

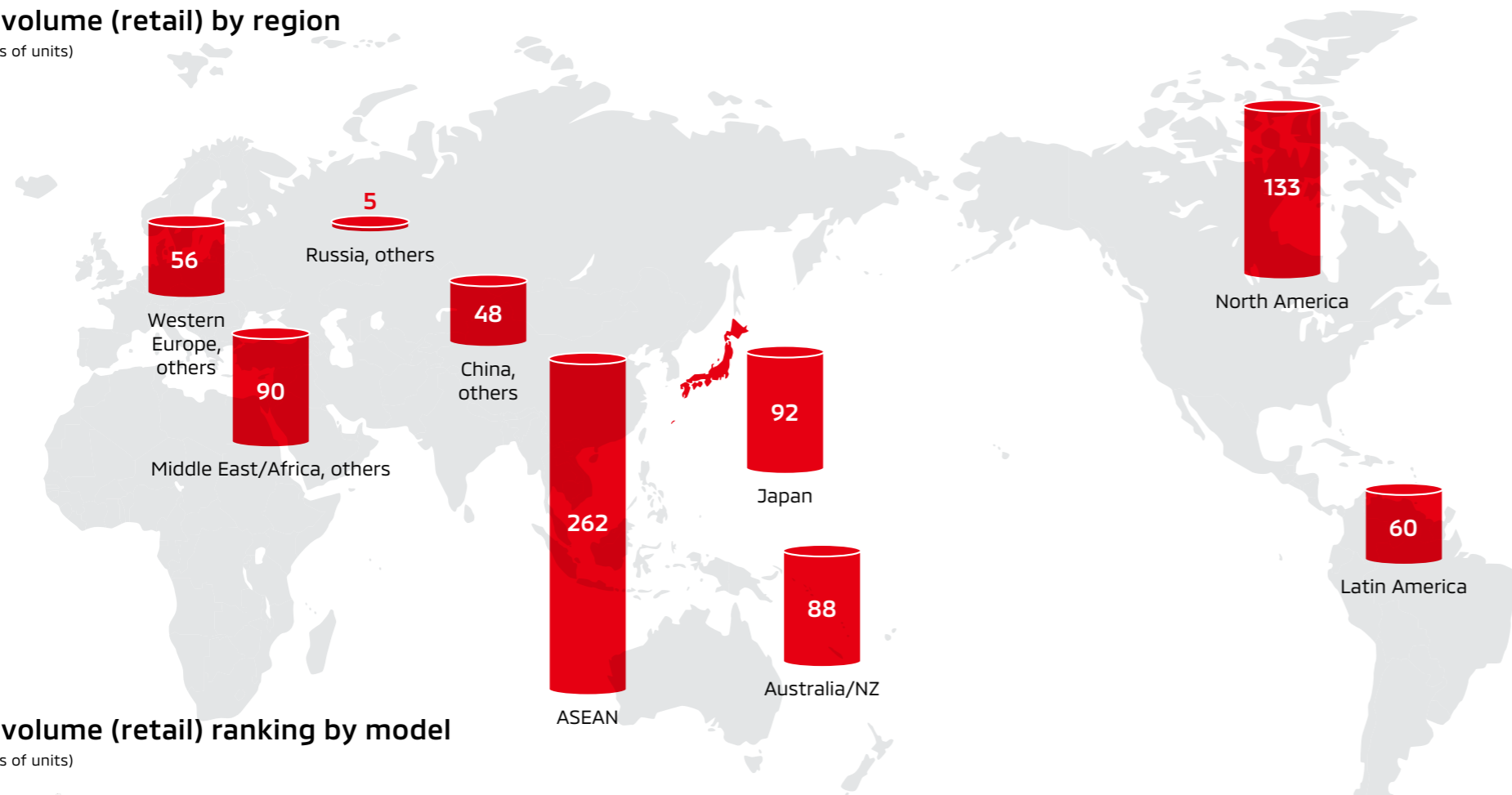
# Business and Financial Condition

## Sales and Production Data

Fiscal 2022 Sales volume (retail): **834,000** units; production volume: **1,019,000** units

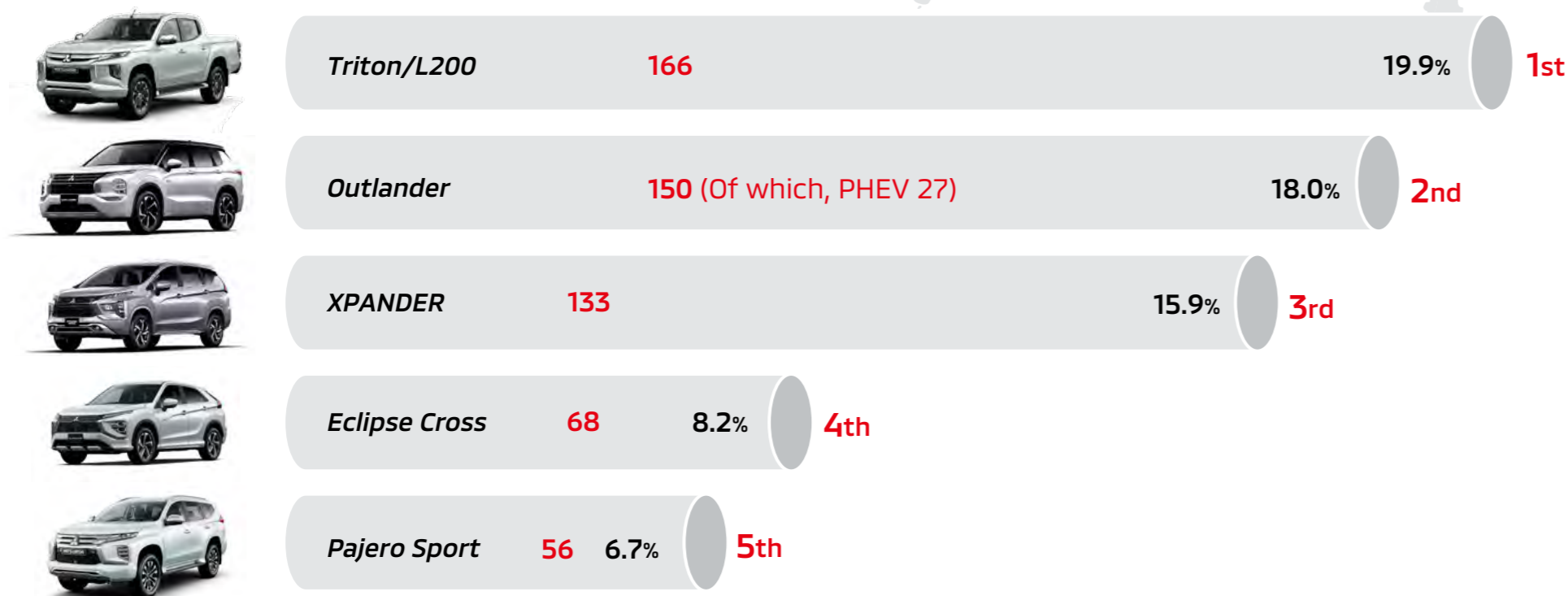
### Sales volume (retail) by region

(Thousands of units)



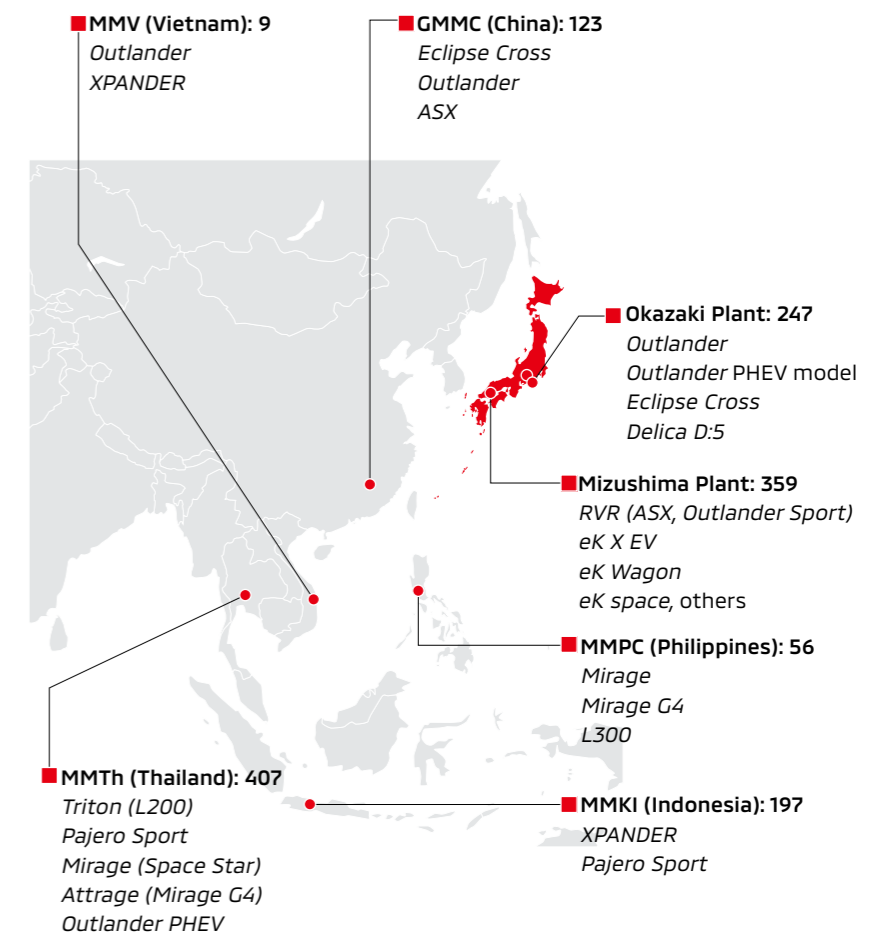
### Sales volume (retail) ranking by model

(Thousands of units)



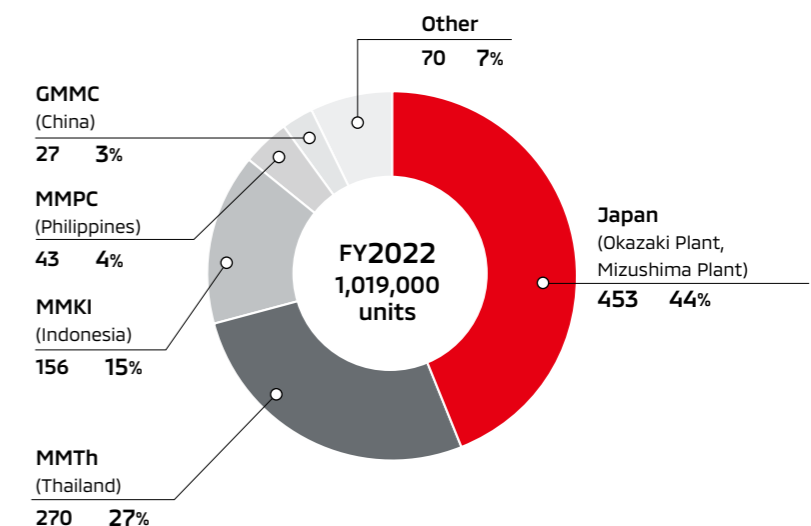
### Production capacity

(Thousands of units)  
For fiscal 2022, based on standard operation



### Production results

(Thousands of units)



The count of the number of vehicles produced by plant is based on their site of final assembly, so statistical data may vary from that of the Japan Automobile Manufacturers Association.

## Overview of Operations by Region

### Sales Volume

(Thousands of units)

	FY2021	FY2022	FY2023 (Forecast)
ASEAN	250	262	311
Oceania	97	88	86
Latin America/Middle East/Africa, others	159	150	140
Japan	75	92	111
North America	156	133	161
Europe	119	61	81
China, others	81	48	27
<b>Total</b>	<b>937</b>	<b>834</b>	<b>917</b>

### Net Sales

(Billions of yen)

	FY2021	FY2022	FY2023 (Forecast)
ASEAN	466.1	584.6	674.0
Oceania	254.7	281.9	273.0
Latin America/Middle East/Africa, others	275.2	334.3	340.0
Japan	393.9	552.7	579.0
North America	397.2	538.0	622.0
Europe	235.1	154.2	286.0
China, others	16.7	12.4	6.0
<b>Total</b>	<b>2,038.9</b>	<b>2,458.1</b>	<b>2,780.0</b>

### Operating Profit

(Billions of yen)

	FY2021	FY2022
ASEAN	32.1	46.6
Oceania	28.6	37.2
Latin America/Middle East/Africa, others	11.3	21.7
Japan	(10.2)	(6.1)
North America	24.1	81.9
Europe	(1.3)	6.8
China, others	2.7	2.4
<b>Total</b>	<b>87.3</b>	<b>190.5</b>

Note: From fiscal 2022 some countries in Europe were reclassified to Middle East/Africa, others. Figures for fiscal 2021 have been revised to fit this classification.

### ASEAN (Indonesia, Thailand, the Philippines, Vietnam, others)

#### Performance in the year ended March 31, 2023

In the first half of fiscal 2022, performance was affected by semiconductor shortages and production constraints due to lockdowns in Shanghai. In the second half of the fiscal year, we faced intermittent interest rate hikes, inflation and a decrease in consumer purchasing motivation, and challenges in the sales environment increased as the year-end approached. Under these circumstances, we focused on segments with relatively low supply constraints and worked to eliminate order backlogs. As a result, sales volume in the region rose 12,000 units year on year to 262,000 units.

Net sales rose ¥118.5 billion year on year to ¥584.6 billion. Operating profit came to ¥46.6 billion, up ¥14.5 billion from the previous year.

#### Outlook for the year ending March 31, 2024

Owing to the launch of the all-new *Triton* and the introduction of a hybrid model, the *XPANDER HEV*, we anticipate a sales volume of 311,000 units, up 49,000 units from fiscal 2022, and net sales of ¥674.0 billion, up ¥89.4 billion.



XPANDER Cross



Triton

### Oceania (Australia, New Zealand)

#### Performance in the year ended March 31, 2023

In fiscal 2022, New Zealand's Clean Car Discount policy promoted a demand shift from ICE vehicles to electrified vehicles, but orders were firm overall. However, logistics problems, including a shortage of shipping capacity, became more serious, and the vehicle supply shortage became more pronounced. Consequently, sales volume fell 9,000 units year on year to 88,000 units.

Favorable sales of the all-new *Outlander* series pushed up sales ¥27.2 billion year on year to ¥281.9 billion. Operating profit rose ¥8.6 billion from the previous year to ¥37.2 billion.

#### Outlook for the year ending March 31, 2024

Although orders in Australia remain favorable, an inability to supply vehicles means that backorders continue to mount—an issue we are working to resolve. In fiscal 2023, we expect the sales volume to shrink by 2,000 units from fiscal 2022 levels, to 86,000 units. Similarly, we forecast an ¥8.9 billion decline in net sales to ¥273.0 billion.



Outlander PHEV model



Eclipse Cross PHEV model

## Latin America/Middle East/Africa, others

### Performance in the year ended March 31, 2023

Sales volume decreased by 9,000 units in fiscal 2022 to 150,000 units. Although the market was significantly affected by shortages of semiconductor supply and shipping capacity, sales prices have been improving due to our "quality of sales improvement activities."

Net sales rose ¥589.1 billion year on year to ¥334.3 billion. Operating profit increased ¥10.4 billion to ¥21.7 billion.

### Outlook for the year ending March 31, 2024

Although we expect sales volume to decline due to mainstay model changes we will concentrate on profit-focused sales efforts. We believe sales volume will fall 10,000 units from fiscal 2022 levels to 140,000 units. In fiscal 2023, we forecast net sales of ¥340.0 billion, up ¥5.7 billion.



XPANDER Cross

## Japan

### Performance in the year ended March 31, 2023

In fiscal 2022, in addition to the popular all-new *Outlander* (PHEV model), in June 2022 we launched the *eK X EV*. Furthermore, in November we resumed general sales of the *MINICAB-MiEV*, enhancing our lineup of electrified vehicles, which is our forte. Consequently, sales volume rose by 17,000 units year on year to 92,000 units.

Net sales expanded by ¥158.8 billion year on year to ¥552.7 billion, and the operating loss narrowed from ¥10.2 billion to ¥6.1 billion.

### Outlook for the year ending March 31, 2024

The year got off to a good start with the May 2023 launch of the *DELICA Mini*, an all-new Kei super height wagon. We anticipate a sales volume of 111,000 million vehicles in fiscal 2023, up by 19,000 vehicles year on year, and forecast net sales of ¥579.0 billion, up ¥26.3 billion.



Delica Mini



Kei-class EV eK X EV

## North America (The United States, Canada, Mexico, others)

### Performance in the year ended March 31, 2023

In fiscal 2022, sales volume fell 23,000 units year on year to 133,000 units. With inventories limited, we suppressed fleet sales, instead prioritizing sales to dealers.

Net sales grew ¥140.8 billion during the year to ¥538.0 billion, while operating profit rose ¥57.8 billion to ¥81.9 billion.

### Outlook for the year ending March 31, 2024

In the North American market, sales of the all-new *Outlander* series are favorable, and we anticipate a 28,000 unit increase in sales volume from fiscal 2022 levels to 161,000 units. We forecast net sales of ¥622.0 billion, up ¥84.0 billion from fiscal 2022.



Outlander PHEV model

## Europe (Russia, Germany, the Netherlands, Spain, France, others)

### Performance in the year ended March 31, 2023

In fiscal 2022, we reduced the model lineup, and we continued to halt the supply of vehicles to Russia. Accordingly, sales volume fell by 58,000 units year on year to 61,000 units.

Net sales decreased ¥80.9 billion year on year to ¥154.2 billion, but performance improved at the operating level, going from an operating loss of ¥1.3 billion in fiscal 2021 to operating profit of ¥6.8 billion.

### Outlook for the year ending March 31, 2024

In Europe, in April we commenced full-fledged sales of our all-new compact SUV, the *ASX*, which, together with the all-new *COLT*, reinforces our model lineup. For this reason, in fiscal 2023 we forecast sales volume of 81,000 units, up 20,000 units from fiscal 2022 levels, and net sales of ¥286.0 billion, up ¥131.8 billion.



ASX



COLT

## China, others

### Performance in the year ended March 31, 2023

In fiscal 2022, deterioration of the competitive environment led to a 33,000 unit decline in sales volume to 48,000 units.

Due to the lower sales volume, sales fell ¥4.3 billion, to ¥12.4 billion, and operating profit decreased ¥0.3 billion, to ¥2.4 billion.

### Outlook for the year ending March 31, 2024

In fiscal 2023, in the Chinese market we expect sales volume to fall by 21,000 units from fiscal 2022 levels to 27,000 million, and we expect net sales of ¥6.0 billion, down ¥6.4 billion.



Outlander

# Financial Section

## Consolidated Financial Summary

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
<b>For the year:</b> (In billions of yen)						
Net sales	2,192.4	2,514.6	2,270.3	1,455.5	2,038.9	2,458.1
Operating profit (loss)	98.2	111.8	12.8	(95.3)	87.3	190.5
Ordinary profit (loss)	110.1	119.9	(3.8)	(105.2)	101.0	182.0
Profit (loss) attributable to owners of the parent	107.6	132.9	(25.8)	(312.3)	74.0	168.7
Sales volume (retail) (Thousands of units)	1,101	1,244	1,127	801	937	834
R&D expenses	102.5	124.3	130.9	101.4	90.7	107.2
Capital expenditures	99.9	137.7	103.9	76.4	62.7	78.6
Depreciation	52.0	61.6	74.8	65.9	53.6	60.1
Return on equity (ROE) (%)	14.6	16.1	(3.1)	(48.8)	13.3	24.0
<b>Per share data:</b> (In yen)						
Earnings per share	72.23	89.26	(17.32)	(209.88)	49.76	113.38
Diluted earnings per share*1	72.20	89.18	—	—	49.74	113.36
Dividends per share	17.00	20.00	10.00	0.00	0.00	5.00
<b>At year-end:</b> (In billions of yen)						
Total assets	1,655.3	2,010.3	1,938.1	1,856.3	1,928.4	2,201.5
Net assets	796.6	881.2	788.4	525.3	630.3	830.4
Cash and deposits	571.9	500.9	399.6	455.7	511.5	596.0
Interest-bearing debt	26.6	228.7	299.4	483.3	480.5	428.3
Equity ratio (%)	47.2	43.4	39.9	27.4	31.5	36.4
Number of shares outstanding (Thousands)	1,490,282	1,490,282	1,490,282	1,490,282	1,490,282	1,490,282
<b>CO<sub>2</sub> Emissions*2</b>						
Scope 1 (direct emissions)*3 (x10 <sup>3</sup> t-CO <sub>2</sub> )	119	119	110	80	92	95
Scope 2 (indirect emissions)*3 (x10 <sup>3</sup> t-CO <sub>2</sub> )	436	469	416	285	319	271
Scope 3 (x10 <sup>3</sup> t-CO <sub>2</sub> eq)	38,721	42,580	35,429	20,286	28,294*4	28,710
<b>Energy input*2</b>						
(Primary and secondary energy) (PJ)	9.9	10.2	9.5	7.0	8.2	8.2
Generated waste*2 (x10 <sup>3</sup> t)	162	187	202	109	143	141
Withdrawn water volume*2 (x10 <sup>3</sup> m <sup>3</sup> )	6,727	6,211	5,915	4,420	4,640	4,659
Number of female managers (Persons)*5	49	58	68	74	80	98
Ratio of annual paid leave taken (%)*6	82.6	86.6	100.6	99.2	89.5	94.8
Accident rate*7	0.51*8	0.54*8	0.42	0.30	0.20	0.31
Number of reports to or consultations with the internal employee consultation office (Instances)	170	194	166	112	109	74

(Note) Changes in accounting methods have not been retroactively applied to previous fiscal years.

\*1 Diluted net income per share is not indicated for fiscal 2019 and 2020 because no dilutive shares existed.

\*2 Target sites: Environmental management target companies for each fiscal year (including the Company)

\*3 CO<sub>2</sub> emission factors are based on "Greenhouse Gas Emissions Conversion, Reporting, and Announcement System based on the Act on Promotion of Global Warming Countermeasures." Overseas electric power conversion factors are provided by individual utilities. The IEA's "CO<sub>2</sub> Emissions from Fuel Combustion" of each year or "Emission Factors" are used for some locations.

\*4 Figures for fiscal 2021 have been revised.

\*5 The number of employees for Mitsubishi Motors on a non-consolidated basis for fiscal 2022 is calculated as of March 31. From fiscal 2017 through fiscal 2021, figures are as of July each year, including dispatched personnel on leave and secondees, but excluding medical workers.

\*6 Days of annual paid leave taken during the year (days carried forward from the previous year + days granted for the current year) × 100

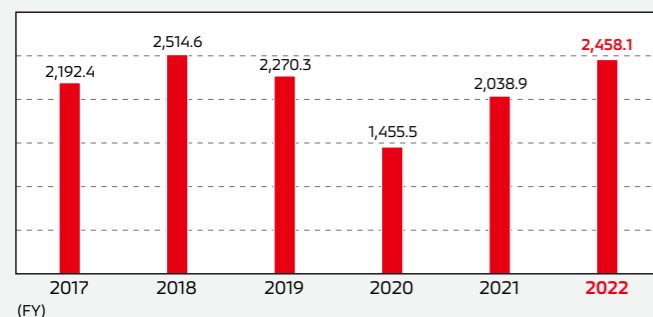
Days of annual paid leave available for the year

\*7 Number of accidents with or without loss of workdays per 1 million working hours

\*8 Figures for fiscal 2017 and fiscal 2018 have been revised, as the aggregation period was changed from a calendar year to a fiscal year basis. (From fiscal 2019, aggregation is the conventional practice, based on fiscal years.)

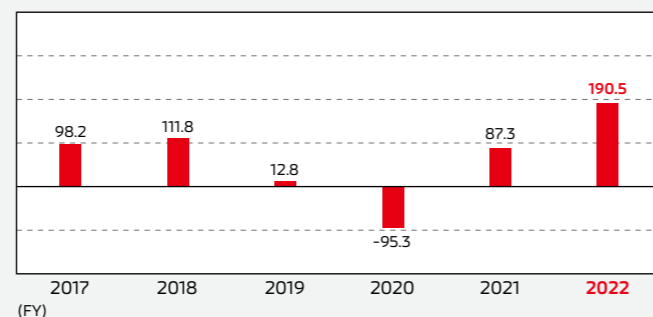
### Net Sales

(Billions of yen)



### Operating Profit

(Billions of yen)



## Operational Review

### Results of Operations

Although COVID-19 was prevalent throughout the year, the risk of serious illnesses has been controlled thanks to improved vaccination rates and the development of therapeutic drugs. Under these circumstances, countries around the world are relaxing measures against infection, and socioeconomic activities are gradually beginning to normalize. On the other hand, there is still no end in sight for the situation in Russia and Ukraine, and with logistical disruptions showing no signs of easing, energy prices soaring, inflation reaching levels not seen in decades, and sharply rising interest rates to curb that inflation, it has been difficult to take control of the business environment.

Amid this business environment, the MMC group's results improved significantly year on year, thanks to the achievements of improving sales quality in all regions and promoting the "revenue improvement activities," as well as the effect of yen depreciation.

As a result, full-year global sales volume was 834,000 units, down 11% from the previous fiscal year, and full-year net sales were 2,458.1 billion yen, up 21% from the previous fiscal year. Despite this severe environment, including material cost hikes and semiconductor and vessel shortages, improved marginal profit ratio effects driven by improved quality of sales and the effect of favorable exchange rates helped to increase operating profit to 190.5 billion yen for the full fiscal year 2022 (up 103.2 billion yen year on year). MMC has posted the highest operating profit since 2015. Ordinary profit was 182.0 billion yen (up 81.0 billion yen year on year), and profit attributable to owners of parent was 168.7 billion yen (up 94.7 billion yen year on year).

### Financial position

Total assets as of March 31, 2023 amounted to 2,201.5 billion yen (up 273.1 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 596.0 billion yen (up 84.5 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,371.1 billion yen (up 73.0 billion yen from the end of the previous fiscal year). Of total

liabilities, the interest bearing debt balance was 428.3 billion yen (down 52.2 billion yen from the end of the previous fiscal year). Net assets as of March 31, 2023 amounted to 830.4 billion yen (up 200.1 billion yen from the end of the previous fiscal year).

### Cash flow status

Cash flows for the fiscal year under review consisted of a net inflow of 173.6 billion yen from operating activities (up 55.5 billion yen year on year), a net outflow of 53.1 billion yen from investing activities (down 16.0 billion yen year on year), and a net outflow of 61.9 billion yen from financing activities (up 51.7 billion yen year on year). In addition, the balance of cash and cash equivalents at the end of the fiscal year under review increased by 84.4 billion yen from the end of the previous fiscal year to 595.9 billion yen.

Free cash flow for the fiscal year under review ended up with a net inflow of 120.5 billion yen (up 71.5 billion yen year on year), due to an increase in inflow contributed by operating activities with an improvement of operating profit.

### Overview of Cash Flow

(FY)	2018	2019	2020	2021	2022
Shareholders' equity ratio (%) <sup>*1</sup>	43.4	39.9	27.4	31.5	36.4
Shareholders' equity ratio (fair value basis) <sup>*2</sup>	43.5	23.5	25.2	25.5	35.3
Cash flows/interest-bearing debt ratio <sup>*3</sup>	1.6	15.9	(11.6)	4.1	2.5
Interest coverage ratio <sup>*4</sup>	38.9	4.8	(8.0)	23.2	47.9

\*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.

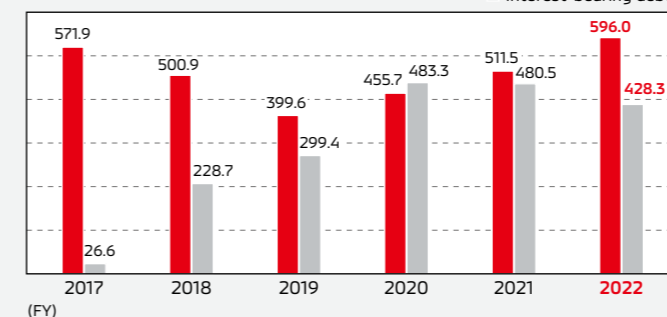
\*4 The interest coverage ratio is cash flow divided by interest paid.

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 consolidated balance sheet for which interest is paid.

### Cash and Deposits/Interest-Bearing Debt

(Billions of yen)



### Cash Flows

(Billions of yen)

