Corporate Social Responsibility Report 2014

Drive@earth

MITSUBISHI MOTORS

Making CSR our top priority, Mitsubishi Motors strives to enhance corporate value through sustainable growth.

In the fiscal year 2013, we first disposed of all the preferred shares that had long been an issue for the Company, and then at the General Meeting of Shareholders in June 2014, resumed dividend payments for the first time in 16 and a half years, and also appointed new management headed by two people: the Chairman/CEO and the President/COO. We extend our gratitude once again to all our stakeholders, including our shareholders, customers, suppliers and employees, for their continuing support. Looking ahead, we will make CSR our top priority as we strive to enhance corporate value through sustainable growth.

"Jump 2013," the mid-term business plan we announced in January 2011, had a basic policy of "Growth and Leap Forward." From a business viewpoint, this policy saw us strengthening our foundations by moving into local production in emerging markets such as ASEAN countries, China and Russia. On the other hand, in mature markets, we moved ahead with selection and concentration, divesting ourselves of subsidiary Netherlands Car B.V. in the Netherlands, and raising productivity in our Japanese plants. As a company that makes CSR its top priority, we cater to the expectations of customers and society and promote activities that deepen their trust in us.

In light of these matters, we announced a new mid-term business plan in November 2013 called "New Stage 2016," and positioned it as a management plan directed at achieving a new stage of growth in the period from fiscal 2014 to fiscal 2016. We aim to achieve further growth on the foundation of a basic policy comprising:

- revenue growth by launching strategic models
- development of next-generation technology
- strengthening of regional strategies
- restructuring of operating structure
- establishment of stable business foundation and actions for quality improvement.

The minicar engine oil leak problem in the Japanese market, for which we submitted a fourth recall notice in December 2012, created significant inconvenience and concern for all stakeholders including customers. We responded to directions from the Ministry of Land, Infrastructure, Transport and Tourism to move ahead with improvement measures. We thoroughly instilled the idea of the importance of customer safety and security in our employees through the reaffirmation of our commitment to putting high priority on the customer's perspective and worked to change the awareness of all employees. We also reviewed all work processes related to quality and introduced the Customer First Program as an internal reform plan in April 2013.

In July 2013, aiming to achieve the industry's top level of quality, we announced the Quality Targets that sought to reduce the following statistics by half compared to fiscal 2012:

- the number of new car defects
- the percentage of defective supplier parts
- and the time taken by us to devise countermeasures for defects.

Moreover, in October of the same year, we announced the Quality Upgrade (Q-Up), which clarified the commitments to improve quality made by us and top management. Even though it is only the first year of the program, Q-Up has already resulted in some quality targets being achieved, namely in the *eK Wagon* and *eK Custom*, which went on sale in June 2013.

Moreover, as one aspect of the Customer First Program, we formulated and reinforced our Diversity Promotion Policy in July 2014. We aim to utilize the differences of each and every employee, incorporate diverse viewpoints and philosophies, respond to change and heighten organizational capability to create new levels of attractiveness and value with cars.

With the aim of fulfilling the declaration made in Mitsubishi Motors Group Environmental Vision 2020—to pioneer electric vehicles (EV), toward a sustainable future for everyone—we are promoting the greater use of electrically powered vehicles, including EVs, and bolstering the vehicle charging infrastructure.

The *Outlander PHEV* launched in January 2013 resolved the problem of EV cruising range and, with outstanding environmental and driving performance, has attracted widespread acclaim both within Japan and abroad. The vehicle is not only being deployed in Japan; global development has already commenced, starting in Europe. In the Netherlands, which is environmentally proactive, support from the government led to sales of approximately 10,000 units in fiscal 2013.

Looking ahead, we will expand our lineup of electric vehicles equipped with the *Plug-in Hybrid EV System* (PHEV) and, by promoting the popularization of EVs and PHEVs around the world, will reduce our lineup's emissions, including CO_2. This will contribute to solving the issue of global warming.

In regards to making social contributions, we have been loaning *i-MiEVs* to support recovery from the Great East Japan Earthquake since immediately after the disaster occurred, hiring high school graduates from disaster-stricken areas, and supporting employees engaged in volunteering activities. We believe these kinds of activities provide an opportunity for employees to grow as individuals by visiting these areas and putting their heart into their efforts. We will continue with more efforts going forward.

September 2014

O. Masuko

Osamu Masuko
Chairman of the Board and CEO

T. Aikawa

Tetsuro Aikawa
President and COO

Panoramic view of "M-tech Labo"

The Mitsubishi Motors Group Environmental Vision 2020 expresses a policy of "Leading the EV era, towards a sustainable future." In line with this policy, we have been working to popularize electric-powered vehicles (EVs and PHEVs) and examining and promoting new methods of utilizing them. We launched the *Outlander PHEV*, a plug-in hybrid EV, in January 2013. It has outstanding environmental performance, and its cruising range has been vastly enhanced. Its environmental technologies are widely praised both in Japan and overseas. Looking ahead, we will actively promote the realization of a low-carbon society, and will continue working for environmental preservation.

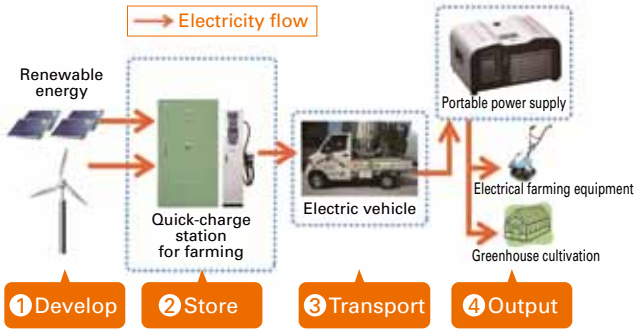
Quick-charging Infrastructure Support Project

Using electric vehicles at ease and comfortably requires establishing many quick-charging stations all over Japan in places such as commercial facilities, accommodations, service areas, convenience stores and gas stations. To make this a reality, four automakers*1, including us, took the lead in May 2014 by setting up the Nippon Charge Service LLC, a members' quick-charging service club set up in the context of available government subsidies for the establishment of quick-charging stations. The new company will allocate funding for charging stations and seek members through automakers and promote a virtuous cycle of quick-charging stations establishment and its use. We will strive to create a quick-charging infrastructure that is convenient for users and that maximizes electric vehicle capabilities as it moves ahead with the popularization of EVs.

A quick-charging station installed in a roadside station in Yamagata Prefecture

EV Use Field Testing in Farming in Iwanuma City, Miyagi Prefecture

We have joined electric vehicle quick-charger manufacturer Nichicon Corporation in conducting tests about using EVs in farming in Iwanuma City, Miyagi Prefecture. This initiative is a part of the research projects by the "Ministry of Agriculture, Forestry and Fisheries" and "Reconstruction Agency" aimed at restoring farming and fisheries businesses affected by the Great East Japan Earthquake. Power generated through renewable energy such as photovoltaic power is used as energy to power EV trucks used in farming. The EV truck can supply farming equipment with the electric power to operate with an *MiEV Power Box**2 or fulfill the role of supplying electric power to greenhouses during disasters or emergencies. We, as a company leading EV, will seek to make use of its knowledge in activities in the farming field and farming communities.



System Overview

*1: Toyota Motor Corporation, Nissan Motor Co., Ltd., Honda Motor Co., Ltd., and Mitsubishi Motors Corporation.
*2: Portable power supply launched in April 2012 which can supply up to 1,500 W of electricity from electric-powered vehicles.

An *i-MiEV* in Lyon

Smart Community*3 Field Testing in Redevelopment Area (Lyon, France)

We have been taking part since October 2013 in the EV carsharing part of the "Lyon Confluence" smart community demonstration project (Lyon Confluence Project) run by the New Energy and Industrial Technology Development Organization (NEDO). This project aims to resolve issues that arise as a result of urban redevelopment including traffic congestion, lack of parking space, and vehicle emissions. In addition, this project aims to introduce and demonstrate renewable energy management systems such as photovoltaic power generation monitoring, energy generation forecasting, as well as efficient EV charging control. Fifteen *i-MiEVs* supplied by us were delivered as part of a thirty EV fleet to a local business in Lyon specializing in carsharing. These vehicles will be used among residents and businesses for over two years. In Europe, the rationality of car sharing is widely recognized and we will use this test project to move ahead with the development of EV appropriate for carsharing.

An *i-MiEV* (second from front) presented for use in the test

EV Smart Grid*4 Research at "M-tech Labo"

We have been operating "M-tech Labo," a smart grid demonstration system that utilizes rechargeable batteries in EVs in the Okazaki Works at the Nagoya Plant. "M-tech Labo" aims to demonstrate the benefit of load shifting by charging at night when demand is low, or storing power produced from renewable sources whose output is unstable in EVs and rechargeable batteries, and supplying such power to the factory and office when factory facilities and offices face peak demand. The system effectively uses 5 electrically-dischargeable EVs and re-used batteries collected from 5 EVs with a 20 kW photovoltaic system. This initiative promotes the use of renewable energy sources and greater use of EVs.

*i-MiEV*s and chargers/dischargers

*3: A society in which local communities not only consume energy, but also comprehensively manage energy within each local community basis on the assumption that they will create, store and use the energy.
*4: A power grid that controls and optimizes the flow of electricity. It uses a network to connect power stations with places like homes and factories, then employs the latest electricity and IT technologies to efficiently supply power.

Global Launch of the Plug-in Hybrid EV (PHEV)

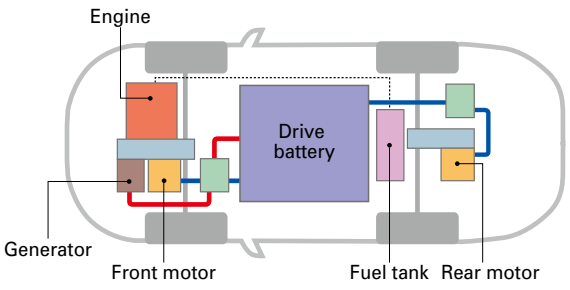
We are focusing on the global distribution of the *Outlander PHEV*, starting in Japan and Europe.

The Netherlands is one of the countries not yet to clear the CO_2 emission standards set for each member of the European Union. Moreover, approximately 30% of the country's entire CO_2 emissions derive from automobile exhaust gases. And avoiding rising sea levels caused by global warming is a national issue for the country. The Dutch government has established a preferential tax system providing up to 25,000 euro to those registered by the end of December 2013, to be used toward the purchase of zero-emission EVs or minimal emission PHEVs. This was done with the objective of reducing CO_2 emissions by increasing the popularity of EVs and PHEVs.

We began selling the *Outlander PHEV*, which was eligible for the preferential tax, in the Netherlands in October 2013. In addition to its outstanding environmental performance, the preferential tax system also contributed to the model being widely accepted in the market. In fiscal 2013, we delivered approximately 10,000 vehicles to customers. The *Outlander PHEV* generates about 80%* less CO_2 emissions than an equivalent class gasoline-powered vehicle when being driven. We believe the vehicles have contributed toward reducing the amount of CO_2 emitted inside the Netherlands.

We will continue to increase our lineup of electric-powered vehicles equipped with the *Plug-in Hybrid EV System*, and meet various needs and regulation requirement on CO_2 emissions implemented in countries across the world. At the same time, we will continue to move ahead with popularizing EVs and PHEVs, thereby contribute to resolving environmental issues including global warming by reducing of CO_2 emissions.

Plug-in Hybrid EV System



Automatic selection of optimal driving mode

- EV driving : Driving by the motors with the power stored in the drive battery
- Series driving : Driving by the motors with the power generated by the engine when there is little remaining battery power
- Parallel driving : Driving by the engine with assistance of the motors

2014 RJC Technology of the Year Award

2013-2014 Japan Car of the Year
Innovation Award

The *Outlander PHEV* and *Plug-In Hybrid EV System* were highly rated for its have outstanding environmental performance, smooth acceleration performance and a high level of quietness while driving.

The *Plug-In Hybrid EV System*

*1: Comparison of CO_2 emissions per driving range with previous models of the *Outlander* (gasoline-powered) at the New European Driving Cycle (NEDC) mode.

Outlander PHEV (left) and gasoline-powered vehicle (right)

Enjoying the PHEV with Peace of Mind

When problems emerged with the drive batteries on *Outlander PHEV* in March 2013, we immediately disclosed the matter, called a halt to production and shipments and ceased manufacturing for five months. These measures were implemented to enable us to be doubly sure about quality, but at the same time unavoidably caused worry and inconvenience for many customers.

Based on a Company-wide alliance centered on the development, quality, sales and production divisions, we investigated the cause, submitted a recall, explained the situation to customers and conducted repair work at the Nagoya Plant.

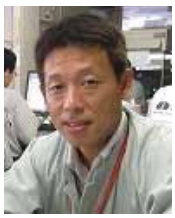
The result of the investigation showed that during a screening process for finding contaminant in the manufacturing line, battery cells had been subjected to excessive physical force. A new process was introduced that included measures to prevent contaminants.

Moreover, to be doubly sure, repair work that would normally be undertaken at sales companies was instead carried out by the Nagoya Plant. Battery packs were removed from recalled vehicles and batteries produced in a new process, then installed in the same production line as new cars.

We resolved the problem and resumed production in August 2013. We will continue to provide vehicles of the finest quality so that customers may drive them with peace of mind.

Repair work being carried out at the Nagoya Plant

Comments from Employees



Hiroki Kuno
Assistant Manager,
Production Dept.
Nagoya Plant

Thorough Repair Work

It was the first time we had ever had to exchange batteries on a car that had come back to us at the plant after we had already delivered it to the customer, so this represented a significant change from our regular work. We had to train ourselves in removing parts that had been previously installed and using modified procedures significantly different from the normal procedures; always keeping in mind "customer first."

The repair work also gave us a chance to rethink what it meant to see things from the customer's viewpoint.

It was unprecedented to conduct battery replacement work at the plant. However, for those of us who were involved believe because the replacement was done at the plant that we could offer higher standards of safety and quality, and have customers be able to drive with peace of mind.

Comments from Employees

Tomohiro Ohhashi
Manager,
EV/Powertrain System
Engineering Dept.

Verifying Reliability in a Cross Country Rally

An *Outlander PHEV* successfully completed the Asia Cross Country Rally 2013 from Thailand to Laos between August 10 and August 16, 2013. The vehicle in this race essentially used the same PHEV system as the production model and could still traverse extremely poor roads encountered in the rally to test the vehicle's performance. We will make good use of the experience and technologies gained in PHEV development in the future.

An *Outlander PHEV* competing in the rally

Three Principles

"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, the spirit of Mitsubishi since its founding, embody the fundamental philosophy common to the Mitsubishi Group. Furthermore, Mitsubishi's Corporate Philosophy is derived from them.

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."

Our Corporate Philosophy clarifies the significance of our existence and our future direction. It constitutes the bedrock of why society needs our continued existence.

All our business operations are carried out based on the concepts of our corporate philosophy.

Approach to CSR

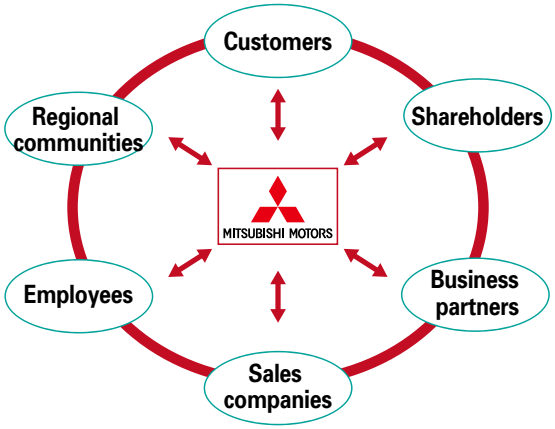
We will continually contribute to both society and the environment by winning trust in Mitsubishi Motors through the fulfillment of the expectations and demands of stakeholders through the implementation of our Corporate Philosophy

We engage in corporate activities based on its corporate philosophy to contribute to solving social issues and seeks to deepen mutual understanding through dialogue with a variety of stakeholders.

In line with our Mid-Term Business Plan, "Jump 2013," covering fiscal 2011 through fiscal 2013, we have prioritized CSR, which forms the basis for our business operations, and have engaged in activities that deepen "trust of society" to meet society's expectations.

In New Stage 2016, our new Mid-Term Business Plan for fiscal 2014 through fiscal 2016, we aim to build a CSR Promotion Framework incorporating advice from outside experts and with the objective of promoting CSR on a Group and global scale.

A policy of our CSR activities and a medium- to long-term objective is in accordance with ISO26000 international procedures to continue with CSR activities.



In January 2011, Mitsubishi Motors formulated its Environment Initiative Program 2015 to pursue interim targets toward achieving the objectives of our Environmental Vision 2020. We are actively pursuing our environmental conservation initiatives on an integrated, Group-wide basis.

The Mitsubishi Motors Environmental Policy

This policy underpins corporate management's environmental conservation initiatives

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 is given to the following areas:
   - 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.

Environmental Vision and Initiative Program

	Environment Initiative Program 2015	Environmental Vision 2020
CO_2 emissions (vehicle-produced)	**25% reduction**	50% reduction
	Compared to FY2005 Global average for all new vehicles	
Electric-powered vehicles*1 production ratio	**5% or more**	20% or more
Production CO_2 emissions	**15% reduction**	20% reduction
	Compared to FY2005 Per production vehicle	

*1: Electric-powered vehicles: These vehicles run on electric power that has been stored in batteries which are charged from the outside. They include EVs (electric vehicles) and PHEVs (Plug-in Hybrid EVs).

Reflecting on the Fiscal 2013 Activities

We recognize that environmental protection is one of the highest priority issues shared by society and so has formulated the Mitsubishi Motors Environment Initiative Program 2015, a detailed plan of action, and is taking a Company-wide approach to attaining its goals. As of the end of fiscal 2013, the third year of the plan, nearly all initiatives in the plan are proceeding as planned.

In the products and technologies fields, we introduced into the Japanese market the new *eK* series with enhanced fuel and environmental performance. The *Outlander PHEV*, highly rated in Japan, entered the European market. In addition to introducing environmentally friendly vehicles, four Japanese automakers have joined forces and formed a company to focus on establishing a quick-charging infrastructure network ahead of the dissemination of electric vehicles (EVs and PHEVs) that have outstanding environmental performance. Going forward, in the emerging markets that will form the platform of our growth strategy, we will gradually expand introduction of electric vehicles and fuel-efficient cars, taking into account the needs of the market, and further promote sales to make progress worldwide with curbing global warming. In the business activities field, we aggressively moved ahead with CO_2 emission reduction, resource conservation and recycling, and in many initiatives we have achieved successes that surpassed the targets set for fiscal 2015. Moreover, in regard to activities aimed at preserving biodiversity, we conducted an ecosystem survey at the Shiga Plant and surrounding areas. Based on the result of the survey, we promoted understanding among employees of how our business activities relate with living creatures.

On the other hand, we found out some of our facilities had mistakenly disposed of insulation oils or containers with traces of insulation oils that contained minute quantities of PCB (polychlorinated biphenyls). We deeply regret to have caused worry to community residents and others concerned—we will thoroughly manage the system to prevent a recurrence, as well as strengthen the framework to maintain environmental laws and regulations.

We have passed the halfway point of the Mitsubishi Motors Environment Initiative Program 2015 and circumstances have changed due to variations in what was envisaged and forecast at the time the program was formulated. However, we will continue to provide customers with products with advanced environmental performance, centering on enhancement of technologies of electric-powered vehicles, and will contribute to society by achieving targets in all business fields.

Yoshikazu Nakamura
Chief Environmental Strategy Officer

Environment Initiative Program 2015

1. Products & Technology

Category	Initiative	FY2015 target (Specific initiatives and targets*1)
Prevention of global warming	(1) Reduction of vehicle-running CO_2 emissions	■ 25% global average reduction of vehicle-running CO_2 emissions (against 2005)
	(2) Enhancement of electric powered vehicle (EV/PHEV)*2 product lineup and expansion of sales territory	■ Launch of commercial mini electric vehicle (EV) in the Japan market in 2011 ■ Launch of plug-in hybrid vehicles in Japan, the United States and Europe from 2012 ■ EV/PHEV production ratio of at least 5%
	(3) Development of new technologies to improve performance of EV/PHEV	■ Improvement of battery energy density ■ Development of smaller, lighter-weight parts and components for EV/PHEV, as well as integrating functions of those parts
	(4) Development and deployment of "Green Technologies"	■ New launch of hybrid vehicle ■ Improvement of gasoline engines and clean diesel engines (expanded utilization of idling stop mechanism, next-generation MIVEC*3, etc.)
Recycling and resource conservation	(5) Development of new technologies and enhancement of organizations and systems for the recycling and reuse of EV/PHEV	■ For used drive batteries: Development of recycling technology; Creation of recycling systems and organizations
	(6) Development and commercialization of less resource-intensive materials	■ Expanded application of "Green Plastic" (plant-based plastics)
	(7) Improvement of recycling efficiency of used automobiles and their parts	■ Used automobile recycling efficiency*4: at least 96% ■ Dealer repair/replacement bumper recovery rate: at least 60%
Prevention of environmental pollution	(8) Expanded deployment of low-emissions gas vehicles	■ Japan: Continue to expand deployment of 4 star-rated low-emission vehicles, Europe: Early adaptation to EURO6 ■ USA: Adaptation to LEVIII*5, Emerging countries: Promotion of EURO3-5 vehicles
	(9) Reduction of hazardous substances in products	■ Formulation and expansion of common global hazardous substance management standards

*1: All targets are for FY2015 unless specifically noted otherwise. *2: Electric-powered vehicles comprise electric vehicles (EV) and plug-in hybrid vehicles (PHEV).
*4: Based on calculation methods used in the 3rd joint meeting of the Industrial Structure Council and Central Environmental Council on May 22, 2003

2. Business Activities

Category	Initiative	FY2015 target (Specific initiatives and targets*1)
Production and logistics	(10) Reduction of unit CO_2 emissions in production	■ 15% reduction in CO_2 emissions per production vehicle at Japanese and international plants (compared to FY2005)
	(11) Reduction of unit CO_2 emissions in logistics	■ Reduction in CO_2 emissions per unit of transportation (compared to FY2006) Procurement logistics: 36% reduction; transportation of completed vehicle, etc.: 9% reduction
	(12) Resource conservation and recycling in production	■ 45% reduction of externally disposed waste per production vehicle at Japanese plants (compared to FY2005)
	(13) Resource conservation and recycling in logistics	■ 52% reduction in steel used per unit shipment volume at knock down (KD)*7 plants in Japan (compared to FY2006)
	(14) Reduction of hazardous substances generated in production	■ Reduction of VOC*8 per unit painting area to less than 35 g/m^2 (body and bumper painting) in Japanese plants
	(15) Establishment and enforcement of environmental standards in production	■ Establishment of environmental guidelines for plants, evaluation and improvement of plant environmental performance
Development, sales, servicing and offices	(16) Reduction of unit CO_2 emissions in non-production facilities	■ 5% reduction in unit CO_2 emissions at Japanese facilities (development facilities, parts centers etc.) (compared to FY2010)
	(17) Reduction of unit CO_2 emissions at non-production affiliates	■ 5% reduction in unit CO_2 emissions at Japanese affiliates (7 companies) (compared to FY2010)
		■ 2–5% reduction in unit CO_2 emissions and international affiliates (9 companies) (compared to FY2010)
	(18) Establishment and enforcement of environmental standards in sales and servicing	■ Establishment of environmental guidelines for dealers, evaluation and improvement of dealership and service center environmental performance
Collaborative activities with suppliers	(19) Enhanced management of hazardous substances in the supply chain	■ Improved coordination of the supply chain to enhance management at the supplier level of hazardous substances in products and materials
	(20) Promotion of energy and resource conservation at suppliers	■ Creation of systems and organizations to improve collaborative activities with suppliers
	(21) Global deployment of green purchasing guidelines	■ Deployment of green purchasing guidelines to the suppliers of international plants

*7: Knockdown vehicles are those exported as parts for assembly at local plants. *8: VOC stands for Volatile Organic Compounds. *9: Parts sales base of Mitsubishi Automotive Logistics Technology

3. Collaboration With Society and Stronger Base of Implementation

Category	Initiative	FY2015 target (Specific initiatives and targets*1)
Collaboration for the spread of EV/PHEV	(22) Collaboration with government and other industries for the enhancement of the charging infrastructure	■ Collaboration with "EV/PHV Towns" for the enhancement of the charging infrastructure ■ Collaboration with the CHAdeMO Association*12 for the enhancement of the recharging infrastructure and promotion of international standardization
	(23) Research into Smart Grids and other strategies for utilizing electric vehicles	■ Participation in field testing for the commercialization of Smart Grids
Environmental preservation	(24) Promotion of activities to preserve biodiversity under our basic guideline	■ Monitoring and analysis of the impact of business activities on biodiversity
Strengthening of environmental management	(25) Promotion of environmental management that is integrated with affiliates	■ Creation of integrated environmental management systems in collaboration with Japanese and overseas affiliates
	(26) Expanded application of LCA*11 in product development	■ Strengthening of systems to evaluate lifecycle CO_2 emissions in new vehicle development
	(27) Enhancement of environmental information disclosure and environmental communications	■ Enhancement of information disclosure in environmental accounting, etc., presented in environmental reports and on the website ■ Promotion of environmental communications with stakeholders
	(28) Promotion of systematic environmental education	■ Promotion of environmental education by job grade and business unit

*11: LCA stands for Life Cycle Assessment, which is a technique for calculating the environmental burden of a product from manufacturing to disposal. *12: The CHAdeMO Association works to increase the
*13: Toyota Motor Corporation, Nissan Motor Co., Ltd., Honda Motor Co., Ltd., Mitsubishi Motors Corporation

Mitsubishi Motors has started our 5-year plan “Environment Initiative Program 2015” to make our “Environmental Vision 2020” a reality from FY2011, and the entire Group pushed ahead to achieve the program’s targets, while we formed collaborations with each Group company.
In fiscal 2013, the third fiscal year of the program, we achieved most of its targets.

Evaluation ◎: Achieved ⊗: Unachieved targets

FY2013 target	FY2013 results	Evaluation	FY2014 target	Refer to
■ Recognition of projected compatibility with fuel consumption regulations ■ Achieve fuel consumption targets for new vehicles	● Confirmed compatibility with fuel consumption regulations in each country ● Achieved fuel consumption targets for new car models	◎	◆ Monitor attainment of fuel consumption targets and compatibility with fuel consumption regulations by country for new car models ◆ Confirm average fuel consumption for all car models to achieve targets for FY2015	P.38 Web
■ Launch PHEVs in overseas markets	● Introduced PHEVs to the European market as planned	◎	◆ Expand introduction of PHEVs overseas	P.09 P.38 Web
■ Complete development of high energy density lithium-ion batteries	● Completed development as planned	◎	◆ Develop components for high energy density lithium-ion batteries	P.38 Web
■ Expand introductions of eco drive support system ■ Achieve weight saving in new vehicles	● Expanded the introduction of eco drive support system to three car models ● Achieved weight saving target for new car models	◎	◆ Expand introduction of eco drive support system ◆ Weight saving in new car models	P.38 Web
■ Survey/research traction battery recycling technology	● Formulated capacity measurement and evaluation standards for used car batteries	◎	◆ Research traction battery recycling technology ◆ Research overseas recycling technology	Web
■ Develop technology using plant-based materials	● Progress as planned	◎	◆ Expand development of technology using plant-based materials	—
■ Recycling efficiency: at least 98% ■ Bumper recovery rate: at least 58.6%	● Recycling efficiency: Target achieved with 99.5% ● Bumper recovery rate: Target unachieved with 48.0%	⊗	◆ Bumper recovery rate: at least 58.5%	Web
■ Introduce ☆☆☆☆☆ vehicles in Japan ■ Introduce ULEV*6 for North America	● Introduced two ☆☆☆☆☆ car models to Japan as planned ● Introduced ULEV to the North American market as planned	◎	◆ Introduce EURO6 compatible cars to the European market ◆ Introduce ULEV70 compatible cars to the North American market	Web
■ Eliminate/reduce 4 heavy metal substances in line with EU/South Korean regulations for new vehicles	● Confirmed legal and regulatory compliance of new car models for the EU (no new models for South Korea)	◎	◆ Comply with EU regulations on four heavy metal substances for new car models ◆ Research regulatory trends in the EU and South Korea	Web

*3: MIVEC stands for Mitsubishi Innovative Valve timing Electronic Control system.
*5: Abbreviation for Low Emission Vehicle *6: Abbreviation for Ultra Low Emission Vehicle

FY2013 target	FY2013 results	Evaluation	FY2014 target	Refer to
■ 15% reduction in CO_2 emissions per production vehicle (compared to FY2005)	● Target achieved with 19% reduction	◎	◆ 16% reduction in CO_2 emissions per production vehicle (compared to FY2005)	P.37 Web
■ Reduction in CO_2 emissions per unit of transportation (compared to FY2006) Procurement logistics: 40% reduction; transportation of completed vehicles, etc.: 7% reduction	● Procurement logistics: 46% reduction ● Transportation of completed vehicles and other operations: Target achieved with 7.4% reduction	◎	◆ Reduction in CO_2 emissions per unit of transportation (compared to FY2006) Procurement logistics: 45% reduction; transportation of completed vehicles, etc.: 8% reduction	P.37 Web
■ 45% reduction of externally-disposed waste per production vehicle (compared to FY2005)	● Target achieved with 58% reduction	◎	◆ 45% reduction of externally-disposed waste per production vehicle (compared to FY2005)	Web
■ 72% reduction in steel used per unit shipment volume (compared to FY2006)	● Target achieved with 79% reduction	◎	◆ 81% reduction in steel used per unit shipment volume (compared to FY2006)	Web
■ Limitation/Reduction of VOC per unit painting area to less than 36 g/m^2 (body and bumper painting)	● Target achieved with 34 g/m^2	◎	◆ Limitation/Reduction of VOC per unit painting area to less than 35 g/m^2 (body and bumper painting)	Web
(Suspended until a manufacturing system complying with environmental laws has obtained a certain level of results)		—	(Postponed)	—
■ Limitation/Reduction of unit CO_2 emissions (compared to FY2010) Set target for each facility: +39%~−30%	● Target unachieved with three facilities 1.5% to 22% reduction (compared to FY2010)	⊗	◆ Limitation/Reduction of unit CO_2 emissions (compared to FY2010) Set target for each facility: +37%~−22%	Web
■ In Japan, 4.5% reduction at sales subsidiaries (5) and 18.5% reduction at parts dealerships*9 (compared to FY2010)	● In Japan, target achieved with 12.4% reduction at sales subsidiaries and 22.6% reduction at parts dealerships and others	◎	◆ In Japan, 5% reduction at sales subsidiaries (5) and 18.5% reduction at parts dealerships (compared to FY2010)	Web
■ Limitation +8.4%~−47.9% reduction of CO_2 emissions (compared to FY2010)	● Target unachieved with three companies 7.7% increase to 46.3% reduction (compared to FY2010)	⊗	◆ Limitation +8.4%~−49% reduction of CO_2 emissions (compared to FY2010)	
■ Set environmental targets and activities with which sales companies should comply	● Established environmental items with EA21*10 as the environmental guideline	◎	◆ Expand the cumulative total of sales companies with EA21 certification to 16	Web
■ Auditing of management system for hazardous substances at business partners (35 companies)	● Audited business partners as planned	◎	◆ Auditing of management system for hazardous substances at business partners (35 companies)	Web
■ Continue to operate pilot operation for monitoring energy-saving activities at business partners	● Operated as planned	◎	◆ Monitor the environmental activities of business partners	Web
■ Conduct audits of MMTh business partners	● Audited business partners of MMTh as planned	◎	◆ Conduct audits of MMTh business partners (15 companies)	Web

(formerly Mitsubishi Motors Parts Sales) and Higashi Kanto MMC Parts Sales *10: An acronym for the Eco Action 21 environmental management system instituted by Japan’s Ministry of the Environment

FY2013 target	FY2013 results	Evaluation	FY2014 target	Refer to
■ Build new popularization systems by measures including use of government subsidies	● Built new popularization systems supported by four carmakers*13	◎	◆ Launch a new company for providing a battery charge infrastructure network with the support of the four companies ◆ Commence battery charge network services	P.07
■ Cooperate with testing programs at overseas power companies	● Responded to requests from overseas power companies	◎	◆ Cooperate developing products with Japanese and overseas electric charge and discharge equipment makers	P.08
■ Continue and strengthen doing “nature monitoring” at Shiga Plant	● Completed survey as planned	◎	◆ Implement ecosystem conservation activities at the Shiga Plant ◆ Build a framework for promoting ecosystem conservation activities at each business site	P.35 P.36 Web
■ Provide affiliates with information about environmental laws	● Distributed information on environmental laws and regulations on monthly basis	◎	◆ Assist the acquisition of EA21 certification by sales companies in Japan ◆ Hold environmental activity liaison meetings with affiliate companies	Web
■ Implementation of LCA for new vehicles ■ Conduct LCA data surveys of parts and reflect results in evaluation	● Completed LCA evaluation of two new car model types ● Completed survey and reflected findings in evaluations as planned	◎	◆ Implement LCA of new car models ◆ Review LCA data on production processes overseas and reflect results in evaluation	Web
■ Strengthen communication (transmission ability) through societal and environmental reports (reform articles in societal fields) ■ Continue to expand environmental communication with external groups, etc. (conduct information exchanges once a month)	● Reformed articles in societal fields with support from outside experts ● Held information exchange meetings as planned	◎	◆ Strengthen communication (especially transmission ability) through the CSR report by reforming articles in environmental fields ◆ Continue to expand environmental communication with external groups, etc. (conduct information exchanges at least three times by quarter of the year)	Web
■ Implement and evaluate systematic environmental education	● Held education for all employees, and by job grade as planned	◎	◆ Conduct environmental education for all employees, and by job grade and division	Web

locations where EVs can be quickly charged and promotes the standardization of charging methods, both of which are indispensable for the popularization of EVs.

Initiatives for preserving biodiversity

Mitsubishi Motors is working to preserve biodiversity on the premise that it is important to protect the varied living organisms and their link in the area.

Automobiles are essential for affluent lifestyles, but at the same time they also affect the environment at every lifecycle-stage from development through production, distribution, sales, usage and disposal. As an automaker, one of our social responsibilities is to minimize this environmental burden and leave a rich planetary environment co-habited by many living organisms for future generations.

Accordingly, we engage in activities based on the Mitsubishi Motors Group Guidelines for the Preservation of Biodiversity, which was formulated in August 2010.

In fiscal 2013, our Shiga Plant conducted an ecosystem survey as part of an effort by us to pay more consideration to the biodiversity in and around our business sites.

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 its 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.

The fringed orchid flowers, an indigenous orchid that our employees at the Shiga Plant have taken care to protect

Overview of the Shiga Plant's ecosystem survey

When under construction, the grounds of the Shiga Plant were developed to preserve much of the local woods and greenery that had been there before. An ecosystem survey conducted in fiscal year 2013 focused on the 30-year relationship between the preserved woodland and surrounding environment and how this was being used by living organisms.

Survey location : Woods and greenery in the plant grounds and its surroundings
Surveyed objects : Plants, mammals, birds, amphibians, reptiles, aquatic organisms, insects
Survey period : One year from March 2013 through February 2014


Survey inside the Shiga Plant

Survey results

Through the survey, we discovered the grounds and surroundings to be inhabited by an abundance of living organisms, including 42 rare species. This includes the fringed orchid flowers, which grow in the wetlands preserved within the grounds, the Japanese clouded salamanders, which require pristine watersides and woods for a habitat, and the Japanese serows, which are a goat-antelope found in dense woods and a special natural monument of Japan. We confirmed that a very precious natural environment, at risk of being lost in recent years, had been preserved.

On the other hand, the survey also found issues that needed addressing to improve biodiversity. This included an overgrowth of broad-leaved bamboo and wilted pine trees in the woods inside the grounds, as well as various foreign species that had invaded and overrun the surrounding grasslands and flood control/irrigation ponds (such as the American bullfrog and American crayfish).

Rare species discovered in the survey


Japanese clouded salamander
Eggs that were also discovered in the spring indicate that there is a habitat of this salamander near the plant.


Japanese serows
A family of Japanese serow was sighted in the woods, both inside and around the plant.


Eurasian sparrowhawk
This raptor migrates to the woods surrounding the plant, and indicates that the ecosystem is full of living organisms providing it feed.

Initiatives going forward

In light of the survey's results, we will go on preserving this precious natural environment in cooperation with local governments, communities and organizations. Meanwhile, our employees will deepen their understanding of the relationship between business activity and biodiversity by learning about the natural environment surrounding the Shiga Plant and experiencing it.

Moreover, initiatives at the Shiga Plant, including the results from the ecosystem survey and the status quo of various preservation efforts, will be transplanted to other business locations for us to build a company-wide framework for biodiversity preservation.

Management and reduction of hazardous substances in products

Mitsubishi Motors does not allow environmentally hazardous substances (such as lead, mercury, cadmium, and hexavalent chromium) to be used and follows the exemption annex of the EU ELV Directive (2000/53/EC) defined in several of Mitsubishi Motors Standards.

We are collecting data on the use of substances of concern in components by using the industry's International Material Data System (IMDS) and the Global Automotive Declarable Substance List (GADSL), especially to track substances of very high concern (SVHCs) and ensure compliance with the SVHCs reporting requirements of REACH (1907/2006/EC).

Preventing Global Warming (Reducing CO_2 Emissions)

Preventing global warming is a top priority for countries worldwide. Mitsubishi Motors is working to reduce CO_2 emissions in all aspects of its operations. We do this not just through our products, notably by enhancing the fuel efficiency of gasoline-powered vehicles and popularizing EVs, but also in our operations in the areas of production, distribution, and sales.

Production

FY2013 target

- 15% reduction compared to fiscal 2005 in CO_2 emissions per production vehicle at domestic and overseas plants (Mitsubishi Motors Thailand Co., Ltd. (MMTh) and Mitsubishi Motors North America, Inc. (MMNA) in the U.S.)

Results of Fiscal 2013 Initiatives

Carrying on from fiscal 2012, fiscal 2013 saw company-wide efforts to reduce energy consumption, centering on the decreased consumption of electricity and to control power demand and reduce CO_2 emissions, with the result being that we could reduce CO_2 emissions per vehicle by 15% compared with the previous year at domestic plants. MMNA in the U.S. was added to the plan from fiscal 2013, pushing up CO_2 emissions from domestic and overseas plants by 1% compared with the previous year, but still a 19% reduction on the fiscal 2005 level (a decrease from CO_2 520 kg/vehicle to 422 kg/vehicle). We undertook the following key initiatives to reduce electric power consumption.

1. Lowering electricity consumption of air-conditioners
   We maintained air-conditioner temperatures at 28˚C and switched to energy-saving models
2. Changing operating hours to save electricity
   Changed production day and night shifts and employees' break times on production lines
3. Concentrated production processes to reduce energy consumption
4. Using a demand monitoring system to monitor peak power consumption
5. All newly installed lighting uses LED, reducing electricity consumption

Distribution

FY2013 target

- Compared to fiscal 2006, 40% reduction in unit CO_2 emissions*1 in procurement logistics, and 7% reduction in transportation of completed vehicles, etc.

Results of Fiscal 2013 Initiatives

We implemented various initiatives to reduce emissions. We shortened transportation distances by procuring production parts locally and improved load ratios by improving the transportation loading arrangement and packing format. We also increased fuel efficiency through eco-driving practices for completed vehicles and component transportation vehicles. We thus reduced unit CO_2 emissions by 46% compared to fiscal 2006 in procurement logistics, and by 7.4% in the transportation of completed vehicles and other related operations. We reduced CO_2 emissions by approximately 700 tons better than expected, to approximately 23,000 tons.

Trend of Unit CO_2 Emissions*1 at Procurement Logistics

Results of Fiscal 2013 CO_2 Emission Reduction Initiatives

Initiative	Details	Reduction impact	Total impact
Improved distribution routing	Shortened transportation distances by locally procuring production parts for the Nagoya Plant	–69t	–721t
Load ratio improvements	Improved load arrangement and packing format for transportation of production parts	–603t	
	Increased load ratios for transporting completed vehicles		
Improved fuel efficiency	Improved the fuel efficiency of completed vehicle transportation vehicles	–49t	
	Improved the fuel efficiency of component transportation vehicles		

Products

FY2013 target

- Launch PHEVs in overseas markets
- Complete development of high energy density lithium-ion batteries
- Expand introductions of "eco drive support system"
- Achieve weight saving in new vehicles

Outlander PHEV

Results of Fiscal 2013 Initiatives

◆ Launch the EV-derived *Outlander PHEV* on the European Market

The *Outlander PHEV* is a plug-in hybrid EV derived from EVs that emit extremely low quantities of CO_2 while driving. We launched it in European markets (Netherlands, Sweden, Norway and Switzerland) following its launch in Japan. *Outlander PHEV* is equipped with the newly developed *Plug-in hybrid EV system**2 and is the world's first plug-in hybrid 4WD SUV.

As the vehicle is equipped with a high-capacity battery, it has an electric driving range of 52 km*3 in the NEDC*4 mode, making it almost an EV for daily use. It provides high fuel efficiency, comfortable driving and the optimal driving mode is automatically selected depending on the driving conditions and remaining battery power. CO_2 emissions during driving in the NEDC mode of 44 g/km and combined fuel consumption of 1.9 L/100 km make it an environmentally friendly model.

◆ Development of high energy density lithium-ion batteries

The first step of development is completed and we are now moving ahead with the development toward achieving the further second step density.

◆ Introducing fuel efficiency improvement technology, Eco Support

In 2014, we developed the *Assist Battery* that enables effective use of regenerative energy when decelerating. The decelerating energy rotates a high-output alternator to generate power, which is efficiently stored in a nickel metal hydride battery. This power, which was generated without using gasoline, is supplied to various types of electrical devices thereby saving gasoline. We use the name *Eco Support* to refer to these advanced technologies, including the *Assist Battery*, that contribute to high fuel efficiency. They are employed on the *eK Space* newly launched in February 2014 and raise fuel efficiency while also reducing CO_2 emissions.

eK Space

◆ Products reflecting fuel efficiency improvement technology

Compact and light weight next-generation MIVEC*5 engines with reduced friction and improved combustion have achieved low fuel consumption and high performance. All models of the new *eK Space*, except those with turbo engines, come equipped with this engine. In addition, engines stop automatically while decelerating (below about 9 km/h) and employ *Auto Stop & Go (AS&G)* with the coasting stop function in order to save fuel. As *eK Space* also employs the *Assist Battery*, it surpasses Japan's fuel efficiency standards for 2015 by 20%. Turbo engine models and 2WD and 4WD vehicles surpass Japan's fuel efficiency standards for 2015.

◆ High fuel efficiency through weight saving in new vehicles

In addition to *Eco Support*, we are also moving ahead on lightweight vehicles contributing to high fuel efficiency.

The *Attrage*, newly on sale in Thailand from July 2013, incorporates a light, compact 1.2 L MIVEC engine combined with Continuously Variable Transmission (CVT) with sub-gear train or 5 speed Manual Transmission (5MT). Collision safety enhanced body, RISE (Reinforced Impact Safety Evolution) actively employing high-tensile steel make it the lightest in its class*6. The pursuit of lightness, top-class aerodynamics*6 and top-class NEDC mode driving performance have enabled fuel efficiency of 22km/L.

Attrage

*1: Unit CO_2 emissions: Amount of CO_2 emissions (kilogram-CO_2) per unit of transportation (1,000 tons-kilometer) [Amount of CO_2 emissions (kilogram-CO_2)/ Unit of transportation (1,000 tons-kilometer)]
*2: A system that we developed based on EV technologies employed in the *i-MiEV* and *MINICAB-MiEV*, for use in mid-sized passenger cars designed for long-distance transportation.
*3: Figure based on the driving range when driven using the battery.
*4: NEDC stands for New European Driving Cycle.
*5: MIVEC stands for Mitsubishi Innovative Valve timing Electronic Control system.
*6: As of May 2013 (Our research)

Together with Communities and Society

Employee Participation in Corporate Citizenship Activities

Mitsubishi Motors STEP Donation Program: Turning Individual Willingness Into Major Support

Employees and officers of the Mitsubishi Motors Group*1 can choose to donate a fixed amount to a fund from their monthly paycheck and bonuses. The money raised is used to conduct five corporate citizenship activities on a continuous basis. There were 2,212 people taking part in this initiative as of the end of March 2014.

Traffic Safety Picture Book Project

This project made gifts of Traffic Safety Picture Books (a set of six books) to elementary schools and libraries in the neighborhood of our business sites in Japan to teach children about traffic safety rules and manners in a way that is easy to understand.

Child Sponsorship (NPO World Vision Japan)

This project seeks to give children in developing countries a chance to grow and thrive by providing support for local environmental improvement and development to help fight poverty as needed.

Children's Forest Project (OISCA)

The Children's Forest Project seeks to foster in children a love of nature and support activities that advance the greening of the earth by providing children with opportunities to plant and care for seedlings at their schools and in surrounding areas.

"Better that 100 people each take one step than one person takes 100 alone:"

Mitsubishi Motors STEP Donation Program

Forest Building Block Project

This project donates wooden building blocks made from Japanese cypress forest thinnings to kindergartens and childcare centers in the neighborhood of our business sites in Japan to have children exercise their creativity through play while at the same time feeling the warmth of the wood.

Support for Recovery From the Great East Japan Earthquake (The Michinoku Future Fund)

We continuously donate to a scholarship fund enabling children orphaned in the disasters to go ahead with their education without having to give up their hopes and dreams.

*1: Mitsubishi Motors Corporation, Mitsubishi Automotive Engineering Co., Ltd., MMC Technical Service Co., Ltd. and Mitsubishi Automotive Logistics Technology.

We Will Not Allow Any of the Kids to Give Up Their Dreams

More than 1,700 children were orphaned by the disasters. The Michinoku Future Fund was established in October 2011 so that children who had lost either or both their parents, siblings and their homes would not also lose their dreams and aims to support children moving on to a university, junior college or vocational college upon graduating from high school.

Reconstruction is said to take around 15 years. But reconstruction is something that people have to carry out and it's these children who are going to be those people. Currently, there are 290 students from first-year through third-year who are pursuing their dreams through study.

Donations from Mitsubishi Motors STEP Donation Program are used in full to pay for students' tuition costs.

This support will take on a long-term form over the coming 20 years, but considering recipients promise to become someone useful in the future, we are grateful and also very proud for everyone at Mitsubishi Motors Group working with us to support children.

Mr. Yasunori Kawasaki
Director,
The MICHINOKU Future Fund

STEP Corporate Citizenship Activities

Four key themes based on our corporate philosophy form the company's corporate citizenship activities, abbreviated by the acronym STEP: Support for the next generation, Traffic safety, Environmental preservation, and Participation in local communities.

An employee gives an explanation to a child learning about what it is like to recharge an electric vehicle

Support for the next generation

Based on the concept of enabling children to enjoy learning by experiencing the "real thing," our employees work with local boards of education and chambers of commerce to contact children and visit them, mainly at elementary schools close to various our business sites, to give hands-on lessons on topics such as the environment, centered on test rides in the *i-MiEV* electric vehicle, and car design, with guidance from designers and modelers. In fiscal 2013, 2,814 students attended 47 courses. A cumulative total of 21,895 children have participated in the program so far.

Traffic safety

We have been running Car School since 1995 as a part of efforts to raise awareness of traffic safety. To help ease students concerns and answer their questions properly, the courses are held with a limited number of participants, and focus on communication.

Participants think and learn together, studying driving techniques and learning about car safety while having fun.

Environment preservation

We have named an approximately three-hectare area of mountain forest in Hayakawa-cho, Yamanashi Prefecture as "*Pajero* Forest," and has been working to preserve and cultivate the forest, but it sustained destructive damage in Typhoon Guchol, which struck the area in June 2012.

Currently, we are preparing to recommence activities from September 2014 in a different part of the same town.

Participation in local communities

Articles about initiatives being carried out in various communities are on pages 19 to 20.

Continuous Support for Recovery From the Great East Japan Earthquake

Three years have passed since the Great East Japan Earthquake, yet many in disaster-stricken areas still live in a state of uncertainty about what the future holds for them. We have, since immediately after the disaster, provided complete support to employees who wish to participate in a weeklong volunteer program. This support is based on our hope that employees will not only contribute to the recovery but also find personal growth by coming in contact with the local people and mixing with them.

From fiscal 2013, we started the Beverage Support*1 program donating part of the proceeds from purchases made from internal vending machines to be useful for children in the disaster-stricken region to ensure the feelings of as many employees as possible are passed on to those in the region.

We regard continuing to support the disaster-stricken region and moving ahead together with communities as long as they need us to do so as our mission and we will let the residents know that they have not been forgotten and are still connected to the rest of the country.

Our employees undertaking volunteer activities play with children in a schoolyard after school

◆ The Project YUI Consortium in Japan, a General Incorporated Association

プロジェクト結ゆい

With the aim of making the children afflicted by the disaster once again cheerful and happy, Project YUI focuses on providing opportunities for children to learn and play as well as restoring the local community that has been hit hard. Activities are centered on Ishinomaki City.

We believe that all of the people of Japan must work together and continue to provide as much support as possible in order to restore the areas that were devastated by this unprecedented disaster. We support Project YUI's aim to have individuals, NPOs, companies, and governments work together across private-public sector and regional lines. These people work as a team, with each participant bringing various talents and resources, such as manpower, materials, funding, and knowledge, in order to support the creative reconstruction of the area affected by the earthquake. Together everyone works to support the rebuilding effort with Project YUI.

Overcoming Obstacles Together with Locals

I was appointed to Futamata Elementary School in the year of the earthquake and have tried to overcome obstacles together with the locals without really knowing what to do.

Mitsubishi Motors employees taking part in the Project YUI volunteer activities produced or repaired items used in classes, as well as played with the children.

Thanks to these activities, teachers have gained more time to direct toward children, for which we are very grateful.

Toshiyuki Hatakeyama Principal, Futamata Elementary School, Ishinomaki City (As of the end of March, 2014)

*1: Donated to fund activities carried out at YUI no Ie, a childcare facility operated under Project YUI, and the Michinoku Future Fund, which supports schooling for children orphaned by the disaster.

Working Together to Support Recovery as Quickly as Possible

Hands-on Support: Great Forest Wall Project

We support the Great Forest Wall Project, to create a "lifeguarding forest of tide embankment" to protect against damage from tsunami by using rubble generated in the Great East Japan Earthquake to create a huge wall. On June 14, 2014, 36 of our employees volunteered to go to Iwanuma City, Miyagi Prefecture, to plant trees. We also lent free of charge five *MINICAB-MiEV TRUCKs*[*2] and these were used to transport saplings and tree-planting tools. In the future, the project aims to cover the Pacific Ocean coastal area with a rich forest that will offer protection.

Members of the Great Forest Wall Project on the 1,000-Years of Hope Hill in Iwanuma City, Miyagi Prefecture.

Employee volunteers planted about 600 saplings

Support through Our Main Business

Use of *MINICAB-MiEV* electric vehicle free of charge

Employees participating in volunteer activities said that the passenger cars used locally were not suitable for transporting relief supplies or tools. They also noted that gasoline costs were consuming a lot of their activity budgets. We have responded since 2012 by lending out a *MINICAB-MiEV* electric vehicle to Project YUI free of charge. The car is reportedly used daily, regardless of whether it is a weekend or holiday.

Temporary housing residents and our employees (3rd and 4th from left)

Helping students understand the essence of work

In response to a request from Project YUI, we sent employees to Ishinomaki City junior high schools, where the employees gave talks about their occupation as a part of career education aimed at giving students an understanding of the essence of work. This course has been held three times from fiscal 2011 to fiscal 2013. Among the comments received about the program from students was one that said, "there were many things I learned about for the first time."

With junior high school students, thinking about work and the future

Day to Day Support: Beverage Support

To enable as many employees to easily offer support and to do so in a way that meets the needs of the disaster-stricken areas, we started Beverage Support in May 2013 to donate part of the proceeds from purchases made from 20 vending machines placed inside the Company headquarters to be useful for children in the disaster-stricken areas.

Since March 2014, we have been cooperating with Kirin Beverage Co., Ltd. to set up vending machines containing beverages decorated with images of Tohoku specialties at business sites in all regions.

Funding as of the end of March 2014 was about 2.12 million yen. We will continue asking a broad array of employees for their support.

Continuing to Contribute in Ways we Can

Last year, I took part in Project YUI as the person in charge of new employees.

At an elementary school in Ishinomaki City and in the temporary housing I enjoyed mixing with local children, but I also saw that reconstruction is still a long way off.

Having returned to my workplace in Kyoto, one way I can continue contributing is by buying beverages from the vending machines and encouraging colleagues to do the same.

Shinsaku Ariyoshi Assistant Manager, Professional Development Dept.

*2: Period from May 23 to June 15, 2014.

We strive to live harmoniously with local communities in Japan and overseas through engagement with the various activities conducted by community residents. In Japan, we have plant tours in each factory. In fiscal 2013, the Nagoya Plant, Mizushima Plant, Powertrain Plant (Kyoto Factory and Shiga Factory) and *Pajero* Manufacturing Co., Ltd., hosted a total of around 41,500 visitors.

Initiatives by the Nagoya Plant and R&D center (Aichi Prefecture)

Contributing to Traffic Safety Activities in Regional Communities

Among employees at the Okazaki district, members of the Mitsubishi Motors Safety Drivers Club,*1 remind drivers and pedestrians on commuting routes in and around the Works about traffic safety, as well as clean up trash. Club members have awareness of traffic safety appropriately high for automaker employees and seek to eradicate traffic accidents.

In fiscal 2013, a total of 1,276 employees took part in the club's activities on 21 occasions, with one local resident saying, "these activities maintain safety and cleanliness in this community."

A club member urges a pedestrian to be aware about traffic safety

Initiatives by the Mizushima Plant (Okayama Prefecture)

Kurumaza Troupe of players made up of employee volunteers

Employees in the Mizushima district voluntarily formed the Kurumaza Troupe to entertain and express thanks to the community by performing mainly at homes for the elderly.

An official from one facility said, "Residents are absolutely delighted to be able to see a live performance that they wouldn't normally be able to see."

Kurumaza Troupe performs 5 times a year

Initiatives by the Powertrain Plant (Shiga Prefecture)

Holding Junior Badminton Classes at the Kyoto Plant

The Kyoto Badminton Club has since fiscal 2012 held yearly badminton classes for children from the higher grades of elementary schools in the area to popularize badminton and support development of the next generation of players. In fiscal 2013, 66 children took part, working up a sweat with players and with one saying, "I was really happy to be coached by an actual player."

A participant being coached by a player

Initiatives by *Pajero* Manufacturing Co., Ltd. (Gifu Prefecture)

Factory Tours for Elementary School Students

Every year, Pajero Manufacturing Co., Ltd. holds factory tours for fifth graders from elementary schools in Gifu Prefecture as one aspect of their social studies classes. In fiscal 2013, about 5,250 children from 100 schools attended tours that followed the production process from presses through to inspections. "The sparks from the welding were awesome," one child who attended a tour said in one of the many letters that were received from participants.

For the first time, we also conducted a tour for children from a school for the visually impaired, which made full use of our advantage of being able to offer a tour from the production sidelines, which enabled an experience that emphasized such factors as sound, vibration and smell.

Children listen intently to an explanation

*1: A club composed of employees either working or enrolled in the Okazaki District who want to participate in the club activities. The club aims to contribute to creating cheerful workplaces and families, and to achieve driving safety throughout the regional community.

Overseas initiatives

Continued donation to "School Lunch Project" (Thailand)

Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) is supporting a "School Lunch Project" endorsed by the Ministry of Education's Office of the Basic Education Commission, which aims to provide nutrition and health for children.

In fiscal 2013, in its fourth year of providing support, MMTh donated 20,000 baht (approx. 63,000 yen) each to 50 schools in rural districts throughout Thailand. This brought the number of schools receiving donations to date to 200 schools in 53 provinces.

An elementary school receiving support

Cooperation with a program promoting the use of seat belts (America)

For 17 years since 1997, Mitsubishi Motors North America, Inc. (MMNA) has been cooperating in the operation of Tri-County Operation Cool, a program for promoting the use of seat belts.

Every year, over 10,000 high school students from 19 schools in three counties in the state of Illinois participate in this program that has been effective in raising traffic safety awareness. In fiscal 2013, MMNA donated an *Outlander Sport* SUV to the school the program selected for excellence.

High school students being presented with an *Outlander Sport*[*1] SUV

Donation in support of typhoon and earthquake victims (The Philippines)

Mitsubishi Motors Philippines Corp. (MMPC) donated 1.5 million peso (approx. 2.3 million yen) through the Philippine Red Cross in support of victims of an earthquake in October and Typhoon Yolanda in November 2013.

As a responsible corporate citizen, MMPC will actively provide humanitarian support as needed in the event of a disaster.

President Hikosaburo Shibata of MMPC
(second from the right) at the Philippine Red Cross

Vehicles loaned free of charge to Wellington Free Ambulance (New Zealand)

As part of its social contribution in fiscal 2013, Mitsubishi Motors New Zealand Ltd. (MMNZ) loaned the *Outlander* and *Challenger* SUVs free of charge to the charitable organization, Wellington Free Ambulance. These vehicles are now being used in rescue activities in the mountainous and wooded areas of New Zealand, as well as in Wellington where MMNZ is based.

On blizzard days when rescue helicopters cannot lift off, these vehicles are being used, for instance to transport children in a medical emergency from villages in the mountains to hospitals in the city. Such vehicles were also put to use in rescue operations in the aftermath of the earthquake in Christchurch.

A *Challenger*[*2] SUV on loan

*2: The car is variously named *Challenger*, *Pajero Sport*, *Montero Sport*, among others, depending on the country in which it is sold.

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