness" by being made available in pink, for example. But Chinese women, who have a very strong sense of independence, do not look for "cuteness" in the cars they drive. I try to incorporate such differences between attitudes in Japan and in other countries into car development.



Xiaomi Zhang
Marketing Strategy Office

A Manager's Viewpoint

With China's economy growing at a remarkable pace, its auto market is also rapidly changing. Keeping up with the changing market is quite difficult using only traditional market analysis. Ms. Zhang understands the changes precisely because she is Chinese. A direct sense for the local market helps us to make timely market analyses. I want Ms. Zhang to continue drawing on her unique strengths in her work.



Hisashi Ishiyama
Manager
Marketing Strategy Office

Employing People With Disabilities: A Workplace Where Everyone Can Take on Challenges

MMC has traditionally promoted employment of people with disabilities at the MMC Head Office and its manufacturing plants in partnership with the Employment Security Bureau, centers that help people with disabilities, and other organizations. In order to step up its efforts in this area, in 2007 MMC established a special subsidiary called MMC Wing.

MMC Wing's Okazaki and Mizushima offices, located on the premises of our Nagoya Plant and Mizushima Plant respectively, hire people with mental disabilities.

Employees of both offices engage in a variety of activities, including cleanup of welfare facilities, collecting and processing confidential papers and documents for disposal, disassembly, sorting and disposal of defective parts, and landscaping. A total of 26 employees were actively involved in these jobs as of June 2010.

MMC makes various efforts to establish conducive working conditions for people with disabilities. For example, we use support services from job coaches from local centers for employment of people with disabilities, and instructors are assigned for every three or four employees with mental disabilities in order to provide highly detailed job instructions.



MMC Wing employees



MMC Wing employee disassembling a defective part

A Manager's Viewpoint

All of our employees work every single day with a smile on their faces. Watching them give their all to their jobs makes me realize that people need to better understand people with disabilities. I think that interacting with all kinds of people and experiencing various jobs helps provide autonomy for people with disabilities and helps them exist harmoniously with others.



Shigeo Kamada
President
MMC Wing



Feature 3 Giving Back to Society

Wooden Block Plaza at the MMC Head Office showroom (Co-sponsored by OISCA)

As a Corporate Citizen

MMC voluntarily takes an active role in contributing to society as a corporate citizen and helping society develop in a healthy, sustained manner.

Corporate Citizenship Activity Policy

Four key themes based on MMC's corporate philosophy form the base of the company's corporate citizenship activities, abbreviated by the acronym STEP: **S**upport for the next generation, **T**raffic safety, **E**nvironmental preservation, and **P**articipation in local communities.

1. **S**upport for the next generation
Supporting the education of the next generation to create a prosperous future
2. **T**raffic safety
Contributing to traffic safety education and the spread of safe driving to realize a zero-accident society
3. **E**nvironmental preservation
Contributing to preservation of our precious global environment
4. **P**articipation in local communities
Contributing to the revitalization and development of regional communities

MMC established the Corporate Citizenship Promotion Office in April 2008 and formulated a policy on corporate citizenship for the company as a whole. The office holds biannual meetings with departments in charge of corporate citizenship activities on a local basis to further enhance MMC's activities.

Corporate Citizenship Activities Close to Home

Mitsubishi Motors STEP Donation: Turning Individual Willingness Into Major Support

The Mitsubishi Motors STEP Donation program was started in April 2009 to provide employees with the opportunity to give back to society on an ongoing basis. Employees of the Mitsubishi Motors Group can choose to donate a fixed amount to the fund from their monthly paycheck and bonuses. The money raised is used to support corporate citizenship activities on a continuous basis. In fiscal 2010 the scope of supported activities was expanded to include those of Group companies in Japan.

Fiscal 2010 Recipients ◆ Child Sponsorship (NPO World Vision Japan)

This nonprofit organization works to provide a better future for children by offering ongoing support to meet the needs of impoverished regions in emerging countries and improve the local environment.



Children supported by World Vision Japan

◆ Children's Forest Project (OISCA)

The Children's Forest Project seeks to foster in children a love of nature and an appreciation for green space while promoting tree-planting by providing children with opportunities to plant and care for seedlings at their schools and in surrounding areas.



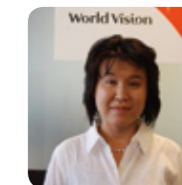
Children plant trees with OISCA

I have participated in the STEP program since its inception in order to help, if only a little, children in impoverished regions grow up happily and healthily. My donation every month is by no means large, but I have personally learned through this program that it is not only material wealth that is important but spiritual riches as well.



Rina Hayashi
Engineering Administration Department

Mitsubishi Motors employees caring about impoverished regions and children and lending their support through the Mitsubishi Motors STEP Donation program is a major source of strength and joy for us. I look forward to continuing to work together with Mitsubishi Motors employees to provide hopes and dreams to as many children as possible.



Ikuko Imamura
World Vision Japan

Recycling Program: Major Support for Recycling to Reduce Waste

◆ Eco-Minded Corporate Citizenship

In 2009 MMC began a campaign to collect everyday objects like prepaid cards, postcards and stamps. MMC also holds an annual used book sale featuring low-priced books, CDs and DVDs collected from employees. Proceeds from the sale, along with postcards and other items collected from employees, are donated to the Sutenai Seikatsu and Child's Dream Fund programs organized by the NPO Shapla Neer ("Citizens' Committee in Japan for Overseas Support"). MMC's dona-



Used book sale

tions help improve the lives of people in Bangladesh and Nepal and provide support for children forced to work under harsh conditions.

I enjoyed collecting Passnet cards, but before long the cards were in the corner of a bookshelf collecting dust. Even for things that would have surely been thrown away, I earned the appreciation of my co-workers and gained some sense of satisfaction knowing that I had given back to society in some small way. I think that everyone is capable of finding a simple way to give back.



Tetsuya Kaku
Manager
Internal Audit Department

I am very appreciative of Mitsubishi Motors employees for participating in Sutenai Seikatsu and helping to promote it. I hope that Mitsubishi Motors employees will make new acquaintances through the Sutenai Seikatsu program just as we have gotten to know them.



Akiko Fukuma
Shapla Neer ("Citizens' Committee in Japan for Overseas Support")

◆ Support Through the Bell Mark Foundation

Through the Bell Mark Foundation, MMC helps buy school supplies and items by collecting "Bell Marks," which are found on product packaging, labels and tags. MMC offices have Bell Mark bins that are used to promote the campaign.

STEP Corporate Citizenship Activities

Support for the next generation

◆ Automobile Information Service for Children Answers Questions on Cars

Our automobile information service for elementary school children has been run every year since 1993. It provides a toll-free phone number for kids to use to ask questions about cars. Since 2009 the service also answers children's questions by email. MMC is the only auto company to provide this kind of service.



Children's Car Museum website for children

MMC also administers a website for children, Children's Car Museum. It has a section called "Environmentally Friendly Cars" that explains the relationship between cars and the environment. The "Virtual Factory Tour" is also quite popular. It provides a fun and informative tour of a factory with photos and videos.

◆ Hands-On Lesson Program Lets Kids Experience "the Real Thing"



Hands-On Lesson on the environment

The Hands-On Lesson Program was started in 2005 to give children the opportunity to learn while having fun through direct experience of "the real thing."

MMC employees visit elementary schools close to their offices and elsewhere to give hands-on environmental lessons. The lessons center on test rides in the *i-MiEV* electric car. Students also try their hand at design with help from MMC designers and modelers. A total of 40 classes were held in fiscal 2009, with 2,571 children attending.

When I see the children having fun it gives me a boost of energy, too. I got involved in this program to help support the next generation, but the children's unique ideas have pleasantly surprised me so many times that this program has become a hands-on learning experience for me as well!



Yuko Soeda
Environment & Recycling Affairs Department

Junichi Shinozaki, Teacher, Nanzan Elementary School
True understanding comes from experiencing things directly. All the children who got to ride in the *i-MiEV* were very impressed with how quiet electric cars are, and they learned about the convenience of cars from "the real thing." It has become hard for schools to go out into society, so when society (a company) comes into school to teach the children, as with the Hands-on Lesson Program, we are very grateful.

◆ Company Learning Visits Get Students Thinking About Their Careers

Company learning visits provide junior high school students with the opportunity to learn about the corporate world. The students select the company they wish to visit, contact it, and then visit the offices on a field trip or during integrated study time. In fiscal 2009, 138 students from 22 junior high schools visited the MMC Head Office in Tokyo. They discussed product planning, design, the environment and other topics directly with MMC employees doing actual work in those areas.



Company learning visit



Shoichi Ishihama
Design Department

I really value the small amount of time I get to spend with the students. I try to get them interested in design work by letting them look at sketches and touch clay models and samples of colors and materials. I also have them experience the joy of creating something firsthand, and by the time they are done I try to send them home with a dream of their own.

◆ Everyone at Iwaizumi Ogawa Junior High School in Iwate Prefecture

We were surprised that it took longer than we thought to design and manufacture a car. Regarding sales, it was a good opportunity to think about things close to home, like the fact that developing local industry takes effort. We were also very happy to receive warm words of encouragement from Mitsubishi Motors personnel. We want to utilize what we learn as the next generation and help develop local industry that reflects local Iwaizumi characteristics.

◆ Learning About Jobs at KidZania

MMC has exhibited at KidZania Tokyo since October 2006 and KidZania Koshien since March 2009. The MMC pavilions feature a drivers license testing site and rental cars. The Koshien pavilion also has an automobile factory while the Tokyo pavilion has a car design studio. Through these activities children are able to experience the appeal and fun of cars and the joy of driving.



KidZania

Traffic Safety

◆ Car School Teaches Driving Techniques

MMC has been running Car School since 1995 as a part of efforts to raise awareness of traffic safety. Students think and learn about the importance of communication together with their instructor. They study driving techniques and learn about car safety while having fun.



Car School

A Car School Student's Viewpoint

We participated together as husband and wife. The explanations were detailed and easy to understand, and the theory and practice points were like a sudden awakening. There was a real sense of fulfillment for such a short period of time. It was the first time I had ever really received detailed instruction on how to park. I was very pleased with that and very appreciative of my instructor. Thank you very much.

◆ Traffic Safety Activity Overseas: Kids Safety First

Employees at Mitsubishi Motors North America first founded and now manage Kids Safety First, a non-profit organization dedicated to promoting automotive safety for children when riding in vehicles. The organization creates educational materials on car safety in English, Spanish and Chinese. It has so far distributed more than four million sets of materials to places including police stations and elementary schools in all 50 U.S. states.



Kids Safety First

◆ Traffic Safety Activities Overseas for High School Students: Tri-County Operation Cool

Since 1988 Mitsubishi Motors North America has helped run a program to promote seatbelt use by both drivers and passengers for high school students in three counties of central Illinois. It also donates Eclipse vehicles to the program, which is conducted with 19 high schools and the state and county police departments. Over 10,000 high school students participate in this well-regarded program every year.

Environmental Preservation

◆ Volunteer Employees Maintain the Pajero Forest

Volunteer employees and their families work to preserve and rejuvenate a three-hectare parcel of forestland located in Hayakawa-cho, Yamanashi Prefecture. Through the "Pajero Forest" and other volunteer activities they deepen ties with the local community. In fiscal 2009, employees and their families and friends volunteered to clear undergrowth from forested areas, conduct nature observation activities and create bird-whistles.



Volunteers at the Pajero Forest

Working out in nature with a diverse bunch of individuals from the NPO and local community gave me some new perspectives on my own job. It also raised my awareness of the environment. I hope this program continues to grow so that it becomes a well-established, long-term initiative.



Shiori Tosuji
North Asia B Department

Mitsue Tanaka, Director, OISCA Yamanashi Prefecture Branch

Forest maintenance by Mitsubishi Motors does more than simply restore the public benefits of forestland, it also lends vitality to beleaguered regions, truly helping to revive them. The program is quite unique and progressive, particularly in utilizing mature timber, which had gone unused due to hauling costs, for office benches and the like.

Participation in Local Communities

◆ Factory Tours

The Nagoya Plant, Powertrain Plant (Kyoto and Shiga factories), Mizushima Plant and Pajero Manufacturing Co. provide educational experiences for local elementary schools and

other community members by giving tours of their production lines and other facilities. In fiscal 2009, some 38,000 people toured the plants.

Achieving the Mitsubishi Motors Group Environmental Vision 2020



Masao Ohmichi

Masao Ohmichi
Chief Environmental Strategy Officer

Leading the EV Era, Toward a Sustainable Future

A little over a year has passed since June 2009 when we unveiled the Mitsubishi Motors Group Environmental Vision 2020 and declared internally and publicly that we would be "Leading the EV era, toward a sustainable future." Production of the *i-MiEV* new-generation electric vehicle went smoothly, and retail sales to individuals got underway in April 2010. We have now taken our first steps toward realizing our Environmental Vision 2020.

MMC is in the business of developing, producing and selling automobiles. As such, we consume energy and impact the environment in various ways, when driving concept cars under development, when manufacturing vehicles in our factories, when customers drive cars they have purchased from us, and when end-of-life vehicles are discarded. It is inevitable that the business activities of an automaker will impact the environment, so it is unavoidable to a certain extent. However, precisely because this is the case I believe we have a major responsibility to do all we can to minimize our negative effects on the environment.

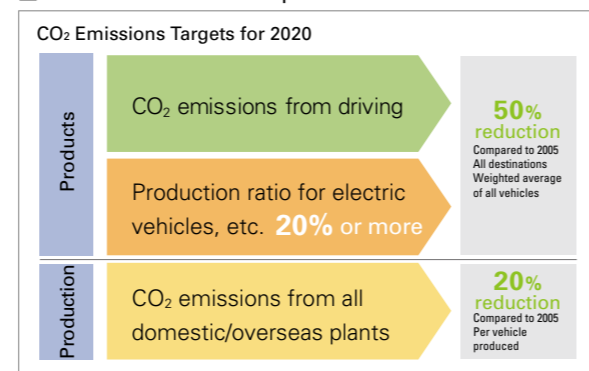
Accordingly, in our Environmental Vision 2020, we promised to work to protect the environment at every stage of a vehicle's lifecycle, for a sustainable future for everyone. We set CO₂ emissions targets for 2020, for both products and production, in order to give tangible form to this commitment.

In order to realize our goal of reducing CO₂ emitted by products by half, we have set a target of making production of electric and plug-in hybrid vehicles at least 20% of total production in 2020. The targets are quite challenging and will not be easy to reach, but all our employees are united in their efforts to achieve them.

Future EV Society Built on Competition and Collaboration

I have the sense that interest in electric vehicles and other "next-generation vehicles" has gained even more momentum since we announced our Environmental Vision 2020

□ Mitsubishi Motors Group Environmental Vision 2020



last year and launched sales of the *i-MiEV* new-generation electric vehicle. These "next-generation vehicles" are regarded as an effective means of reducing greenhouse gas emissions. The goals established in the Japanese government's Next-Generation Vehicle Strategy 2010, announced in April 2010, are predicated on maximum effort by all involved. The goals are for next-generation vehicles to account for 50% of new vehicle sales by 2020, and for electrically driven vehicles in particular, including electric vehicles and plug-in hybrids, to account for 15–20%.

Moreover, the strategy also seeks to maintain Japan's technological advantage in electric vehicles and hybrids and in core related technologies like rechargeable batteries. It sets a related target of making Japanese standards for charging systems and other technologies the international standard.

Interest and expectations regarding electric vehicles continue to mount, not only in Japan but all over the world. In addition to conventional purchase subsidies and tax advantages, more and more countries are also starting grant programs for R&D and investment in production. This illustrates that competition to develop technologies in the domain of electric vehicles is not confined solely to automakers. With electric vehicles playing a role in environmental and industrial policy, competition is heating up between countries as well.

At the same time, with the launch of the *i-MiEV* we received an array of proposals and partnership requests related to the utilization and promotion of electric vehicles, from people and groups in Japan and overseas. Single-family houses offering a solar power system combined with a vehicle charger went on the market, and with the help of industry specialists we were able to come up with solutions for charging systems for residential complexes and multilevel parking garages, which initially posed a formidable challenge for us.

In this way we have received the help of many people and organizations in the public, private and non-profit sectors, all working toward the goal of a low-carbon society through popularization of electric vehicles, a goal we

would not be able to accomplish completely on our own. Along with leading the way in promoting and popularizing electric vehicles, we will also put every effort into maintaining the pace of related technological development.

Environmental Initiatives by All Mitsubishi Motors Group Companies

Seeking to bring about a low-carbon society through production and sale of new-generation electric vehicles, MMC is implementing environmental initiatives to the maximum extent in all aspects of business, including development, production, procurement, sales and after-sales service.

To this end MMC is working to acquire ISO 14001 certification for environmental management systems for the entire company. Certification had formerly been pursued at the business site level. Our goal is to acquire company-level certification before the end of fiscal 2010. This involves more than simply integrating certifications acquired by each site. All divisions will aggressively conduct activities to reduce their environmental impact, both directly and indirectly, in all aspects of business, including all their day-to-day operations.

On the sales front as well, all of MMC's consolidated sales companies in Japan are making a combined effort to reduce their impact on the environment. All have acquired Eco-Action 21 certification, an environmental management system established by the Ministry of the Environment, while overseas dealers are also doing their part to promote activities for reducing environmental impact.

We are currently compiling targets and specific initiatives for 2015 to create our Mitsubishi Motors Environment Initiative Program 2015. The year marks the midway point on the way to achieving the targets of the Mitsubishi Motors Group Environmental Vision 2020. We will announce the plan once it has been formulated, and the entire Group will work together to meet the goals it sets out.



Quick-charger at the Nagoya Plant's Technology Center (Open for use by the public)



Mitsubishi Concept PX-MiEV (Concept car shown at Tokyo Motor Show 2009)



i-MiEV CARGO (Concept car shown at Tokyo Motor Show 2009)

Completing Efforts to Build Foundations of Growth With a Focus on the Environment, Compact, Affordable, and Fuel-Efficient Vehicles, Emerging Markets and Tie-ups

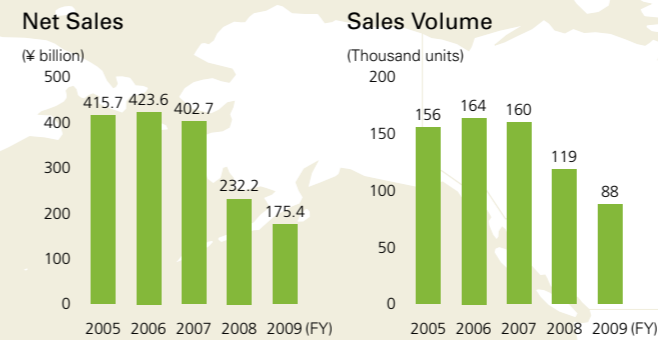
The global economy in fiscal 2009 began a gradual recovery as turmoil that had persisted for over a year started to subside and economic stimulus measures by various governments provided support. However, the demand structure for automobiles is changing considerably, particularly in advanced countries, and the business environment surrounding MMC remains harsh. Amid such conditions, MMC worked to optimize inventories and promote shipments to recovering markets. As a result, sales volume totaled 960,000 units, a decline of 10% from the previous fiscal year. In Japan, a minicar slump was offset by sales of the *Colt* series and *Delica D:5*, which both benefited from Japan's eco-car tax incentive and subsidy program, as well as the new *RVR*, leading domestic sales volume to increase by 1%. In North America, sales volume increased in Canada, but declined in the U.S. and Mexico, for an overall 26% decrease compared to last year. In Europe, scrap incentives and other measures to promote car buying propped up volume in Western Europe, but overall demand dropped precipitously in Russia and Ukraine, resulting in an overall volume downturn of 38% for the region. In Asia and Other Regions, total volume increased by 5% thanks to healthy

sales in China and Northern Asia generally as well as in Thailand, the Philippines and other ASEAN nations. There was also a marked recovery in the second half of the year in Australia and New Zealand.

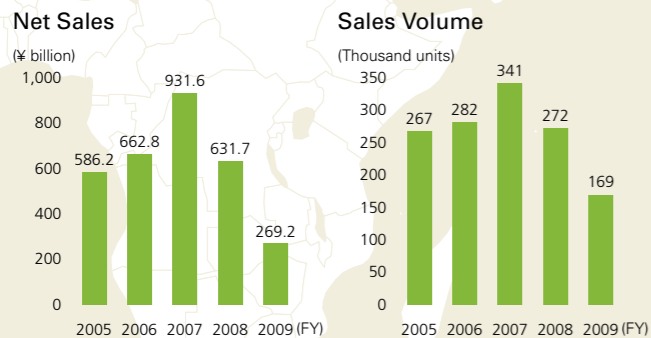
Fiscal 2010 marks the final year of MMC's mid-term business plan, Step Up 2010, and the year in which MMC will finish building its foundations for growth. The demand structure of the auto market is changing rapidly. At the same time, there is a need to develop environmental technologies to accommodate rising environmental awareness, primarily in developed countries, and cost reduction technologies to accommodate the orientation, largely in emerging markets, toward affordable compact vehicles offering good fuel economy. We believe that simultaneously overcoming these two contrary challenges is essential to future growth.

In order to accomplish this we will actively utilize business alliances with other companies. In fiscal 2010, we plan to finish building our foundations for growth while focusing on environmental conservation, compact, affordable and fuel-efficient vehicles, emerging markets and tie-ups.

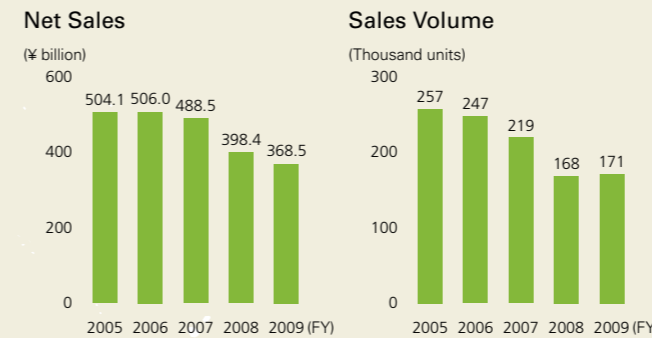
North America



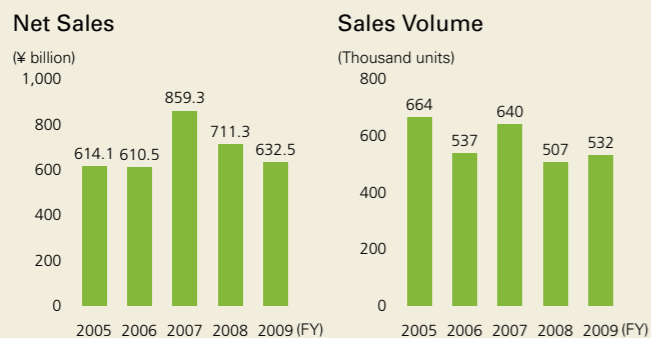
Europe



Japan



Asia and Other Regions



Note: All vehicle names are typical names; different names may be used in some countries or regions.