

# AUTOMOTIVE & MOBILITY GROUP

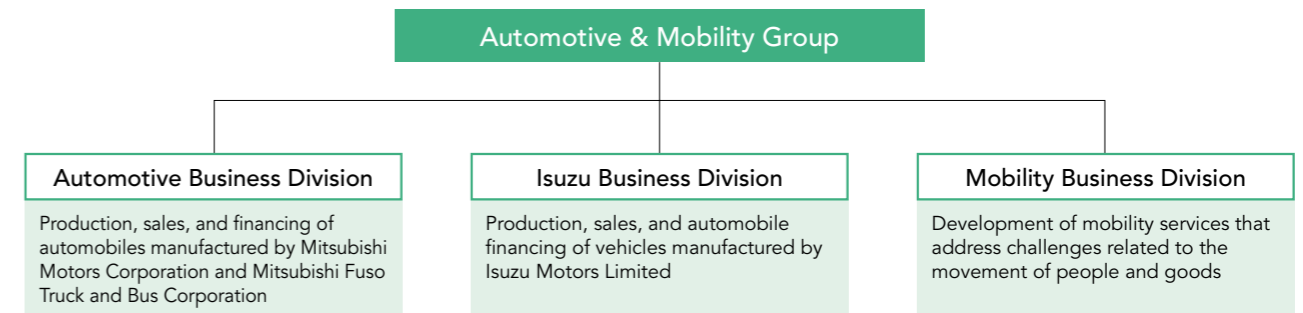


## Our Vision



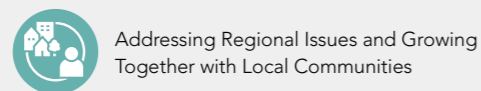
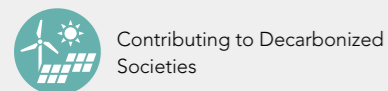
**Shigeru Wakabayashi**  
Executive Vice President,  
Group CEO,  
Automotive & Mobility Group

Our Group will build a business model that addresses challenges related to the movement of people and goods by leveraging our strong business and customer base built up over many years. Furthermore, by providing automotive and mobility services by utilizing integrated EX/DX, we will enrich the lives of our customers and contribute to the conservation of the global environment with the aim of realizing triple-value growth.



## Materiality (Material Issues)

### Related Material Issues



### Relevance of Material Issues to the Business

In the automotive industry, structural changes are taking place as a result of the shift to low environmental impact vehicles in line with the progress of decarbonization, as well as changes in people's values regarding car ownership.

Within this changing external environment, our Group, as a strategic partner of the manufacturers with whom we collaborate, will contribute to the realization of decarbonized societies by helping to expand sales of environmentally friendly next-generation vehicles (including clean fuel). Furthermore, as part of our efforts toward decarbonization, we intend to promote the realization of a concept for EV fleet management that combines mobility business and EX, in cooperation with other Business Groups within the company, in order to take advantage of our collective capabilities.

In regional communities facing depopulation, there is a growing need for on-demand transportation services that allow for the streamlining of transportation, and more services utilizing digital technology. Our Group will ensure the sustainability of our business by further strengthening our business foundation, including the functions we have developed over many years and our ability to build community-based networks, as well as by working to address societal challenges through our mobility services business.

## Group Strengths and Strategy

**Group Strengths**

- Strong, long-term partnerships with Mitsubishi Motors Corporation, Isuzu Motors Limited, and Mitsubishi Fuso Truck and Bus Corporation
- A strong automotive value chain platform for business and customers offering production, sales, automobile finance, after-sales service, and other capabilities developed both in the ASEAN region and in countries around the globe
- A wealth of knowledge and expertise based on an extensive global network

In our automotive value chain business, we strengthened our sales capabilities by introducing new models and implementing digital marketing in the ASEAN region, while also building a framework for steadily increasing profit from business investees. Furthermore, we expanded our business domains in multi-brand downstream areas (fleet management, after-sales service, e-commerce, auctions, etc.) in emerging countries, including ASEAN countries. Moreover, we promoted domestic regional transportation DX through our on-demand bus business utilizing AI.

We aim to further strengthen the functions of the automotive value chain business, and expand and transform our business model into downstream areas, while also developing the mobility services business into a "Core Businesses." We will also utilize integrated EX/DX as a lever to enrich the lives and lifestyles of our customers and contribute to the conservation of the global environment through the spread of automotive and mobility services, thereby achieving triple-value growth.

In an environment where the electrification of automobiles and the diversification of transportation fuels and energy sources are expected to advance in line with decarbonization, we will promote product planning in collaboration with our partner manufacturers and pursue business development utilizing our business and customer bases. In doing so, we will further evolve and deepen our value chain business. In addition, as people's awareness shifts from ownership to usage, we will continue to address challenges related to the movement of people and goods by continuously providing efficient and clean means of transportation, and will continue to realize triple-value growth.

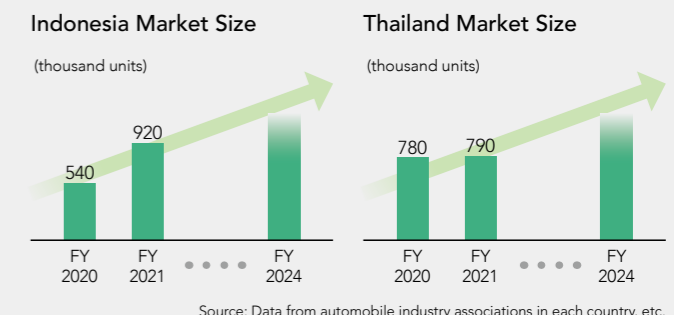
Summary of Midterm Corporate Strategy 2021

Strategies Under Midterm Corporate Strategy 2024

Forecast for Future Growth

## Major Growth Drivers

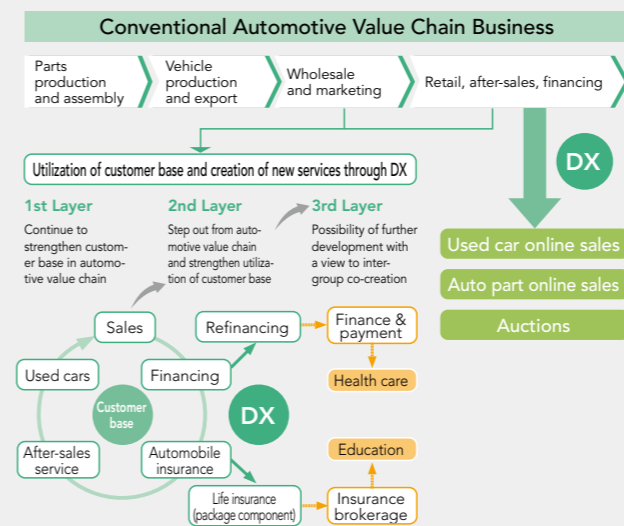
Our Group has over 50 years of experience in the automotive value chain business in Indonesia and Thailand. In the Indonesian and Thai markets, where demand is expected to recover and grow in the future, we will continue to engage in the sales and after-sales service business while leveraging our strong business foundation built up to date. We aim to further strengthen our customer base in areas such as finance and insurance services and business development, and expand and transform our business model in downstream areas in the automotive value chain business. We will also take the next step forward to achieve further growth by leveraging our customer base with a view to inter-group co-creation.



## Business Examples

### DX Initiatives in the Automotive Value Chain Business

In the sales and after-sales field, which is the core of our automotive value chain business centering on the important markets of Indonesia and Thailand, we are leveraging our customer base built up through sales and marketing activities over many years in order to promote DX through various digital marketing measures and to create new services. In addition, to strengthen our downstream multi-brand business, we are building a business model centered on fleet management, maintenance, and used car e-commerce, and we are also operating an auction/matching site for used car sales.



### DX Initiatives in Mobility Services

As the shift from "ownership" to "use" of cars continues, we are working to address challenges related to mobility faced by local communities and transportation operators while providing new means of transportation (Regional Transportation DX). Starting in 2019, we have been operating the AI-based on-demand bus system Know-Route in collaboration with West Japan Railway Co. Rather than having a fixed timetable or route, flexible route setting and operation utilizing AI ensures both user convenience and operational efficiency. From 2020, we will start providing the Know-Route system and expertise to various regions and transportation operators nationwide. We will encourage the expansion of the on-demand bus business and contribute to addressing regional transportation challenges.

### Sharing roles with railroads, local buses, and cabs as part of a public transportation network

