

MITSUBISHI MOTORS CORPORATION

ANNUAL REPORT 2018

For the year ended March 31, 2018



**MITSUBISHI
MOTORS**

Drive your Ambition

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Forward-looking Statements

Mitsubishi Motors Corporation's current plans, strategies, beliefs, performance outlook and other statements in this annual report that are not historical facts are forward-looking statements. These forward-looking statements are based on management's beliefs and assumptions drawn from current expectations, estimates, forecasts and projections. These expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those indicated in any forward-looking statement. Mitsubishi Motors Corporation, therefore, cautions readers not to place undue reliance on forward-looking statements. Furthermore, any forward-looking statements are subject to change as a result of new information, future events or other developments.

Outlander PHEV





PHEV
PLUG-IN HYBRID EV

We will make the most of the Alliance to turbocharge our growth and profit in a sustainable way

After a promising yet challenging year in 2016, in 2017 Mitsubishi exceeded its forecasts and demonstrated its potential for a strong and quick recovery. As announced, we launched our mid-term plan "Drive for Growth" and efforts were made companywide to achieve its main objectives. We sought to rebuild customer trust, bring business performance back on a V-shaped recovery and initiate sustainable growth. Throughout the year, the Alliance has been an enabler and an accelerator of these efforts.

In 2017, Renault, Nissan and Mitsubishi sold more than 10.6 million vehicles and became the number one automotive group for passenger cars and light commercial vehicles. In 2018 we expect to exceed 11 million vehicles, and forecast total annual sales of 14 million units by 2022, which shall generate combined revenues of ¥31.8 trillion. Size is a necessary but not sufficient condition for success. Within the Alliance, we turn our scale into a strong competitive advantage through a patient and thoughtful strategy of convergence.

In March 2018, we accelerated convergence in such functions as purchasing, engineering, manufacturing and the supply chain. While ensuring each member company remained autonomous, these convergence moves benefited Mitsubishi in multiple ways. In purchasing, first. Last year, Renault, Nissan and Mitsubishi spent a total of 160,000 Oku-Yen in common purchasing. Mitsubishi benefited by benchmarking Nissan and looking at the Alliance best practices, and also from common purchasing of raw materials like steel, plastic and oil, which helped reduce our costs. In Manufacturing, in the course of this fiscal year our Mitsubishi plant in Indonesia will start producing Nissan vehicles based on Mitsubishi *XPANDER* – and will soon benefit from more joint plant utilization. Finally, in engineering, Mitsubishi and Nissan joined efforts in developing next-generation minicars. This cooperation helped reduce R&D costs and investments. Mitsubishi also proved its contribution to the Alliance by sharing its best practices in engineering, bought-out parts and logistics in the ASEAN region. Its PHEV technology will be also utilized as Alliance's common technology in the future.

On top of accelerating convergence in Alliance functions, we also extended our convergence to new functions such as light commercial vehicles, business development, after-sales service, quality and total customer satisfaction.

All in all, in fiscal 2017, synergies of the Alliance accounted for 28% of Mitsubishi's operating profit. This direct, positive impact of synergies on Mitsubishi's growth and profit will continue as all three alliance member companies strive to achieve the Alliance 2022 strategic plan.

Alliance 2022 calls for more than 9 million vehicles to be produced using common platforms by 2022, and for two-thirds of engines to be shared across Renault, Nissan and Mitsubishi. Alliance members will benefit from next-generation technologies and shared innovation. Given the Alliance mindset to develop once and share, each yen we spend in research and development is amplified through the alliance. Mitsubishi plans to spend ¥122.0 billion on R&D in fiscal 2018, while having access to a wide array of technologies, as the Alliance plans to invest a cumulative ¥6.6 trillion by 2022.

We look to the future of Mitsubishi with confidence. The Alliance will continue to turbocharge its growth and profit as well as Nissan Motor's and Groupe Renault's. We've already made solid progress, yet there is still much work to be done – and each member company is responsible for its own performance.

Together we'll deliver more and in a better way: more and better products and services, more and better technologies, more and better business opportunities. We'll also be more efficient by eliminating duplication, pooling our capacities and resources, avoiding costs and creating incremental revenue opportunities. These win-win-win solutions will significantly contribute to Mitsubishi's growth and profit in the years to come.

I am confident that through the impact of the Alliance and the efforts of all the men and women at Mitsubishi, we will deliver the Drive for Growth objectives.

August 2018



Carlos Ghosn

Carlos Ghosn
Chairman of the Board

While continuing to work to rebuild trust, we will press ahead with establishing a foundation for sustainable growth.

In fiscal 2017, the first year of the Drive for Growth mid-term plan, we were able to make a good start, achieving targets that were even revised upward during the fiscal year. I also find it very encouraging that our new products, the *XPANDER* and *Eclipse Cross*, have been launched successfully.

At the same time, the world situation is changing substantially on a daily basis, engendering various risks. More than ever before, companies are compelled to pay attention to these risks and are being called on to respond flexibly. We are doing our best to do so, while steadily achieving a recovery in our operating performance, undertaking reforms to rebuild trust and establishing the foundation for profitable and sustainable growth.



Osamu Masuko

Osamu Masuko
Member of the Board
Representative Director
CEO



In October 2017, we formulated Drive for Growth, our three-year mid-term plan through fiscal 2019. (Please see pages 8–9 for details.)

This mid-term plan sets three key priorities to address as we work to establish the foundation for profitable and sustainable growth.

Our first priority is rebuilding trust that was tarnished following the incident of fuel economy misrepresentation. We recognize that it will take time to restore the trust of customers and society at large, but we are making compliance our top priority and leveraging IT in our unremitting efforts to dramatically reform and enhance our internal control and governance structures.

Our second priority is putting the Company's performance on track to a V-shaped recovery. To date, our sales volume has been around 1 million vehicles. We aim to increase this level to 1.3 million vehicles by fiscal 2019. We are targeting sales of ¥2.5 trillion by that date, representing a 30% increase from fiscal 2016. At the same time, we will manage costs thoroughly to boost the operating margin to 6% or more, in line with our historic peak. To simultaneously raise volume and enhance profitability, over the plan's three-year period we will invest more than ¥600 billion in development and facilities to introduce new models and set business

foundations in place. Despite this aggressive investment, we will work to ensure positive free cash flow each year and maintain a sound financial structure.

Our third priority is successful new model launches. Centering on the SUV segment, which we expect to continue growing, we will leverage our strength in 4WD vehicles and pickup trucks to further enhance our product lineup. During the period of the mid-term plan, we plan to introduce 11 new models. These include the *XPANDER* and the *Eclipse Cross*, for which we began production and sales in fiscal 2017. In addition to the ASEAN region, which is an area of strength, we will focus on sales in other main markets, including Japan, Oceania, the United States and China. By succeeding in these new model launches, we aim to enhance our brand and achieve growth in scale.

Automobiles and the business climate of the industry are undergoing significant transformations. More stringent environmental regulations imposed by each country cannot be met by simply increasing IC engine efficiency or reducing vehicle weight. Carmakers around the world are thus investing resources in electrified vehicles one after another, resulting in full-scale competition. In addition, markets are expecting autonomous driving technologies and sophisticated safety features such as emergency brakes as standard equipment. Along with increasing connectivity, development of vehicle intelligence is gaining momentum.

With the management environment changing at unimaginable speed, Mitsubishi Motors recognizes that in order to continue existing and growing, the Company must respond to these changes and take the initiative in transforming itself. To this end, we aim to take full advantage of the Alliance's strengths. At the same time, we will further hone our own SUV and electrification technologies and contribute toward the Alliance. In addition, through the concentrated investment of management resources in regions and technologies in which we excel, we aim to build a foundation that will enable us to remain competitive amid the major changes in the operating environment that are underway.

Mitsubishi Motors will continue working to transform itself in order to deliver new value and remain a company that society truly needs.

August 2018



Message from the CFO



We are responding to the expectations of a wide range of stakeholders by ensuring a balance between growth and profits.

Koji Ikeya
Executive Vice President CFO

Performance in the Year Ended March 31, 2018

In fiscal 2017, we kicked off the three-year mid-term business plan, Drive for Growth, to build a foundation for profitable and sustainable growth. During the year, we focused on the three main goals of the plan, namely: "rebuilding trust that was tarnished following the incident of fuel economy misrepresentation," "putting the Company's performance on track to a V-shaped recovery" and "launching new models successfully."

Our sales volume for the year amounted to 1,101 thousand units, up 175 thousand units year on year. Due to this increase, net sales expanded ¥285.8 billion, to ¥2,192.4 billion. Operating profit grew ¥93.1 billion year on year, to ¥98.2 billion, due to higher unit sales and cost-lowering efforts, plus a decrease in costs on quality measures in the market. Profit attributable to owners of the parent moved back into the black, improving ¥306.1 billion, to ¥107.6 billion.

Outlook for the Year Ending March 31, 2019

In fiscal 2018, we aim to increase sales volume by 149 thousand units year on year, to 1,250 thousand units, by introducing new models and expanding sales in the ASEAN region and China. As a result, we anticipate a ¥207.6 billion rise in net sales, to ¥2.4 trillion. We expect operating profit to increase ¥11.8 billion, to ¥110.0 billion. We forecast that sales-related factors will deliver a ¥41.0 billion positive impact, and cost reductions and other measures will account for ¥26.0 billion, with the overall figure taking into account higher R&D and other expenses, as well as the impact of yen appreciation. We forecast ¥110.0 billion in profit attributable to owners of the parent, up ¥2.4 billion year on year. For fiscal 2018, we plan to pay dividends of ¥20 per share, up ¥3 from the fiscal 2017 figure, taking a balance with investment in growth into consideration.

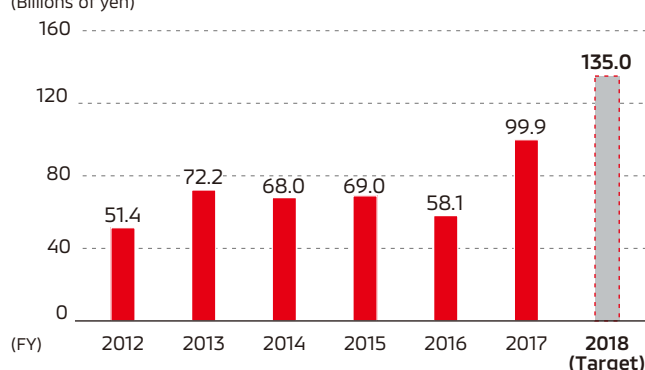
Operating Performance and Forecast

(Billions of yen, thousands of units)

	FY2017 (Actual)	FY2018 (Forecast)
Sales volume (retail)	1,101	1,250
Net sales	2,192.4	2,400.0
Operating profit	98.2	110.0
Net income attributable to owners of the parent	107.6	110.0

Capital Expenditures

(Billions of yen)



Initiatives in Fiscal 2018

In fiscal 2017, we launched new models according to plan, and performance outpaced our forecasts, putting us firmly on a V-shaped recovery path. Fiscal 2018, the second year of our mid-term business plan, will be an important year to ensure that Mitsubishi Motors remains firmly on this path.

To establish the foundations for profitable and sustainable growth, in fiscal 2018 we will continue to invest proactively. At the same time, we will work toward our goals of expanding scale and increasing profitability.

First, while increasing sales we will invest proactively in future growth—an area where we fell short in the past. We also plan to maintain healthy cash flow and return profit to shareholders, after making the necessary investments.

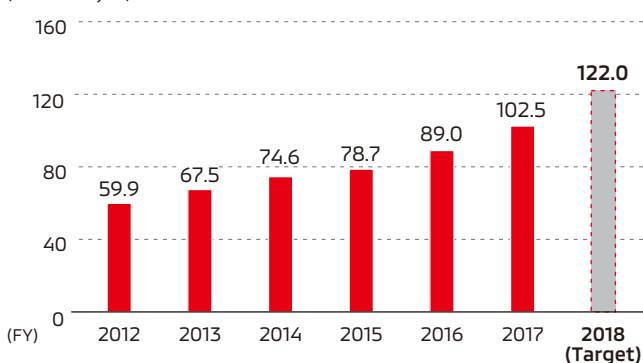
Regarding capital investment, we will continue to step up investment in new products, manufacturing and IT.

In R&D, we will reinforce the development of new models for future launches. We will continue to augment development resources to hone our SUV and electrification technologies.

Meanwhile, we will support purchases by customers in Japan by providing a wide range of attractive financial services and enhance after-sales services. To this end, in April 2018 we converted MMC Diamond Finance Corporation, a sales financing company, into a wholly owned subsidiary. In this manner, we will work to strengthen our domestic sales structure by promoting sales measures along with financial services.

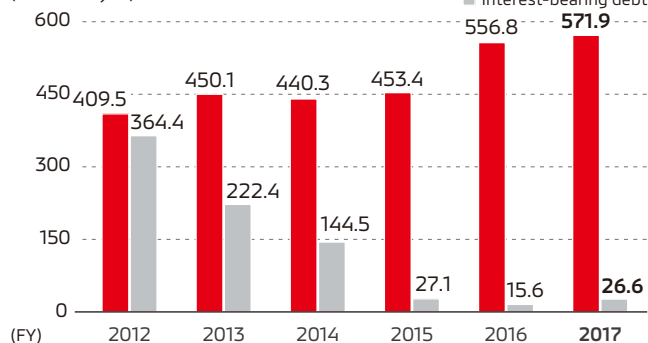
R&D Expenses

(Billions of yen)



Cash and Deposits/Interest-Bearing Debt

(Billions of yen)



Feature 1: Drive for Growth (Mid-Term Plan)

We will renew our product lineup, grow in core markets, optimize costs and invest aggressively to solidify our foundation for sustainable growth.

Based on "Drive for Growth," Mitsubishi Motors' three-year mid-term plan that concludes in fiscal 2019, the Company will build a foundation for profitable and sustainable growth by moving forward with efficiency improvements, renewing product lineups and achieving growth in core markets.

"Drive for Growth" sets four key performance indicators (KPIs) to be achieved by fiscal 2019: sales volume (retail) of 1.3 million units, amounting to a 40% increase from fiscal 2016; net sales of ¥2.5 trillion, up 30% from fiscal 2016; an operating profit margin of 6% or more; and positive free cash flow during all three years of the plan.

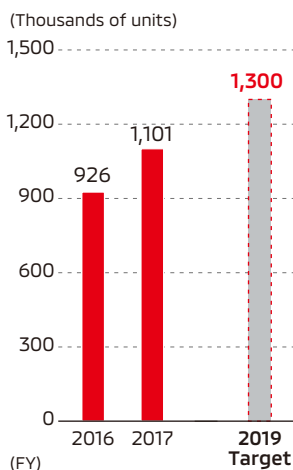
Our strategic actions for achieving these aims are product renewal, a focus on core markets and cost optimization. Using these strategic actions, we will

further strengthen our lineups in SUVs, four-wheel-drive vehicles and pickup trucks, and introduce 11 models, including the new *XPANDER* and the new *Eclipse Cross*. By renewing the product lineup in this way, we aim to simultaneously increase sales in the ASEAN region, Oceania, the United States, China and Japan. At the same time, we will continue to enact thorough cost management and build an efficient and disciplined operating structure.

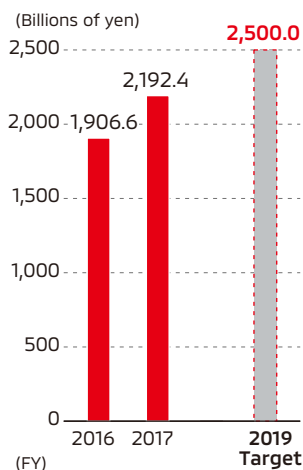
Furthermore, we will solidify our foundation for sustainable growth through capital investment and aggressive investment in new-vehicle development. In fiscal 2019, the final year of Drive for Growth, we anticipate capital investment of ¥137.0 billion, amounting to 5.5% of net sales. We also anticipate R&D expenditure for the year of ¥133.0 billion.

Four Key Performance Indicators (KPIs)

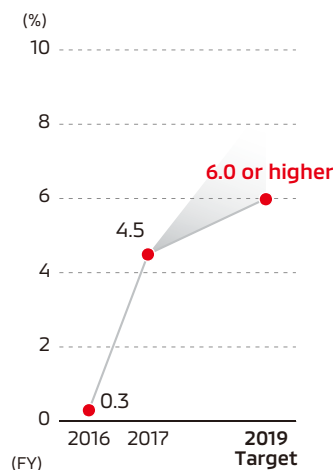
Sales volume (retail)



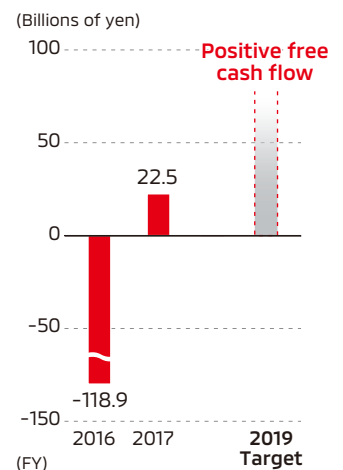
Net sales



Operating profit



Free cash flow





Eclipse Cross



XPANDER

Strategic Actions

Product Renewal	Revenue Growth through Focus on Core Markets	Cost Optimization
<p>During the period of the Drive for Growth plan, Mitsubishi Motors will introduce 11 models. Of these, six will be new models or full model changes of existing models. We will introduce these models at a rate of two per year. We expect our five main models of SUVs, four-wheel-drive vehicles and plug-in hybrid vehicles—Mitsubishi Motors' strengths—to account for 70% of our global sales volume. Furthermore, amid the shift to low-emission gas vehicles, from 2020 we plan to offer electric power-trains for core models, including minicar EVs.</p>	<p>The ASEAN region is the largest and highly profitable market for Mitsubishi Motors. One key factor is growth in sales of the new XPANDER, which is being manufactured at a new plant in Indonesia that commenced operations in 2017. We aim to increase sales volume in the ASEAN region from 206,000 units to 310,000 units by fiscal 2019. In Japan, we will introduce a new minicar. In the United States, we will step up sales activities in the aim of boosting annual sales volume by 30%, to 130,000 units, by fiscal 2019. In China, we will double our dealer network in the aim of more than doubling sales volume, to 220,000 units by fiscal 2019.</p>	<p>In addition to thoroughly managing costs, Mitsubishi Motors will substantially increase R&D expenditure. That being said, we intend to reduce total manufacturing costs—including development, manufacturing and logistics expenditures—by 1.3% per year. While managing these costs, as an alliance member Mitsubishi Motors will benefit from more than ¥100.0 billion in synergies during the period of the plan, including synergies arising from joint purchasing and R&D cost avoidance.</p>

Infrastructure Development

Substantial Increases in Capital Investment and R&D Expenditure

We will accelerate our aggressive investment in growth, building a foundation to support future expansion. Specifically, by the final year of the plan (fiscal 2019), we will increase capital investment to ¥137.0 billion (5.5% of new sales) and R&D expenditure to ¥133.0 billion (5.3% of net sales). As a result of

this aggressive investment, we expect to spend more than ¥600.0 billion on capital and R&D investments over the three-year period. As a result, we will put in place the development and production structures to support growth in scale.

Feature 2: Focus on Core Markets

To achieve strong growth, we will reinforce initiatives to boost sales volume in each of our core markets.

China

In China, we intend to increase our number of sales outlets to 400 by the end of fiscal 2019, augmenting our sales network in order to bolster sales volume. Sales volume has risen substantially since we commenced local production of the *Outlander* in August 2016. In 2018, we plan to further enhance our SUV brand by also beginning local production and launch of the *Eclipse Cross*. We will also increase localization of engines while boosting vehicle production capacity.



Promote localization of the *Outlander* and *Eclipse Cross*



Accelerating dealer network expansion

ASEAN

In the ASEAN region, which supports Mitsubishi Motors' foundation, we are targeting a 10% market share in fiscal 2019. The *XPANDER*, which enjoys strong demand in Indonesia, will be rolled out into other ASEAN countries, including the Philippines, Thailand and Vietnam, as well as to areas outside the ASEAN region. Accordingly, we plan to increase capacity at our plant in Indonesia.

We have signed a memorandum of understanding regarding joint research on reducing the environmental impact using electrification technologies with the governments of the Philippines, Indonesia and Vietnam. We are working closely with these governments to increase market penetration of electric vehicles in the ASEAN region.



The *XPANDER*, for which exports have begun

United States

In the United States, we intend to boost sales volume by 30% by fiscal 2019. To this end, we introduced the *Eclipse Cross* and the *Outlander PHEV* in the second half of fiscal 2017. In 2017, Mitsubishi Motors enjoyed the largest growth among the mass brands. In fiscal 2018, we will focus on building a stronger sales network and on further expanding sales.



Launching the new 2019 model year *Outlander PHEV*



Starting the sales of the *Eclipse Cross*

Japan

In Japan, to increase sales volume we launched the *Eclipse Cross* in March 2018 and plan to introduce the new *DELICA D:5* and a new minicar. The "Night Showroom," a sales initiative that provides a showroom experience involving the *Eclipse Cross*, was well received. We plan to expand the program to include the *Outlander PHEV* and other models and adopt more digital marketing tools that enable customers who are unable to visit our outlets to learn more about our products' appeal.



"Night Showroom"



Accelerating the deployment of Dendo Drive Stations

Oceania

Oceania is another area of strength for Mitsubishi Motors that ranks alongside the ASEAN region. We enjoy a stable market share of around 7% in Australia and New Zealand. In fiscal 2017, our market share reached a record high in each of the two countries. We are further expanding our lineup, including through the 2017 launch of the *Eclipse Cross*.



Starting the sales of the *Eclipse Cross*



Keeping the positive sales of the *Triton*

Feature 3: Formulation of a New Vision and Mission

In the aim of being a company that society considers necessary, we have formulated a new corporate vision and mission to serve as common guiding principles for the people of the Mitsubishi Motors Group as we look toward the future.

Mitsubishi Motors established its corporate philosophy in 2005. Since then, both the Company and the external environment have undergone significant changes. Against this backdrop, our ambition is to rebuild trust and be a company that society needs. At the same time, we believe that all the people working for Mitsubishi Motors should be aligned under a common vision and work together as they look toward the future. To this end, we have developed the new corporate vision and mission to serve as guiding principles.

The vision and mission define the Company's most important philosophy: the values that we intend to

deliver to customers and society and the society that we intend to create. We also formulated the MMC Way, which are the standards of behavior that will turn the vision and mission into reality. In addition, in April 2018 we created the Global Code of Conduct. All corporate officers and employees must respect this code, which replaced the former corporate ethical guidelines. We are enhancing our efforts to cultivate understanding of all members of the team, enabling them to share the same approach and be aligned toward a common goal.



MISSION

1. Provide new experiences for our customers with creative products and service excellence
2. Make positive contributions to the sustainable development of our society
3. Act sincerely as a trusted company
4. Enhance stakeholder value by leveraging the Alliance

**Create a vibrant society
by realizing the potential
of mobility**

VISION

We have unveiled a new brand strategy and tagline, "Drive Your Ambition." The new tagline describes the direction of the Company and is a clear statement of our commitment to vehicle manufacturing.

The newly formulated brand tagline, "Drive Your Ambition," is the first Mitsubishi Motors has formulated in 10 years.

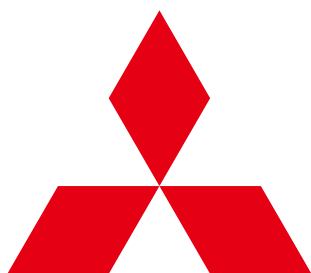
"Drive Your Ambition" describes the direction of the Company.

Motorized society is entering a new period of reform that will make society safer, more secure and more convenient than ever before. To welcome this new era, Mitsubishi Motors will hone the technologies it has accumulated to date and provide new value to take the lead in a new era and usher in a bountiful motorized society.

The new value we provide will introduce altogether new experiences to our customers. We aim to continue facilitating a greater scope of activity for our customers and enable them to take on a host of new challenges.

"Drive your Ambition" also embodies a commitment from us. Our major ambition will generate products and services that are original and have a sense of presence, enabling us to grow along with customers around the world.

Communication Mark



**MITSUBISHI
MOTORS**

Drive your Ambition

As a global tagline, Drive your Ambition functions as the center or kernel of the Mitsubishi Motors brand. Starting in October 2017, it has been displayed in association with the Mitsubishi Motors corporate mark in advertisement and promotional communications.

Members of the Board



Carlos Ghosn

Chairman of the Board
Representative Director

Oct. 1996 Joined Renault
Dec. 1996 Executive Vice President, Renault
Jun. 1999 Director and COO, Nissan Motor Co., Ltd.
Jun. 2000 President and COO, Nissan Motor Co., Ltd.
Jun. 2001 President and CEO, Nissan Motor Co., Ltd.
Jun. 2003 Co-Chairman, President and CEO, Nissan Motor Co., Ltd.
Apr. 2005 Board of Director, CEO, Renault
Chairman and President, Renault-Nissan B.V. (to the present)
Jun. 2008 Chairman of the Board, President and CEO, Nissan Motor Co., Ltd.
May 2009 Chairman of the Board and CEO, Renault (to the present)
Dec. 2016 Chairman of the Board, MMC (to the present)
Apr. 2017 Chairman of the Board, Nissan Motor Co., Ltd. (to the present)



Osamu Masuko

Member of the Board
Representative Director
CEO

Apr. 1972 Joined Mitsubishi Corporation
Apr. 2003 Senior Vice President, Division COO of Motor Vehicle Business Div., Mitsubishi Corporation
Jun. 2004 Managing Director, in charge of Overseas Operations Group Headquarters, MMC
Jan. 2005 President, Chief Business Ethics Officer, MMC
Oct. 2007 President, MMC
Jun. 2014 Chairman of the Board and CEO, MMC
Jun. 2016 Chairman of the Board, President and CEO, MMC
Dec. 2016 President and CEO, MMC
Jun. 2017 Member of the Board and CEO, MMC (to the present)



Shunichi Miyanaga

Members of the Board
(Outside Director)

Apr. 1972 Joined Mitsubishi Heavy Industries, Ltd.
Jun. 2008 Member of the Board, Executive Vice President, Mitsubishi Heavy Industries, Ltd.
Apr. 2011 Member of the Board, Senior Executive Vice President, Mitsubishi Heavy Industries, Ltd.
Apr. 2013 Member of the Board, President, Mitsubishi Heavy Industries, Ltd.
Apr. 2014 Member of the Board, President, CEO, Mitsubishi Heavy Industries, Ltd. (to the present)
Jun. 2014 Member of the Board, MMC (to the present)



Ken Kobayashi

Members of the Board
(Outside Director)

Jul. 1971 Joined Mitsubishi Corporation
Apr. 2003 Senior Vice President, General Manager of Singapore Branch, Mitsubishi Corporation
Jun. 2004 Senior Vice President, Division COO of Plant Project Div., Mitsubishi Corporation
Apr. 2006 Senior Vice President, Division COO of Ship, Aerospace & Transportation Systems Div., Mitsubishi Corporation
Apr. 2007 Executive Vice President, Group CEO of Industrial Finance, Logistics & Development Group, Mitsubishi Corporation
Jun. 2007 Member of the Board, Executive Vice President, Group CEO of Industrial Finance, Logistics & Development Group, Mitsubishi Corporation
Jun. 2008 Executive Vice President, Group CEO of Industrial Finance, Logistics & Development Group, Mitsubishi Corporation
Apr. 2010 Senior Executive Vice President, Executive Assistant to President, Mitsubishi Corporation
Jun. 2010 Member of the Board, President & CEO, Mitsubishi Corporation
Apr. 2016 Chairman of the Board, Mitsubishi Corporation (to the present)
Jun. 2016 Member of the Board, MMC (to the present)



Hitoshi Kawaguchi

Members of the Board

(Outside Director)

- Apr. 1976 Joined Nissan Motor Co., Ltd.
- Apr. 2005 Senior Vice President in charge of Human Resources, Diversity Development Office, Nissan Motor Co., Ltd.
- Apr. 2009 Senior Vice President in charge of External and Government Affairs, Intellectual Asset Management, Nissan Motor Co., Ltd.
- Apr. 2016 Senior Vice President, CSO (Chief Sustainability Officer) in charge of Global External and Government Affairs, Japan Communication, Corporate Service Management Department, CSR Department, Nissan Motor Co., Ltd. (to the present)
- Dec. 2016 Member of the Board, MMC (to the present)



Hiroshi Karube

Members of the Board

(Outside Director)

- Apr. 1980 Joined Nissan Motor Co., Ltd.
- Apr. 2010 Corporate Vice President, in charge of Global Controller, Budget and Accounting Dept., Global Asset Management Dept., Nissan Motor Co., Ltd.
- Dec. 2016 Member of the Board, MMC (to the present)
- Apr. 2018 Senior Vice President, in charge of Global Controller (MC & Global Function), Accounting, Global Asset Management, Nissan Motor Co., Ltd.
- May 2018 Chief Financial Officer (CFO), in charge of Finance, Control, IR, M&A Support, Nissan Motor Co., Ltd. (to the present)



Setsuko Egami

Members of the Board

(Outside Director)

- Apr. 1983 Editor in Chief of *Travaille* published by Recruit Co., Ltd. (present: Recruit Holdings Co., Ltd.)
- Dec. 2001 Director, Frontier Service Development Laboratory, East Japan Railway Company
- Apr. 2006 Visiting Professor, The Okuma School of Public Management, Waseda University
- Nov. 2006 Member of Government Tax Commission
- Jun. 2007 Outside Corporate Auditor, Taisho Pharmaceutical Co., Ltd.
- Apr. 2009 Professor, Graduate School of Humanities, Musashi University (to the present)
Professor, Faculty of Sociology, Musashi University (to the present)
- Jun. 2011 Outside Audit & Supervisory Board Member, Yusen Logistics Co., Ltd. (to the present)
- Apr. 2012 Dean, Faculty of Sociology, Musashi University
- Jun. 2015 Outside Director, Mitsubishi Estate Co., Ltd. (to the present)
- Jun. 2018 Member of the Board, MMC (to the present)



Main Kohda

Members of the Board

(Outside Director)

- Sep. 1995 Started independently as Novelist (to the present)
- Jan. 2003 Member of Financial System Council, Ministry of Finance Japan
- Apr. 2004 Visiting Professor, Faculty of Economics, Shiga University
- Mar. 2005 Member of the Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism
- Nov. 2006 Member of Government Tax Commission
- Jun. 2010 Member of the Board of Governors, Japan Broadcasting Corporation
- Jun. 2012 Outside Director, Japan Tobacco Inc. (to the present)
- June 2013 Outside Director and member of the Compensation Committee, LIXIL Group Corporation (to the present)
- Jun. 2016 Outside Director and member of the Audit Committee, Japan Exchange Group (to the present)
- Jun. 2018 Member of the Board, MMC (to the present)

Management

Audit & Supervisory Board Members

Kozo Shiraji Audit & Supervisory Board Member (Full-Time)	Yoshikazu Nakamura Audit & Supervisory Board Member (Full-Time)	Katsunori Nagayasu Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Yaeko Takeoka Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Yoshitsugu Oba Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)
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Executive Officers

Osamu Masuko CEO	Trevor Mann COO	Mitsuhiko Yamashita Executive Vice President (Engineering)	Koji Ikeya Executive Vice President (Finance, Controlling & Accounting) CFO	Takeshi Ando Executive Vice President (Production)
Noboru Tsuji Senior Vice President (Corporate Strategy)	Yukihiro Hattori Senior Vice President (Procurement)	Guillaume Cartier Senior Vice President (Global Marketing & Sales) Division General Manager, Global Marketing & Sales Div.	Hitoshi Inada Corporate Vice President (Corporate Governance)	Yoichi Yokozawa Corporate Vice President Division General Manager, Strategy Management Div.
Masao Omichi Corporate Vice President Chief External and Government Relations Officer, Chief Environmental Strategy Officer	Vincent Cobee Corporate Vice President (Product Strategy/PD) Division General Manager, Product Strategy Div. And Division General Manager, PD Office	Naoya Fujimoto Corporate Vice President Division General Manager, Product Development Div.	Tsunehiro Kunimoto Corporate Vice President Division General Manager, Design Div.	Yoichiro Yatabe Corporate Vice President Division General Manager, ASEAN Div.
Hiroshi Noda Corporate Vice President Division General Manager, Controlling & Accounting Div.	Koichi Kitamura Corporate Vice President Division General Manager, Business Administration Div. And Assistant Division General Manager, Controlling & Accounting Div.	Tetsuya Hashimoto Corporate Vice President Division General Manager, Human Resources Div.	Kazuaki Iwamoto Corporate Vice President (Global Risk Control)	Yosuke Wakabayashi Corporate Vice President Division General Manager, Corporate Affairs Div.
Koji Yamada Corporate Vice President Division General Manager, TSC Div.	Masao Kuruma Corporate Vice President CIO Division General Manager, Global IT Div.	Jun Miura Corporate Vice President Division General Manager, Development Management Div.	Takahide Tsujitani Corporate Vice President (Alliance Procurement)	Kiyoshi Fukasawa Corporate Vice President Division General Manager, Domestic Sales Div.
Satoru Nakayama Corporate Vice President General Manager, CFO Office				

Corporate Governance

Basic Policy and Framework for Corporate Governance

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

System of Corporate Governance

To increase the flexibility of business execution, clarify management responsibilities and appropriately oversee business execution, the Company has introduced a structure of various committees including the Executive Committee and an executive officer system, in addition to statutory organizations, with the intention of improving and strengthening corporate governance.

The Board of Directors makes decisions on important management issues and oversees business execution, and consists of eight directors, six of whom oversee business execution as Non-Executive Directors with considerable experience and a high level of insight. To increase the speed of decision-making, the Company has also established and operates a structure of various committees that deliberate or report on important management issues.

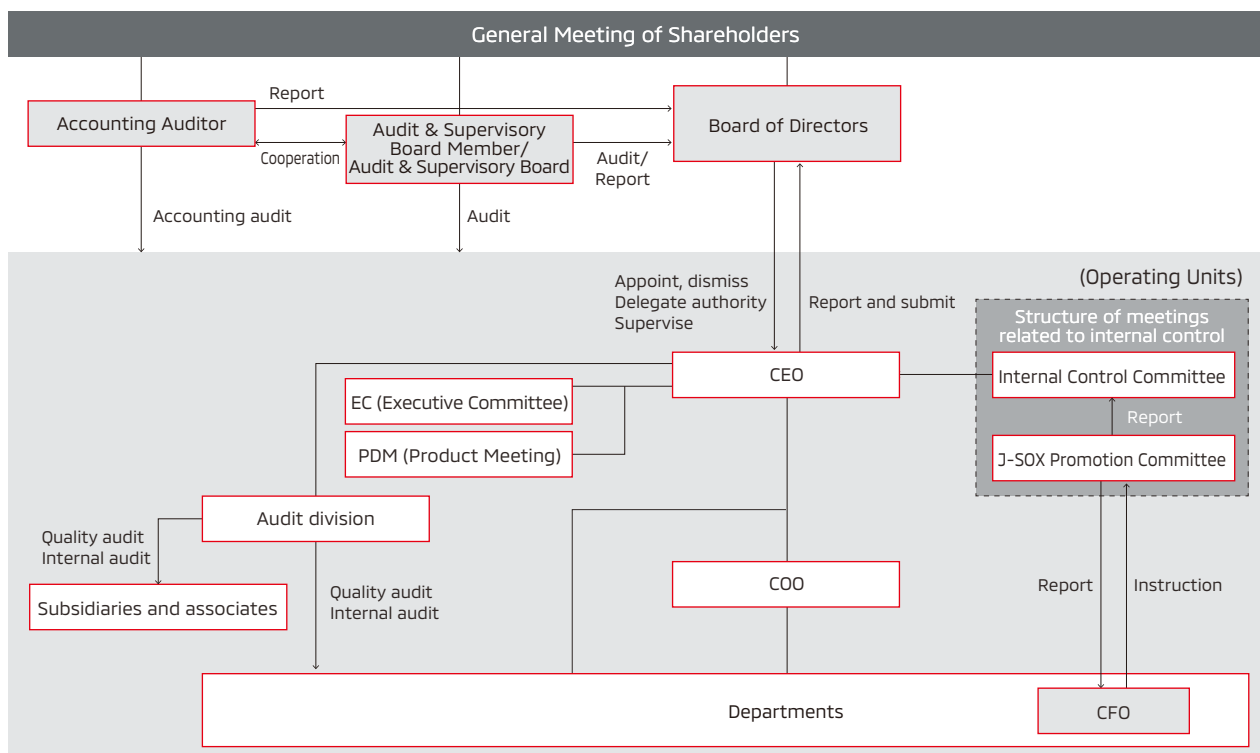
In addition, in order to separate management oversight and business execution functions to promptly and flexibly respond to changes in the business environment, the Company has introduced an executive officer system to expedite management decision-making by delegating authority and other measures.

Moreover, to conduct appropriate audits of business execution, the Company has established an Audit & Supervisory Board consisting of five members. Three of the Audit & Supervisory Board members are outside members, thus enabling the Company to establish a highly independent auditing system.

Audit & Supervisory Board members' Audits and Internal Audits

The Audit & Supervisory Board members carry out audits of the status of business execution of the MMC Group by attending important MMC meetings, such as Board of Directors meetings, to receive reports on the status of business activities from the Board members, executive officers and other corporate officers, reviewing key internal documents, and receiving reports from the internal audit department, accounting auditors and subsidiaries and associates.

Corporate Governance Framework (As of April 1, 2018)



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

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

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

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

Internal Control System

Development of Internal Control System

Based on the "Basic Policy on the Establishment of Internal Control Systems" as passed by the Board of Directors, the Company strives to improve and strengthen its monitoring of the status of operations and its internal control systems in the Internal Control Committee, with the CEO as chairman and the Global Risk Control Officer as vice chairman. In addition, in fiscal 2017 we formulated a new vision and mission that encompasses the entire Group, including subsidiaries, to establish basic concepts based on which all Group members act and ensure sustainable growth. We also established the MMC Way, outlining the standards of behavior for every employee to follow to make the vision and mission a reality. Underlying these standards, we formulated the Global Code of Conduct that every corporate officer and employee must respect. As we continue working to respond to changes in the internal and external environment, we will strive for ongoing improvements and enhancements in complying with laws and regulations and ensuring the appropriateness and efficiency of business execution, and endeavor to further bolster governance.

Risk Management

Development of Risk Management Framework

MMC has put in place and works to improve its risk management system for the entire Group through three types of risk management activities: priority risk management, departmental risk management and affiliated company risk management.

For priority risk management, we select risks that the entire MMC Group faces directly, that have a high potential impact and a high degree of urgency. For each risk, we assign "risk owners," who are at the executive officer level or above, to reduce these risks as quickly as possible.

In departmental risk management, we have appointed risk management officers to each division or plant. These officers work to reduce risks through repeated application of the PDCA cycle which involves identifying and evaluating each risk, devising and implementing countermeasures, and monitoring.

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

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

In addition, to prepare for unforeseen contingencies MMC has developed emergency contact systems that enable the rapid communication of information to management and other key personnel, as well as a swift and accurate response. In particular, to create a crisis management system to respond when serious incidents occur, we have formulated an emergency response manual. This manual outlines the establishment of an emergency response organization and clarifies the chain of command, enabling us to put appropriate response systems in place.

MMC's basic policy in times of disaster—such as earthquakes or other natural disasters or an outbreak of an infectious disease—is to ensure the safety of customers, as well as employees and their families, and assist local communities. We are preparing disaster countermeasures and business continuity plans (BCPs) to this end.

We regularly conduct drills in communicating among various manufacturing facilities and Group companies on the basis of a simulated emergency situation.

As preparations against the possibility that employees will be unable to return to their homes for

a three-day period, the MMC headquarter is working with local municipal authorities to ensure means through which they can communicate with their families and cache emergency supplies.

We have formulated action plans that assume a large-scale earthquake or a major outbreak of an infectious disease. We work to improve these BCPs through regular drills with individual regions.

Compliance

Basic Approach

In their corporate activities, companies come into contact with a host of laws and public systems involving the environment, labor and consumer protection that they must comply with.

Mitsubishi Motors recognizes that failure to comply appropriately with these laws and systems could hinder its business sustainability and have a major impact on society and the global environment.

To fulfill its corporate social responsibility, the Company must respect laws and regulations, international rules and Company rules and pay utmost respect to changing social norms. For these reasons, we have formulated the new Global Code of Conduct, which outlines the rules that all corporate officers and employees

must respect. We are also focusing on enhancing the compliance system including key affiliated companies in Japan and overseas, and employee education.

We have drafted measures to prevent recurrence of the improper conduct in fuel economy testing that was discovered in April 2016, and are continuing our response.

Promotion System

Taking a global perspective on internal control, we have in place systems to prevent compliance infractions, including information security incidents. Compliance officers under the supervision of the Global Risk Control Officer are appointed at each division, and the general manager of each department serves as the code leader. We also have a framework in place by which compliance officers are appointed at principal affiliated companies in Japan and overseas.

We also have a procedure by which any serious compliance concerns are ultimately reported to the Board of Directors through the code leaders and compliance officers. To instill among all employees the awareness that compliance is a top priority, compliance officers instruct responsible departments, as appropriate, on handling issues, taking corrective action and undertaking measures to prevent recurrence.

■ Establishment of Internal and External Consultation Offices (Helplines)

Mitsubishi Motors has established internal and external consultation offices to prevent and promptly detect fraud or other improper conduct as well for use in self-correction. The internal employee consultation office offers counseling to employees of Mitsubishi Motors and affiliated companies in Japan, and the external consultation office works with outside attorneys. In addition to a Business Partner Helpline, in fiscal 2018 we established a new Mitsubishi Motors Global Whistleblowing Office for use by employees of Mitsubishi Motors and key affiliated companies in Japan and overseas.

■ Education and Training

Every fiscal year we formulate compliance-related education and training programs and provide them for each job rank. Each division also draws up and conducts its own measures under the direction of the compliance officer.

■ Anti-Corruption

The Company has formulated the Global Code of Conduct, which states that we shall "comply with all applicable laws and regulations" and "maintain impartial and fair relationships with public servants as well as business partners" In addition, we have created and operate a framework to prevent corrupt practices.

■ Information Security

We have in place the Information Security Policy and internal rules, which we share with key affiliated companies in Japan and overseas. In addition, we have established an information security committee, and monitor information security activities in an effort to reduce security risks.

■ Protection of Personal Information

Based on its Privacy Policy, Mitsubishi Motors has in place a management framework to establish internal rules regarding protection of personal information. In addition, we conduct ongoing employee education via e-learning. Furthermore, we have established a team tasked with responding to personal information protection laws in countries around the world.

■ Security Export Controls

From the perspective of maintaining international peace and security, the Company manages exports stringently to ensure against the proliferation of weapons of mass destruction and prevent the excessive accumulation of conventional weapons. We have formulated Security Export Control Regulations and set up the Security Export Control Committee under the CEO having ultimate authority and responsibility for overall security export control. With this control framework, we work to ensure the legality of our export transactions.

Overview of Operations by Region

Net Sales

(Billions of yen)

	FY2016	FY2017	FY2018 (Forecast)
Japan	297.3	349.4	400.0
North America	310.0	352.5	390.0
Europe	433.5	454.8	460.0
Asia	433.5	591.6	645.0
Other Regions	432.3	444.1	505.0
Total	1,906.6	2,192.4	2,400.0

Operating Profit (Loss)

(Billions of yen)

	FY2016	FY2017
Japan	(35.8)	(14.1)
North America	(15.5)	1.0
Europe	(21.6)	10.9
Asia	51.2	64.1
Other Regions	26.8	36.3
Total	5.1	98.2

Sales Volume (Retail)

(Thousands of units)

	FY2016	FY2017	FY2018 (Forecast)
Japan	80	98	105
North America	144	155	184
Europe	179	193	210
Asia	315	432	504
Other Regions	208	223	247
Total	926	1,101	1,250

Notes:

1 From the year ended March 31, 2018, Puerto Rico has been reclassified from Other Regions to North America. Figures for the year ended March 31, 2017 have been retroactively adjusted to account for this change.

2 From the year ending March 31, 2019, certain countries in Asia and Europe have been reclassified to Other Regions.

Japan

Performance in the year ended March 31, 2018

In the year ended March 31, 2018, our sales volume (retail) in the Japanese market rose 18,000 units year on year, or 23%, to 98,000 units, due to a recovery in minicars and favorable sales from the startup of the *Eclipse Cross*.

In line with the increase in sales volume, sales rose ¥52.1 billion year on year, to ¥349.4 billion. The operating loss improved ¥21.7 billion from the previous fiscal year to ¥14.1 billion.

Outlook for the year ending March 31, 2019

In the year ending March 31, 2019, we expect to introduce new model and see an increase in sales of the *Eclipse Cross*, which was launched in March 2018. As a result, we anticipate sales volume of 105,000 units, up 7,000 units, or 7%, from the year ended March 31, 2018. We also forecast sales of ¥400.0 billion, up ¥50.6 billion from the year ended March 31, 2018.



Eclipse Cross



Delica D:5 ACTIVE GEAR

North America

Performance in the year ended March 31, 2018

In the North American market, sales volume in the year ended March 31, 2018 rose 11,000 units, or 8%, to 155,000 units due to favorable sales of the *Outlander* and *Outlander Sport*.

Due to higher sales volume, sales grew ¥42.5 billion, to ¥352.5 billion. At the operating level, performance improved ¥16.5 billion year on year, to operating profit of ¥1.0 billion.

Outlook for the year ending March 31, 2019

We expect sales volume to rise 29,000 units, or 19%, from the year ended March 31, 2018, to 184,000 units, centering on higher sales of the *Outlander PHEV* and the *Eclipse Cross*, which we launched in the second half of the year ended March 31, 2018. Accordingly, we forecast sales of ¥390.0 billion, up ¥37.5 billion from the year ended March 31, 2018.



Eclipse Cross



Outlander PHEV

Europe

Performance in the year ended March 31, 2018

In the European market, sales volume in the year ended March 31, 2018, came to 193,000 units, up 14,000 units, or 8%. This rise was attributable to favorable sales of the *Outlander* and *Pajero Sport* in Russia and robust sales in Germany and the United Kingdom.

Due to the rise in sales volume, sales grew ¥21.3 billion year on year, to ¥454.8 billion, and performance at the operating level improved ¥32.5 billion, from an operating loss of ¥21.6 billion to operating profit of ¥10.9 billion.

Outlook for the year ending March 31, 2019

Due to strong sales in Europe, centered on the *Eclipse Cross* and the *Outlander PHEV*, we anticipate sales volume of 210,000 units and sales of ¥460.0 billion.



Outlander



Eclipse Cross

Overview of Operations by Region

Asia

Performance in the year ended March 31, 2018

Sales volume in Asia was up 117,000 units, or 37%, to 432,000 units. This significant increase stemmed from favorable sales of the *XPANDER*, launched in Indonesia in September 2017, and pick-up trucks in Thailand. Sales also remained strong for the *Outlander*, which we began producing locally in China in 2016.

In the ASEAN region, sales grew ¥156.9 billion year on year, pushing up sales for Asia as a whole by ¥158.1 billion, to ¥591.6 billion, and leading to operating profit of ¥64.1 billion, up ¥12.9 billion.

Outlook for the year ending March 31, 2019

In Asia, we plan to roll out sales of the *XPANDER*, which is popular in Indonesia, to the Philippines, Thailand and Vietnam. In China, we will sell the *Eclipse Cross*, which is produced locally, and augment our sales network. For the region as a whole, we forecast sales volume of 504,000 vehicles and sales of ¥645.0 billion.

Note: From the year ending March 31, 2019, certain countries in Asia and Europe have been reclassified to Other Regions.



XPANDER



Outlander

Other Regions (Australia, New Zealand, Latin America, Middle East and Africa)

Performance in the year ended March 31, 2018

In the year ended March 31, 2018, sales volume in other regions rose by 15,000 vehicles, or 7% year on year, to 223,000 units, buoyed by higher sales in Australia.

Aided by the rise in sales volume, sales grew ¥11.8 billion year on year, to ¥444.1 billion, and operating profit expanded ¥9.5 billion, to ¥36.3 billion.

Outlook for the year ending March 31, 2019

In the year ending March 31, 2019, we expect sales volume of 247,000 units and sales of ¥505.0 billion, due to higher sales of the *Eclipse Cross* and a new global core model.

Note: From the year ending March 31, 2019, certain countries in Asia and Europe have been reclassified to Other Regions.



Triton/L200



Pajero Sport

Financial Section

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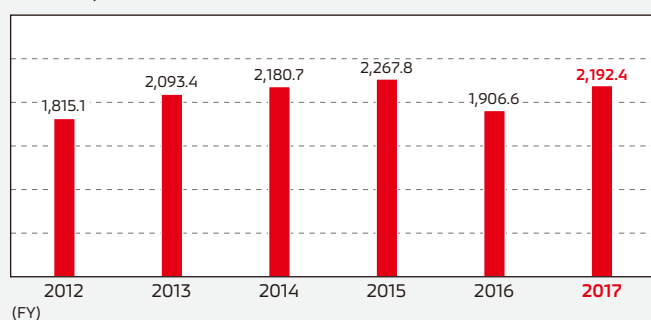
Consolidated Financial Summary

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
For the year: (In billions of yen)						
Net sales	1,815.1	2,093.4	2,180.7	2,267.8	1,906.6	2,192.4
Operating profit	67.4	123.4	135.9	138.4	5.1	98.2
Profit (loss) before income taxes	69.4	117.2	129.5	108.8	(158.7)	103.0
Profit (loss) attributable to owners of the parent	38.0	104.7	118.2	72.6	(198.5)	107.6
Sales volume (retail) (Thousands of units)	987	1,047	1,090	1,048	926	1,101
R&D expenses	59.9	67.5	74.6	78.7	89.0	102.5
Capital expenditures	51.4	72.2	68.0	69.0	58.1	99.9
Depreciation	50.3	52.7	53.3	53.6	46.2	52.0
Return on equity (ROE) (%)	12.7	23.8	19.7	10.9	(29.2)	14.6
Per share data: (In yen)						
Earnings per share	66.05	156.60	120.16	73.80	(164.11)	72.23
Diluted earnings per share	37.09	104.29	—	—	—	72.20
Dividends per share	—	25.00	16.00	16.00	10.00	17.00
At year-end: (In billions of yen)						
Total assets	1,452.8	1,543.9	1,582.8	1,433.7	1,484.4	1,655.3
Net assets	351.2	550.0	670.8	685.3	703.5	796.6
Cash and deposits	409.5	450.1	440.3	453.4	556.8	571.9
Interest-bearing debt	364.4	222.4	144.5	27.1	15.6	26.6
Equity ratio (%)	23.4	35.0	41.6	46.8	46.5	47.2
Number of shares outstanding (Thousands)	6,080,900	983,661	983,661	983,661	1,490,282	1,490,282

- For fiscal 2014 and earlier, profit attributable to owners of the parent refers to net income.
- On August 1, 2013, the Company conducted a 1-for-10 reverse share split on its common stock. Indicated figures for basic net income per share and diluted net income per share are calculated as if this reverse share split had occurred at the beginning of fiscal 2012.
- Diluted net income per share is not indicated for fiscal 2014, 2015 and 2016 because no dilutive shares existed.

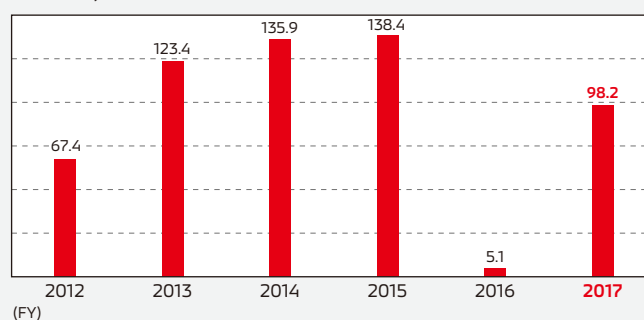
Net Sales

(Billions of yen)



Operating Profit

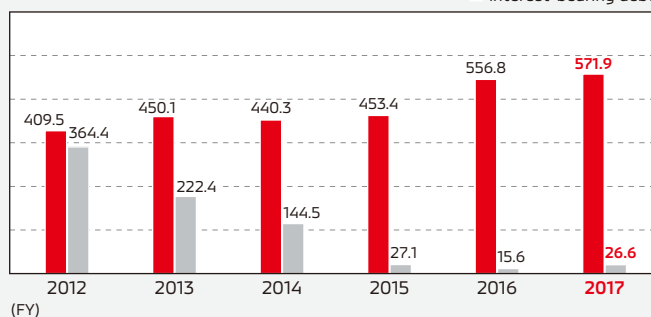
(Billions of yen)



Cash and Deposits/Interest-Bearing Debt

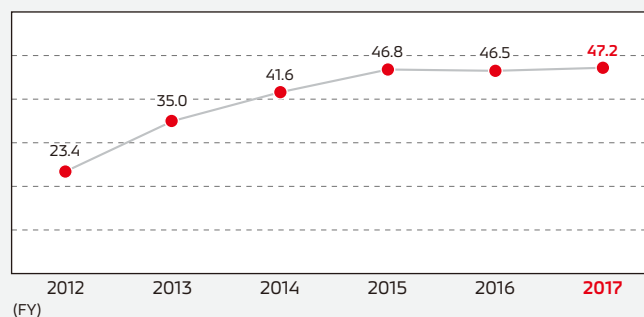
(Billions of yen)

■ Cash and deposits
■ Interest-bearing debt



Equity Ratio

(%)



Operational Review

Results of Operations

Global sales volume for Fiscal Year 2017 increased 19% year on year to 1,101,000 units.

ASEAN sales increased by 33% to 275,000 units, driven by orders for pick-up trucks in Thailand and the strong performance of the new *XPANDER* MPV, launched in Indonesia in September 2017. In China, sales rose 55% year on year to 136,000 units due to demand for the *Outlander* localized in 2016.

Sales in Japan increased 23% year on year to 98,000 units. The growth was driven by encouraging demand for Kei car models including the "eK Wagon" and "eK Space," as well as for the *Delica D:5* and other "Active Gear" series.

We have also seen strong sales of the new *Eclipse Cross* compact SUV. Initial Sales of the *Eclipse Cross*, launched last year in Europe, are being followed by sales in other important markets including Oceania, North America, and Japan in March.

Net Sales and Income

Net sales rose ¥285.8 billion year on year, to ¥2,192.4 billion. Operating profit expanded ¥93.1 billion, to ¥98.2 billion, due to the impact of higher unit sales, cost reductions and lower expenses for market quality measures. Ordinary profit increased ¥101.2 billion to ¥110.1 billion. Profit attributable to owners of the parent came to ¥107.6 billion, up ¥306.1 billion from the ¥198.5 billion loss posted in the preceding fiscal year, affected by the fuel economy testing issue.

Overview of Financial Position

Total assets as of March 31, 2018, were ¥1,655.3 billion, up ¥170.9 billion year on year. Of this amount, cash and deposits rose ¥15.1 billion, to ¥571.9 billion. Total liabilities amounted to ¥858.7 billion, up ¥77.8 billion, which included a ¥11.0 billion rise in interest-bearing debt, to ¥26.6 billion. Meanwhile, net assets at the end of the period were ¥796.6 billion, up ¥93.1 billion.

Overview of Cash Flow

In the year ended March 31, 2018, net cash provided by operating activities amounted to ¥119.6 billion. (In the previous year, these activities used ¥45.8 billion in cash.) Net cash used in investing activities was ¥97.1 billion (net cash of ¥73.1 billion used in the preceding term), and net cash used in financing activities amounted to ¥23.2 billion (net cash of ¥210.4 billion provided in the previous year).

As a result, cash and cash equivalents on March 31, 2018, stood at ¥559.0 billion, compared with ¥555.9 billion one year earlier.

Overview of Cash Flow

(FY)	2013	2014	2015	2016	2017
Shareholders' equity ratio (%) ^{*1}	35.0	41.6	46.8	46.5	47.2
Shareholders' equity ratio (fair value basis) ^{*2}	68.8	67.4	57.8	67.2	68.5
Cash flows/Interest-bearing debt ratio ^{*3}	1.1	0.8	0.1	(0.3)	0.2
Interest coverage ratio ^{*4}	22.3	41.0	120.2	(38.7)	34.1

*1 The shareholders' equity ratio is shareholders' equity divided by total assets.

*2 The shareholders' equity ratio (fair value basis) is market capitalization divided by total assets.

*3 The cash flows/interest-bearing debt ratio is interest-bearing debt divided by cash flow.

*4 The interest coverage ratio is cash flow divided by interest paid.

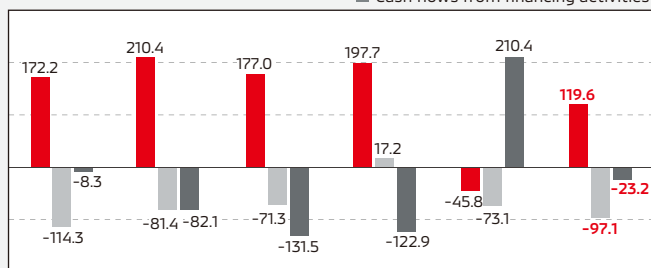
Notes:

- Each indicator is calculated from consolidated financial figures.
- Market capitalization is calculated based on the number of issued shares excluding treasury stock.
- Cash flow refers to operating cash flow.
- Interest-bearing debt includes all liabilities recorded on the balance sheet for which interest is paid.

Cash Flows

(Billions of yen)

■ Cash flows from operating activities
■ Cash flows from investing activities
■ Cash flows from financing activities



(FY)

Business-related risks

Risks that may seriously impact the operating results and/or financial position, and the like of the MMC Group are outlined below.

Impact of the economic and social situation in Japan and overseas

Overseas sales accounted for around 80% of the MMC Group's consolidated net sales for the previous fiscal year. Changes in the economic and social situation in Japan or in the regions and countries the MMC Group trades with, and in particular the countries of the ASEAN region and other emerging nations that will be central to the MMC Group's regional strategy, may seriously impact the MMC Group's operating results and/or financial position. In addition, conducting business operations in overseas markets exposes the MMC Group to latent risks including, but not limited to, changes in laws and taxes, changes in the political and economic situation, deficiencies in infrastructure, difficulties in acquiring skilled personnel, acts of terrorism and other emergencies and the outbreak of epidemics. In the event risks such as these start to manifest themselves, they may seriously impact the operating results and/or financial position of the MMC Group.

Impact of intensifying competition in the automotive industry

Overcapacity in the auto industry and other factors are seeing an intensification of competition on a global basis. Increasing price competition makes sales incentives and effective publicity campaigns indispensable in promoting sales and retaining market share. Such increases in price competition and marketing incentives may seriously impact the operating results and/or financial position of the MMC Group.

Amid intensifying competition in the automotive industry and shorter new product development cycles, MMC may become unable to supply new products appropriately and in a timely manner that respond to customers' needs in terms of price, quality, safety and other factors, or the market may not be sufficiently receptive to MMC's strategic products. Such conditions may seriously impact the operating results and/or financial position of the MMC Group. In addition, the MMC Group may render ineffective its measures to maintain or enhance competitiveness, and as a result, product demand could fall. Such conditions may seriously impact the operating results and/or financial position of the MMC Group.

Impact of natural and other disasters

The MMC Group maintains production and other facilities in Japan and many other parts of the world. The occurrence of a major natural or other disaster, including earthquakes, typhoons, floods, fires and epidemics, in these areas may result in the suspension or other serious interruption in the operations of the MMC Group or of its suppliers. The MMC Group has prepared and maintains plans to keep operations going and disaster measures in areas and under situations where such risks are high and where they would have a serious impact on the MMC Group's operations. A disaster occurring on a scale larger than anticipated, however, may seri-

ously impact the operating results and/or financial position of the MMC Group.

Impact of laws and regulations, etc.

The MMC Group is subject to various laws and regulations governing protection of the global environment, product safety and other matters in the countries where it operates. In the event that the MMC Group fails to conform to or is unable to comply with such laws and regulations and such failure leads to sanctions against it, or that large costs may be incurred for the purpose of conforming to or complying with any revision to or tightening of existing regulations, this may seriously impact the operating results and/or financial position of the MMC Group.

Other than the above laws and regulations, the MMC Group's business activities are also subject to a wide range of laws and regulations in Japan and overseas. For example, the business activities are under restrictions by consumer protection regulations, approvals and licenses for businesses and investments, labor regulations, environmental protection regulations, foreign exchange regulations, import-export trade regulations including those for security purposes, various tax laws, anti-monopoly laws, anti-bribery laws and the like. In some cases, the MMC Group's businesses may be conducted based on a legislative foundation that has not been developed sufficiently, or the burden of expenses may increase for responding to the lack of a comprehensive system of laws and regulations, application and interpretation of inconsistent laws and regulations, unilateral changes made by supervisory authorities in regulatory measures, and others. In addition, any unexpected change may be made in rates of taxes imposed on products or services supplied by these businesses, technical requirements for environmental restrictions, income taxes and tariffs, foreign exchange restrictions on invested capital and dividend repatriation, and other laws and regulations.

In order to deal with these regulatory risks, the MMC Group has taken preventive measures with regard to compliance with laws and regulations, etc. Moreover, the MMC Group has also improved a structure to respond promptly when it detects any compliance-related matter to prevent an effect on its social credibility and reputation. However, the possibility that a law violation may be committed in the future is not zero. If there is a fact of law violation, or the content, promptness and others of its response are insufficient, the fact or insufficiency may have a negative impact on the MMC Group's social credibility and reputation, and furthermore, on its operating results and financial position.

Impact of changes in manufacturing cost

The MMC Group sources parts and raw materials, etc. from a large number of suppliers to manufacture its products. Any rise in the manufacturing cost of MMC's products due to changes in demand and other market conditions may seriously impact the operating results and/or financial position of the MMC Group.

Impact of foreign exchange rate fluctuations

Overseas sales accounted for around 80 percent of the MMC Group's consolidated net sales for the previous fiscal year. MMC closely monitors the market trend of Thai baht for foreign currency denominated payables and US dollars and Euros for foreign currency denominated receivables to take necessary measures in a timely manner, but significant fluctuations in the foreign currency rates may still seriously impact the operating results and/or financial position of the MMC Group.

Impact of failure to achieve mid-term business plan targets mainly due to differences between the premises on which the plan was drawn up and real-world conditions

The MMC Group has drawn up a mid-term business plan setting out operational strategy for the medium term. However, in the event that differences arise between the premises on which the plan was drawn up and real-world conditions or should any of the risks described in this section become prominent, the operating results and/or financial position of the MMC Group may be seriously impacted.

Impact of product quality and safety

The MMC Group endeavors to improve the quality and assure the safety of the MMC Group's products. However, in the event that MMC has to issue a recall or implement countermeasures, etc. on a large scale due to product defects or failures, or in the event that MMC is pursued in a large-scale product liability action, the large costs incurred and the damage to reputation of the MMC's products and consequent drop in demand, etc. for its products may seriously impact the operating results and/or financial position of the MMC Group.

Impact of lawsuits, etc.

Any lawsuit brought against the MMC Group by customers, trading partners or other third parties in the course of the MMC Group conducting its business operations may seriously impact the operating results and/or financial position of the MMC Group.

In addition, in the event that decisions, etc. in legal actions, etc. currently under dispute go against the MMC Group's claims or predictions, these may seriously impact the operating results and/or financial position of the MMC Group.

In February 20, 2010, MASRIA Co., Ltd. (hereafter "Plaintiff"), a former MMC distributor in Egypt, filed a lawsuit against MMC for dissolution of a distributor agreement between MMC and the Plaintiff including a 900 million USD claim for damages. The judgments in both the courts of first and second instance found in favor of MMC on October 26, 2010, and July 3, 2012, respectively, based on the reasoning that the case was not within the Egyptian court's legal jurisdiction. The case is now before the final appellate court after the Plaintiff appealed on July 21, 2012 against the judgment of the court of second instance.

It is clearly spelled out in the distributor agreement mentioned above that the case does not fall within the Egyptian court's jurisdiction. Furthermore, MMC's notice to terminate the distributor agreement with the Plaintiff followed due legal process and the terms of the agreement, thus making

the Plaintiff's claim irrational. For these reasons, at present MMC does not consider this legal case will result in any serious impact on the operating results and/or financial position of the MMC Group.

Impact of dependence on particular suppliers

The MMC Group sources raw materials and parts, etc. from a large number of suppliers. The necessity to procure materials and parts characterized by higher quality or more advanced technologies at more competitive prices may bring about a situation in which orders are concentrated upon a specific supplier. There may also be only a limited number of suppliers able to supply parts, etc. for which a specific technology is required. Consequently, the operating results and/or financial position of the MMC Group may be seriously impacted in the event that some unforeseen situation arises and interrupts deliveries from such suppliers or in the event that it is not possible to procure materials and parts at competitive prices in a timely manner.

Impact of credit risks of customers, trading partners and others

The MMC Group is exposed to credit risks in its dealings with customers, dealers and other trading partners including lessees in its automobile financing business. In the event that losses stemming from such credit risks exceed the MMC Group's estimates, the operating results and/or financial position of the MMC Group may be seriously impacted.

Impact of infringement of intellectual property rights

In order to distinguish its products from those of other auto manufacturers the MMC Group endeavors to protect its own technologies, know-how and other intellectual property as well as to prevent the infringement of third-party intellectual property rights. However, in the event that a third party unlawfully uses the MMC Group's intellectual property to manufacture and sell imitations of its products, or in the event that limitations in the legal system in certain countries in relation to the protection of the MMC Group's intellectual property rights result in a fall in sales or in legal costs, or in the event that an unforeseen infringement of a third-party intellectual property right requires a halt in manufacturing or sales or the payment of compensation, or causes damage to reputation of the MMC's products and a consequent drop in demand, the operating results and/or financial position of the MMC Group may be seriously impacted.

Impact of IT and information security

The information technology and the networks and systems that the MMC Group uses in its management and its products, etc. are exposed to the possibility of attacks by hackers or computer viruses, to illegal or inappropriate use and to infrastructure breakdowns, and the like. In such an event, the operating results and/or financial position of the MMC Group may be seriously impacted. The MMC Group possesses confidential information relating to matters both within and outside the Group and including personal information. In the event such information is improperly leaked to the outside, the social credibility and the operating results and/or financial position of the MMC Group may be seriously impacted.

Financial Section

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	556,836	571,911
Notes and accounts receivable - trade	164,761	176,020
Merchandise and finished goods	118,195	143,332
Work in process	19,695	21,901
Raw materials and supplies	26,139	38,551
Short-term loans receivable	1,766	806
Deferred tax assets	8,626	19,426
Other	76,590	95,542
Allowance for doubtful accounts	(1,209)	(1,229)
Total current assets	971,401	1,066,264
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	77,002	89,314
Machinery, equipment and vehicles, net	100,516	113,266
Tools, furniture and fixtures, net	22,349	46,237
Land	89,925	94,565
Construction in progress	19,210	33,698
Total property, plant and equipment	309,004	377,082
Intangible assets	22,939	29,022
Investments and other assets		
Investment securities	94,959	97,699
Long-term loans receivable	21,615	6,218
Net defined benefit asset	2,913	4,198
Deferred tax assets	7,311	10,558
Other	60,120	70,178
Allowance for doubtful accounts	(5,853)	(5,921)
Total investments and other assets	181,068	182,931
Total non-current assets	513,011	589,035
Total assets	1,484,413	1,655,299

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	378,561	426,312
Electronically recorded obligations - operating	21,393	22,897
Short-term loans payable	15,069	10,589
Current portion of long-term loans payable	299	15,893
Lease obligations	989	504
Accounts payable - other and accrued expenses	124,573	165,963
Income taxes payable	26,485	11,272
Deferred tax liabilities	51	17
Provision for product warranties	45,512	46,733
Provision for loss on fuel consumption test	28,136	15,478
Other	32,494	29,896
Total current liabilities	673,566	745,559
Non-current liabilities		
Long-term loans payable	240	90
Lease obligations	1,018	639
Deferred tax liabilities	24,583	31,642
Net defined benefit liability	41,593	42,596
Other	39,946	38,209
Total non-current liabilities	107,383	113,177
Total liabilities	780,949	858,737
Net assets		
Shareholders' equity		
Capital stock	284,382	284,382
Capital surplus	203,938	203,938
Retained earnings	277,281	363,382
Treasury shares	(220)	(220)
Total shareholders' equity	765,381	851,482
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,480	7,158
Deferred gains or losses on hedges	627	526
Foreign currency translation adjustment	(62,739)	(59,966)
Remeasurements of defined benefit plans	(20,295)	(18,232)
Total accumulated other comprehensive income	(74,926)	(70,514)
Share acquisition rights	-	106
Non-controlling interests	13,008	15,487
Total net assets	703,463	796,562
Total liabilities and net assets	1,484,413	1,655,299

Financial Section

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	1,906,632	2,192,389
Cost of sales	1,581,273	1,730,278
Gross profit	325,359	462,111
Selling, general and administrative expenses		
Advertising and promotion expenses	83,014	110,047
Freightage expenses	45,817	42,316
Provision of allowance for doubtful accounts	(330)	33
Directors' compensations, salaries and allowances	66,097	71,758
Retirement benefit expenses	3,783	3,509
Depreciation	10,320	12,506
Research and development expenses	57,679	56,066
Other	53,858	67,671
Total selling, general and administrative expenses	320,240	363,909
Operating profit (loss)	5,118	98,201
Non-operating income		
Interest income	3,530	3,464
Dividend income	1,607	2,090
Share of profit of entities accounted for using equity method	10,969	20,579
Other	502	949
Total non-operating income	16,609	27,084
Non-operating expenses		
Interest expenses	1,208	3,499
Foreign exchange losses	6,829	8,370
Litigation expenses	1,205	1,564
Other	3,540	1,723
Total non-operating expenses	12,783	15,158
Ordinary profit (loss)	8,944	110,127
Extraordinary income		
Gain on sales of non-current assets	952	306
Gain on sales of investment securities	1,863	328
Gain on dissolution of employee's pension fund	–	1,434
Compensation income for expropriation	1,481	–
Gain on sales of investments in capital of subsidiaries and associates	809	–
Other	432	217
Total extraordinary income	5,538	2,287
Extraordinary losses		
Loss on retirement of non-current assets	2,073	2,418
Loss on sales of non-current assets	277	139
Impairment loss	1,165	2,636
Loss on fuel consumption test	165,455	2,262
Compensation for production transfer	–	984
Loss on closing of plants	640	–
Other	3,608	924
Total extraordinary losses	173,221	9,365
Profit (loss) before income taxes	(158,738)	103,049
Income taxes - current	20,986	11,675
Income taxes for prior periods	12,281	(8,616)
Income taxes - deferred	4,782	(6,261)
Total income taxes	38,051	(3,203)
Profit (loss)	(196,789)	106,253
Profit (loss) attributable to non-controlling interests	1,735	(1,366)
Profit (loss) attributable to owners of the parent	(198,524)	107,619

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit (loss)	(196,789)	106,253
Other comprehensive income		
Valuation difference on available-for-sale securities	3,052	(311)
Deferred gains or losses on hedges	(32)	330
Foreign currency translation adjustment	71	1,332
Remeasurements of defined benefit plans, net of tax	(6,180)	2,174
Share of other comprehensive income of entities accounted for using equity method	(4,862)	933
Total other comprehensive income	(7,951)	4,460
Comprehensive income	(204,740)	110,713
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(205,269)	113,022
Comprehensive income attributable to non-controlling interests	528	(2,309)

Financial Section

Consolidated Statement of Changes in Net Assets

(Millions of yen)

For the fiscal year ended March 31, 2017	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	165,701	85,257	488,590	(220)	739,328
Changes of items during period					
Issuance of new shares	118,680	118,680			237,361
Dividends of surplus			(12,784)		(12,784)
Profit (loss) attributable to owners of the parent			(198,524)		(198,524)
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation					
Change of scope of equity method					
Net changes of items other than shareholders' equity					–
Total changes of items during period	118,680	118,680	(211,309)	(0)	26,052
Balance at end of current period	284,382	203,938	277,281	(220)	765,381

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	4,429	542	(59,109)	(14,043)	(68,181)	–	14,189	685,337
Changes of items during period								
Issuance of new shares								237,361
Dividends of surplus								(12,784)
Profit (loss) attributable to owners of the parent								(198,524)
Purchase of treasury shares								(0)
Change of scope of consolidation								
Change of scope of equity method								–
Net changes of items other than shareholders' equity	3,051	85	(3,629)	(6,251)	(6,744)	–	(1,181)	(7,926)
Total changes of items during period	3,051	85	(3,629)	(6,251)	(6,744)	–	(1,181)	18,126
Balance at end of current period	7,480	627	(62,739)	(20,295)	(74,926)	–	13,008	703,463

For the fiscal year ended March 31, 2018	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	284,382	203,938	277,281	(220)	765,381
Changes of items during period					
Issuance of new shares					–
Dividends of surplus			(17,880)		(17,880)
Profit (loss) attributable to owners of the parent			107,619		107,619
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation			(3,457)		(3,457)
Change of scope of equity method			(180)		(180)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	86,101	(0)	86,101
Balance at end of current period	284,382	203,938	363,382	(220)	851,482

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	7,480	627	(62,739)	(20,295)	(74,926)	–	13,008	703,463
Changes of items during period								
Issuance of new shares								–
Dividends of surplus								(17,880)
Profit (loss) attributable to owners of the parent								107,619
Purchase of treasury shares								(0)
Change of scope of consolidation								(3,457)
Change of scope of equity method								(180)
Net changes of items other than shareholders' equity	(322)	(101)	2,773	2,062	4,411	106	2,479	6,997
Total changes of items during period	(322)	(101)	2,773	2,062	4,411	106	2,479	93,098
Balance at end of current period	7,158	526	(59,966)	(18,232)	(70,514)	106	15,487	796,562

Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit (loss) before income taxes	(158,738)	103,049
Depreciation	46,815	52,551
Impairment loss	1,165	2,636
Loss on fuel consumption test	165,455	2,262
Loss on closing of plants	640	—
Increase (decrease) in allowance for doubtful accounts	(373)	(16)
Increase (decrease) in net defined benefit liability	1,598	2,115
Interest and dividend income	(5,138)	(5,555)
Interest expenses	1,208	3,499
Foreign exchange losses (gains)	31	5,430
Share of loss (profit) of entities accounted for using equity method	(10,969)	(20,579)
Loss (gain) on sales and retirement of non-current assets	1,399	2,251
Decrease (increase) in notes and accounts receivable-trade	7,973	(11,730)
Decrease (increase) in inventories	24,869	(37,504)
Increase (decrease) in notes and accounts payable-trade	12,289	47,485
Other, net	5,446	(384)
Subtotal	93,675	145,510
Interest and dividend income received	9,845	10,982
Interest expenses paid	(1,183)	(3,507)
Payments related to fuel consumption test	(130,689)	(13,221)
Payments for closing of plants	(2,903)	—
Income taxes paid	(14,573)	(20,140)
Net cash provided by (used in) operating activities	(45,829)	119,624
Cash flows from investing activities		
Decrease (increase) in time deposits	(0)	(11,997)
Purchase of property, plant and equipment	(56,474)	(72,251)
Proceeds from sales of property, plant and equipment	4,238	2,989
Purchase of intangible assets	(11,530)	(11,497)
Proceeds from sales of investment securities	2,459	682
Decrease (increase) in short-term loans receivable	673	155
Payments of long-term loans receivable	(14,814)	(1,517)
Collection of long-term loans receivable	1,137	744
Other, net	1,189	(4,401)
Net cash provided by (used in) investing activities	(73,119)	(97,093)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	3,178	(4,510)
Proceeds from long-term loans payable	835	2,375
Repayments of long-term loans payable	(14,485)	(301)
Proceeds from issuance of common shares	236,317	—
Cash dividends paid	(12,755)	(17,938)
Dividends paid to non-controlling interests	(1,649)	(2,085)
Other, net	(1,062)	(700)
Net cash provided by (used in) financing activities	210,377	(23,161)
Effect of exchange rate change on cash and cash equivalents	2,037	(3,167)
Net increase (decrease) in cash and cash equivalents	93,465	(3,797)
Cash and cash equivalents at beginning of period	462,440	555,906
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	6,927
Cash and cash equivalents at end of period	555,906	559,036

Consolidated Subsidiaries and Affiliates As of March 31, 2018

Company Name	Location
Consolidated subsidiaries	
Hokkaido Mitsubishi Motor Sales Co., Ltd.	Japan
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.	Japan
Kanto Mitsubishi Motor Sales Co., Ltd.	Japan
Chubu Mitsubishi Motor Sales Co., Ltd.	Japan
Nishi Nihon Mitsubishi Motor Sales Co., Ltd.	Japan
Pajero Manufacturing Co., Ltd.	Japan
Mitsubishi Automotive Logistics Technology Co., Ltd.	Japan
Mitsubishi Automotive Engineering Co., Ltd.	Japan
Suiryo Plastics Co., Ltd.	Japan
Mitsubishi Motors North America, Inc. (MMNA)* ²	U.S.A.
Mitsubishi Motors R&D of America, Inc. (MRDA)	U.S.A.
Mitsubishi Motor Sales of Canada, Inc. (MMSCAN)	Canada
Mitsubishi Motor Sales of Caribbean, Inc. (MMSC)	Puerto Rico
Mitsubishi Motors Europe B.V. (MME)	Netherlands
Mitsubishi Motor R&D Europe GmbH (MRDE)	Germany
Mitsubishi Motor Sales Netherlands B.V.	Netherlands
Mitsubishi Motors Australia, Ltd. (MMAL)* ²	Australia
Mitsubishi Motors New Zealand Ltd. (MMNZ)	New Zealand
Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)* ²	Thailand
MMTh Engine Co., Ltd.	Thailand
Mitsubishi Motors Philippines Corp. (MMPC)	Philippines
Asian Transmission Corp. (ATC)	Philippines
Mitsubishi Motors Middle East and Africa FZE	U.A.E.
P.T. Mitsubishi Motors Krama Yudha Indonesia	Indonesia
Note: MMC has 10 other subsidiaries outside Japan in addition to the above.	
Equity-method affiliates	
Tokachi Mitsubishi Motor Sales Co., Ltd.	Japan
Ibaraki Mitsubishi Motor Sales Co., Ltd.	Japan
Nagano Mitsubishi Motor Sales Co., Ltd.	Japan
Mie Mitsubishi Motor Sales Co., Ltd.	Japan
Kagawa Mitsubishi Motor Sales Co., Ltd.	Japan
Miyazaki Mitsubishi Motor Sales Co., Ltd.	Japan
Higashi Kanto MMC Parts Sales Co., Ltd.	Japan
NMKV Co., Ltd	Japan
MMC Diamond Finance Corp.	Japan
MMD Automobile GmbH	Germany
Mitsubishi Motors Vietnam Co., Ltd.	Vietnam
GAC Mitsubishi Motors Co., Ltd. (GMMC)	China
P.T. Mitsubishi Motors Krama Yudha Sales Indonesia	Indonesia
Note: MMC has 8 other affiliates outside Japan in addition to the above.	
Other associated company	
Company	Incorporated in
Nissan Motor Co., Ltd.* ³	Japan
Mitsubishi Corporation* ³	Japan

* 1 Figures in parentheses represent indirect shares.

* 2 Specified subsidiaries. (Mitsubishi Motors North America, Inc. (MMNA), Mitsubishi Motors Australia, Ltd. (MMAL), Mitsubishi Motors (Thailand) Co., Ltd. (MMTh))

* 3 A company submitting an annual securities report.

Capital Stock (In millions)	Business Lines	MMC Share of Voting Rights (%) ^{*1}
JPY 100	Automobile sales	100.0
JPY 100	Automobile sales	100.0
JPY 100	Automobile sales	100.0
JPY 100	Automobile sales	100.0
JPY 100	Automobile sales	100.0
JPY 610	Automobile manufacture	100.0
JPY 436	Automobile transport, maintenance and sales of parts	83.2
JPY 350	Automobile development	100.0
JPY 100	Manufacture of automobile parts	100.0
USD 398.8	Automobile sales	100.0
USD 2.0	Investigation, testing and research related to automobiles	100.0 (100.0)
CAD 2.0	Automobile sales	100.0 (100.0)
USD 47.5	Automobile sales	100.0
EUR 107.2	Automobile parts sales	100.0
EUR 0.8	Investigation, testing and research related to automobiles	100.0
EUR 6.8	Automobile sales	100.0
AUD 1,789.9	Automobile sales	100.0
NZD 48.0	Automobile sales	100.0
THB 7,000.0	Automobile assembly, sales	100.0
THB 20.0	Manufacturing of automobile engines and press parts	100.0 (100.0)
PHP 1,640.0	Automobile assembly, sales	51.0
PHP 770.0	Manufacturing of automobile transmissions	100.0 (10.0)
UAD 10.0	Automobile parts sales	100.0
IDR 2,200,000	Automobile assembly	51.0

JPY 60	Automobile sales	35.0
JPY 30	Automobile sales	40.0
JPY 40	Automobile sales	49.86
JPY 58	Automobile sales	24.8
JPY 50	Automobile sales	23.0
JPY 60	Automobile sales	38.8
JPY 100	Automobile parts sales	33.0 (10.0)
JPY 10	Automobile planning and development	50.0
JPY 3,000	Auto sales financing, leasing, rentals	47.0
EUR 30.0	Automobile sales	24.99
VND 410,812	Automobile assembly, sales	41.2
CNY 1,947.0	Automobile assembly, sales	30.0
IDR 1,300,000	Automobile sales	30.0

Capitalization (In millions)	Business Lines	Share of Voting Rights in MMC (%) ^{*1}
JPY 605,814	Automobile assembly, sales and related business	34.0
JPY 204,447	Wholesale trade	20.0 (10.76)

Principal Production Facilities



Country/Region	Name	Major Products
Japan	1. Okazaki Plant	Eclipse Cross, Outlander, Outlander PHEV
	2. Mizushima Plant	ASX (RVR, Outlander Sport), i-MiEV, eK Wagon, eK Space, MINICAB-MiEV
	3. Pajero Manufacturing Co., Ltd.	Pajero (Montero), Delica D:5, Outlander
	4. Kyoto Plant-Kyoto	Engines
	5. Kyoto Plant-Shiga	Engines
Thailand	6. Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)	Triton (L200, Strada), Pajero Sport (Montero Sport), Mirage (Space Star), Attrage (Mirage G4)
	7. MMTh Engine Co., Ltd. (MEC)	Engines
Philippines	8. Mitsubishi Motors Philippines Corporation (MMPC)	Mirage, Mirage G4, L300
	9. Asian Transmission Corporation (ATC)	Transmissions
Indonesia	10. P.T. Mitsubishi Motors Krama Yudha Indonesia (MMKI)	XPANDER, Pajero Sport, L300
Russia	11. PCMA Rus	Outlander, Pajero Sport
China	12. GAC Mitsubishi Motors Co., Ltd. (GMMC)	Outlander, ASX
	13. Shenyang Aerospace Mitsubishi Motors Engine Manufacturing, Co., Ltd. (SAME)	Engines
	14. Harbin Dongan Automotive Engine Manufacturing, Co., Ltd. (DAE)	Engines, transmissions
Taiwan	15. China Motor Corporation (CMC)	Colt Plus, Grand Lancer, Outlander, Delica
Vietnam	16. Mitsubishi Motors Vietnam Co., Ltd. (MMV)	Outlander

Investor Information As of March 31, 2018

Company Name MITSUBISHI MOTORS CORPORATION
Head Office 5-33-8, Shiba, Minato-ku, Tokyo 108-8410, Japan
 Telephone: +81-3-3456-1111

Established April 22, 1970

Capital ¥284,382 million

Number of Employees Consolidated: 30,507 Non-consolidated: 13,693

Stock Listing Tokyo Stock Exchange (First Section)

Securities Code 7211

Share Trading Unit 100 shares

Number of Shares Outstanding 1,490,282,496

Number of Shareholders 269,522

Major Shareholders

Name	Number of shares held (Thousands)	% of total
Nissan Motor Co., Ltd.	506,620	34.00
MAI Corporation	160,329	10.75
Mitsubishi Corporation	137,682	9.24
The Master Trust Bank of Japan, Ltd. (Trust account)	29,984	2.01
Japan Trustee Services Bank, Ltd. (Trust account)	29,290	1.96
Mitsubishi Heavy Industries, Ltd.	21,572	1.44
BNYMSANV AS AGENT / CLIENTS LUX UCITS NON TREATY 1	18,574	1.24
JP MORGAN CHASE BANK 385632	15,864	1.06
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	14,877	0.99
Japan Trustee Services Bank, Ltd. (Trust account 9)	14,311	0.96

(Note) The percentage of shares held is calculated in proportion to the number of issued shares excluding treasury stock (222,186 shares).

Administrator of shareholders register administrator Mitsubishi UFJ Trust and Banking Corporation

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 Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division
 Toll-free telephone (Japan only) 0120-232-711

