

Consolidated Financial Results for FY 2016 Full Year (April 1, 2016 through March 31, 2017) [Japan GAAP]

Company name: **Mitsubishi Motors Corporation**
 Listing: First Section, the Tokyo Stock Exchange
 Stock code: 7211
 URL: <http://www.mitsubishi-motors.co.jp/>
 Representative: Osamu Masuko, President, CEO
 Contact: Masataka Saito, General Manager of IR Office
 TEL: +81-3-3456-1111 (from overseas)

Scheduled date for ordinary general shareholders' meeting: June 23, 2017

Scheduled date to file Securities Report: June 23, 2017

Scheduled date to deliver cash dividends: June 26, 2017

1. Consolidated performance for the Full Year 2016 (April 1, 2016 to March 31, 2017)

(Figures less than one million yen are rounded, unless otherwise noted)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2016	1,906,632	(15.9)	5,118	(96.3)	8,944	(93.7)	(198,524)	-
FY 2015	2,267,849	4.0	138,377	1.8	141,027	(7.0)	72,575	(38.6)

Reference: Comprehensive income FY 2016: ¥ (204,740) million -% FY2015: ¥ 32,482 million (78.1%)

	Net income per share-basic	Net income per share-diluted	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to sales
	Yen	Yen	%	%	%
FY 2016	(164.11)	-	(29.2)	0.6	0.3
FY 2015	73.80	-	10.9	9.4	6.1

Note: Equity income from affiliates:

FY 2016
¥ 10,969 million

FY 2015
¥10,993 million

Note: Diluted net income per shares are not shown above because there are no diluted shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2017	1,484,413	703,463	46.5	463.37
March 31, 2016	1,433,725	685,337	46.8	682.45

Reference: Shareholders' Equity As of March 31, 2017: ¥ 690,455 million As of March 31, 2016: ¥ 671,147 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from Investing activities	Cash flows from financing activities	Cash & cash equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2016	(45,829)	(73,119)	210,377	555,906
FY2015	197,691	17,169	(122,917)	462,440

2. Cash dividends

Record Date	Cash dividend per share					Total annual cash dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2015	—	8.00	—	8.00	16.00	15,735	21.7	2.4
FY2016	—	5.00	—	5.00	10.00	12,367	(6.1)	1.7
FY2017 (Forecast)	—	7.00	—	7.00	14.00		30.7	

Note: Forecasts of cash dividends are not available.

3. Consolidated earnings forecasts for fiscal year 2018 (from April 1, 2018 to March 31, 2019)

(Percentages indicate changes over the same period in the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,000,000	4.9	70,000	1,267.6	79,000	783.2	68,000	—	45.64

Note

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards: No
 - (ii) Changes in accounting policies due to other reasons: No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatement: No
- (3) Number of shares issued and outstanding (common stocks)
 - (i) Total number of shares issued and outstanding at the end of the fiscal year (including treasury stock)
As of March 31, 2017: 1,490,282,496 shares
As of March 31, 2016: 983,661,919 shares
 - (ii) Number of shares of treasury stock at the end of the period
As of March 31, 2017: 222,136 shares
As of March 31, 2016: 221,976 shares
 - (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)
As of March 31, 2017: 1,209,684,094 shares
As of March 31, 2016: 983,439,966 shares

* Annual audit procedures:

This document is out of the scope of Audit by Independent Auditor.

* Proper use of earnings forecasts, and other special matters:

(Note for the description about financial forecast)

Figures for financial forecasts are based on judgments and estimates that have been made on the basis of currently available information, and are subject to a number of risks, uncertainties and assumptions. Changes in the MMC group's business environment, market trends or exchange rates may cause actual results to differ materially from these forecasts.

(How to obtain additional information materials / details of the earnings release conference)

Additional information materials are disclosed on the MMC web site on the same day as publication of the results.

In addition, an audio recording of the earnings release conference held on the same day will, together with the material used for the conference, be posted on the MMC website promptly following conference.

1. Overview of Financial Results, etc.

(1) Overview of Financial Results

Global sales volume (retail) for the fiscal year 2016 was 926,000 units in total (down 122,000 year on year or down 12% year on year).

Japan: The recovery in the second half of the year did not offset the substantial decrease immediately after the issue of improper conduct in fuel economy testing and the volume dropped 22% year on year to 80,000 units.

North America: The strong sales of the Outlander contributed to a 2% increase year on year, resulting in 138,000 units.

Europe: As a whole, the volume decreased 13% year on year to 179,000 units because of the continuing decline in Russia which has been experiencing the difficult economic situation, as well as of the substantial fall in the sales of the Outlander PHEV which was impacted by the change in the tax incentives in the Netherlands and some other countries.

Asia: The robust sales in China in which local production of the Outlander begun contributed to a year-on-year increase. The unit sales in Asia as a whole including ASEAN was 315,000 units, down 2% year on year.

Other Regions: Sales volume dropped 24% to 214,000 units in the Middle East and Latin America due to the prolonged impact of falling commodity prices.

Consolidated net sales for the fiscal year 2016 was 1,906.6 billion yen (decrease by 361.2 billion yen year on year, or down 16% year on year). Consolidated operating profit was affected by a decline in sales volume, unfavorable exchange rate movements, and an increase in recall cost, but these adverse impacts were partially offset by the cost reduction efforts, to enable us to post 5.1 billion yen (down 133.3 billion yen year on year, or down 96% year on year). Consolidated ordinary profit was 8.9 billion yen (down 132.1 billion yen year on year, or down 94% year on year). Net income attributable to the shareholders of the parent company was a loss of 198.5 billion yen (down 271.1 billion yen year on year) due to the issue of improper conduct in fuel economy testing-related loss of 165.5 billion yen reported in the extraordinary loss.

(2) Overview of Financial Position

Total assets as at the end of the period amounted to 1,484.4 billion yen: an increase of 50.7 billion yen over the end of FY2015. Cash and cash deposits amounted to 556.8 billion yen: an increase of 103.4 billion yen from the end of FY2015. Total liabilities amounted to 780.9 billion yen: an increase of 32.6 billion yen from the end of FY2015. Of total liabilities, the interest bearing debt balance was 15.6 billion yen, a decrease of 11.5 billion yen from the end of FY2015. Despite payments related to the issue of improper conduct in fuel economy testing and dividend payouts, capital increase by way of third party allotment to Nissan Motor on October 20, net assets at the end of the period amounted to 703.5 billion yen, an increase of 18.1 billion yen from the end of FY2015.

(3) Overview of Cash Flow

Cash flows from operating activities came to a net outflow of 45.8 billion yen. This compared to a net inflow of 197.7 billion yen in fiscal 2015.

Cash flows from investing activities came to a net outflow of 73.1 billion yen. This compared to a net inflow of 17.2 billion yen in fiscal 2015.

Cash flows from financing activities came to a net inflow of 210.4 billion yen. This compared to net outflow of 122.9 billion yen in fiscal 2015.

As a result, the capital increase by way of third party allotment to Nissan Motor on October 20, the balance of cash and cash equivalents at the end of fiscal 2016 stood at 555.9 billion yen. This compared to a balance of 462.4 billion yen at the end of fiscal 2015.

Trends in key cash flow ratios

	FY2012	FY2013	FY2014	FY2015	FY2016
Ratio of shareholders' equity (%)	23.4	35.0	41.6	46.8	46.5
Ratio of market value to assets (%)	41.0	68.8	67.4	57.8	67.2
Debt repayment coverage (years)	2.1	1.1	0.8	0.1	-0.3
Interest coverage ratio	15.9	22.3	41.0	120.2	-38.7

Definitions:

Ratio of shareholders' equity: Shareholders' equity / total assets (excluding minority interest)

Ratio of market value to assets: Total market value of shares / total assets (excluding minority interest)

Debt repayment coverage: Interest bearing liabilities / cash flow from operating activities

Interest coverage ratio: Cash flows from operating activities / interest payments - All figures are calculated based on consolidated financial data.

- Total market value of shares is the closing market share price at the end of the period multiplied by the number of outstanding shares (excluding treasury shares) at the end of the period.

- Operating cash flows used.

- Interest bearing liabilities indicate all liabilities listed on the consolidated balance sheet for which interest is paid.

(4) Financial Forecast

Forecast for the fiscal year 2017

The outlook for the fiscal year 2017 (ending March 31, 2018) is as follows:

The forecast for consolidated retail sales volume is as follows:(1,000 units)

Region	FY2017 Forecast	FY2016 Results
Japan	90	80
North America	148	144
Europe	188	179
Asia	389	315
Others	214	208
Total	1,029	926

* Changed the regional division of Puerto Rico from "Others" to "North America" from FY2017.

According to a this division, revised our sales volume FY2016 in the above.

	FY2017 Full-year
Net Sales	2,000.0 billion yen
Operating profit	70.0 billion yen
Ordinary profit	79.0 billion yen
Net income attributable to owners of the Parent	68.0 billion yen

* Currency exchange rate assumption: 105 yen / 1 USD, 115 yen / 1 EUR, 3.05yen/1THB

* These forecasts are based on judgments and estimates that have been made on the basis of currently available information, and are subject to a number of risks, uncertainties and assumptions. Changes in MMC's business environment, market trends or exchange rates may cause actual results to differ materially from these forecasts.

2. Basic premise on accounting standards

In consideration of possibilities that these consolidated financial statements may be subject to trend analysis and/or comparison with other companies' financial statements, the MMC Group's policy is to produce its consolidated financial statements according to Japanese accounting standards.

The MMC Group's policy regarding harmonization with IFRS is to apply appropriate measures based on consideration of domestic and overseas economic situation(s).

3. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	FY 2015 As of March 31, 2016	FY 2016 As of March 31, 2017
Assets		
Current assets		
Cash and deposits	453,371	556,836
Notes and accounts receivable-trade	172,119	164,761
Merchandise and finished goods	141,260	118,195
Work in process	19,601	19,695
Raw materials and supplies	28,467	26,139
Short-term loans receivable	3,031	1,766
Deferred tax assets	14,883	8,626
Other	82,864	76,590
Less: Allowance for doubtful accounts	(1,414)	(1,209)
Total current assets	914,183	971,401
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	80,205	77,002
Machinery, equipment and vehicles, net	123,157	100,516
Tools, furniture and fixtures, net	32,230	22,349
Land	91,752	89,925
Construction in progress	13,778	19,210
Total property, plant and equipment	341,124	309,004
Intangible assets	16,519	22,939
Investments and other assets		
Investment securities	83,075	94,959
Long-term loans receivable	7,185	21,615
Net defined benefit asset	3,408	2,913
Deferred tax assets	9,378	7,311
Other	64,825	60,120
Less: Allowance for doubtful accounts	(5,975)	(5,853)
Total investments and other assets	161,897	181,068
Total noncurrent assets	519,541	513,011
Total assets	1,433,725	1,484,413

(Millions of yen)

	FY 2015 As of March 31, 2016	FY 2016 As of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable-trade	362,066	378,561
Electronically recorded obligations	27,093	21,393
Short-term loans payable	12,379	15,069
Current portion of long-term loans payable	14,155	299
Lease obligations	1,820	989
Accounts payable-other and accrued expenses	113,177	124,573
Income taxes payable	6,609	26,485
Deferred tax liabilities	45	51
Provision for product warranties	41,561	45,512
Provision for loss on fuel economy test	20,567	28,136
Other	39,774	32,494
Total current liabilities	639,250	673,566
Noncurrent liabilities		
Long-term loans payable	540	240
Lease obligations	1,317	1,018
Deferred tax liabilities	26,663	24,583
Net defined benefit liability	34,002	41,593
Other	46,614	39,946
Total noncurrent liabilities	109,137	107,383
Total liabilities	748,387	780,949
Net assets		
Shareholders' equity		
Capital stock	165,701	284,382
Capital surplus	85,257	203,938
Retained earnings	488,590	277,281
Treasury stock	(220)	(220)
Total shareholders' equity	739,328	765,381
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	4,429	7,480
Deferred gains or losses on hedges	542	627
Foreign currency translation adjustment	(59,109)	(62,739)
Remeasurements of defined benefit plans	(14,043)	(20,295)
Total accumulated comprehensive income	(68,181)	(74,926)
Non-controlling interests	14,189	13,008
Total net assets	685,337	703,463
Total liabilities and net assets	1,433,725	1,484,413

(2) Consolidated statements of income and Consolidated statements of comprehensive income

Consolidated statements of income	(Millions of yen)	
	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Net sales	2,267,849	1,906,632
Cost of sales	1,797,659	1,581,273
Gross profit	470,190	325,359
Selling, general and administrative expenses		
Advertising and promotion expenses	90,976	83,014
Freightage expenses	56,194	45,817
Provision of allowance for doubtful accounts	207	(330)
Directors' compensations, salaries and allowances	68,542	66,097
Retirement benefit expenses	4,604	3,783
Depreciation	9,487	10,320
Research and development expenses	45,012	57,679
Other	56,787	53,858
Total selling, general and administrative expenses	331,812	320,240
Operating income (loss)	138,377	5,118
Non-operating income		
Interest income	4,966	3,530
Dividends income	1,557	1,607
Equity in earnings of affiliates	10,993	10,969
Other	820	502
Total non-operating income	18,337	16,609
Non-operating expenses		
Interest expenses	1,587	1,208
Foreign exchange losses	11,302	6,829
Litigation expenses	967	1,205
Other	1,830	3,540
Total non-operating expenses	15,687	12,783
Ordinary income (loss)	141,027	8,944
Extraordinary income		
Gain on sales of noncurrent assets	10,848	952
Gain on sales of investment securities	97	1,863
Compensation income for expropriation	-	1,481
Gain on sales of investments in capital of subsidiaries and affiliates	-	809
Other	1,472	432
Total extraordinary income	12,419	5,538

	(Millions of yen)	
	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Extraordinary loss		
Loss on retirement of noncurrent assets	3,247	2,073
Loss on sales of noncurrent assets	385	277
Impairment loss	2,188	1,165
Loss on fuel economy test	19,126	165,455
Loss on closing of plants	19,062	640
Other	610	3,608
Total extraordinary losses	44,619	173,221
Income (loss) before income taxes	108,827	(158,738)
Income taxes-current	23,070	20,986
Income taxes for prior periods	-	12,281
Income taxes-deferred	7,949	4,782
Total income taxes	31,019	38,051
Net income (loss)	77,807	(196,789)
Net income (loss) attributable to non-controlling interests	5,232	1,735
Net income (loss) attributable to owners of the parent	72,575	(198,524)

Consolidated statements of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Net income (loss)	77,807	(196,789)
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,400)	3,052
Deferred gains or losses on hedges	5	(32)
Foreign currency translation adjustment	(33,866)	71
Remeasurements of defined benefit plans	(2,726)	(6,180)
Share of other comprehensive income of associates accounted for using equity method	(5,336)	(4,862)
Total other comprehensive income	(45,325)	(7,951)
Comprehensive income	32,482	(204,740)
Comprehensive income attributable to:		
Owners of the parent	28,721	(205,269)
Non-controlling interests	3,760	528

(3) Consolidated statements of changes in net assets

(Millions of yen)

For the fiscal year ended March 31,2016	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	165,701	85,257	432,241	(220)	682,980
Cumulative effects of changes in accounting policies					-
Restated balance	165,701	85,257	432,241	(220)	682,980
Changes of items during period					
Dividends of surplus			(16,226)		(16,226)
Net income (loss) attributable to owners of the parent			72,575		72,575
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	56,348	(0)	56,348
Balance at end of current period	165,701	85,257	488,590	(220)	739,328

(Millions of yen)

For the fiscal year ended March 31,2015	Other comprehensive income					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 other comprehensive income		
Balance at beginning of current period	7,844	286	(21,013)	(11,445)	(24,327)	12,113	670,766
Cumulative effects of changes in accounting policies							-
Restated balance	7,844	286	(21,013)	(11,445)	(24,327)	12,113	670,766
Changes of items during period							
Dividends of surplus							(16,226)
Net income (loss) attributable to owners of the parent							72,575
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	(3,414)	255	(38,096)	(2,598)	(43,853)	2,075	(41,777)
Total changes of items during period	(3,414)	255	(38,096)	(2,598)	(43,853)	2,075	14,570
Balance at end of current period	4,429	542	(59,109)	(14,043)	(68,181)	14,189	685,337

(Millions of yen)

For the fiscal year ended March 31,2017	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	165,701	85,257	488,590	(220)	739,328
Cumulative effects of changes in accounting policies					
Restated balance	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)
Net income (loss) attributable to owners of the parent			(198,524)		(198,524)
Purchase of treasury shares				(0)	(0)
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

(Millions of yen)

For the fiscal year ended March 31,2017	Other comprehensive income					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 other comprehensive income		
Balance at beginning of current period	4,429	542	(59,109)	(14,043)	(68,181)	14,189	685,337
Cumulative effects of changes in accounting policies							
Restated balance	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)
Net income (loss) attributable to owners of the parent							(198,524)
Purchase of treasury shares							(0)
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

(4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	108,827	(158,738)
Depreciation and amortization	58,717	46,815
Impairment loss	2,188	1,165
Loss on fuel economy test	19,126	165,455
Loss on closing of plants	19,062	640
Increase (decrease) in allowance for doubtful accounts	(2,264)	(373)
Increase (decrease) in net defined benefit liability	(80,764)	1,598
Interest and dividends income	(6,523)	(5,138)
Interest expenses	1,587	1,208
Foreign exchange losses (gains)	1,346	31
Equity in (earnings) losses of affiliates	(10,993)	(10,969)
Loss (gain) on sales and retirement of noncurrent assets	(7,216)	1,399
Decrease (increase) in notes and accounts receivable-trade	3,931	7,973
Decrease (increase) in inventories	10,153	24,869
Change in finance receivables	65,208	-
Increase (decrease) in notes and accounts payable-trade	32,480	12,289
Other, net	880	5,446
Subtotal	215,747	93,675
Interest and dividends income received	13,367	9,845
Interest expenses paid	(1,645)	(1,183)
Payments related to fuel economy test	-	(130,689)
Payments for closing of plants	(8,656)	(2,903)
Income taxes paid	(21,122)	(14,573)
Net cash provided by (used in) operating activities	197,691	(45,829)
Net cash provided by (used in) investment activities		
Decrease (increase) in time deposits	40,694	(0)
Purchase of property, plant and equipment	(69,000)	(56,474)
Proceeds from sales of property, plant and equipment	64,024	4,238
Purchase of intangible assets	(6,947)	(11,530)
Proceeds from sales of investment securities	104	2,459
Decrease (increase) in short-term loans receivable	(860)	673
Payments of long-term loans receivable	(2,526)	(14,814)
Collection of long-term loans receivable	1,487	1,137
Other, net	(9,806)	1,189
Net cash provided by (used in) investment activities	17,169	(73,119)

(Millions of yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(78,234)	3,178
Proceeds from long-term loans payable	2,705	835
Repayment of long-term loans payable	(26,957)	(14,485)
Proceeds from issuance of common shares	-	236,317
Dividends of surplus	(16,193)	(12,755)
Cash dividends paid to non-controlling interests	(1,615)	(1,649)
Other, net	(2,621)	(1,062)
Net cash provided by (used in) financing activities	(122,917)	210,377
Effect of exchange rate change on cash and cash equivalents	(25,029)	2,037
Net increase (decrease) in cash and cash equivalents	66,914	93,465
Cash and cash equivalents at beginning of period	395,526	462,440
Cash and cash equivalents at end of period	462,440	555,906

(5) Notes to consolidated financial statements

Notes on premise of going concern

There is no item to be reported.

Segment information: (from April 1, 2016 to March 31, 2017)

1) Overview of reportable segment

Information on reportable segment is omitted as the MMC group (the "Group") has a single reportable segment which is "automobile business".

(Change in reportable segments)

The Group's reportable segments were previously classified as "automobile business" and "financial service business". Effective FY2016 1st quarter, the Group changed its reportable segments to a single reportable segment which is "automobile business". As a result of the transferring finance receivables and leased vehicles of Mitsubishi Motors Credit of America Inc., a subsidiary in the United States in FY2015 2nd quarter, the scale of operations of "financial service business" have significantly decreased. Accordingly, information on reportable segment is omitted for FY2015 and FY2016 as the Group now operates in a single reportable segment.

2) Information by geographic region

[Net sales]

Net sales are classified by the geographic location of the customers.

(Millions of yen)

Japan	North America	Europe	Asia	Oceania	Other	Total
297,313	297,139	433,482	433,536	202,591	242,568	1,906,632

Notes: Main countries and regions outside Japan are grouped as follows:

- (1) North America.....The United States
- (2) Europe..... Russia, England, Germany, France, The Netherlands
- (3) Asia.....Thailand, The Philippines, China, Indonesia,
- (4) Oceania..... Australia, New Zealand
- (5) Other..... Brazil, Puerto Rico, .U.A.E.

Per share information

(Yen)

For the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	
Net assets per share	463.37
Net income(loss) per share - basic	(164.11)

Note: Basis for calculating net income per share – basic is shown below.

(Millions of yen)

	For the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)
Net income per share - basic	
Net income(loss) attributable to owners of the parent	(198,524)
Gain not attributable to ordinary shareholders	-
Net income(loss) attributable to owners of the parent related to common stock	(198,524)
Average number of shares of common stock outstanding during the period (Unit: Thousands of shares)	1,209,684

Subsequent event:

On April 24, 2017, the Company resolved that it will grant its stock options to its directors (excluding outside directors) as their equity-linked compensations at the Board of Director's meeting. The terms and conditions of the stock options that were approved by the Board of Directors are as follows:

1. Name of Stock Options

Mitsubishi Motors Corporation First Round of Stock Options (the "Stock Options")

2. Number of Participants and Total Number of Stock Options that could possibly be granted

5 directors of the Company (excluding outside directors)

9,800 options

The number of participants is a tentative number and the final number may be different. The total number of Stock Options is the maximum number of Stock Options that could possibly be granted to the directors. The number of Stock Options actually granted may be smaller than the maximum number, depending on the number of applications and other factors.

3. Type of Shares that will be issued upon exercise of Stock Options

Common stock of the Company

4. Formula to calculate number of shares to be issued upon exercise of one Stock Option

Number of shares to be issued upon exercise of one Stock Option (the "Number of Issued Shares") shall be calculated by dividing JPY 41,200 (the "Issue Price") by the fair value of a Stock Option for one share. If a grantee simultaneously exercises his/her multiple options, the Number of Issued Shares shall be calculated by (i) multiplying the Issue Price by number of the Stock Options that are exercised and (ii) dividing the multiplied number by the fair value of a Stock Option for one share. However, if such calculation results in a fraction of a share (i.e. less than one (1) share), the Number of Issued Shares shall be rounded down to the nearest whole number.

The fair value of a Stock Option for one share shall be calculated on the grant date (July 14th, 2017) by using the following Black-Scholes formula:

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Where:

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

- (i) Option price per share: (C)
- (ii) Share price (S): Closing price of the regular trading of the shares of common stock (*futsū kabushiki*) of the Company on the Tokyo Stock Exchange on July 14th, 2017 (if there is no such closing price, the base price of the immediately following trading day)
- (iii) Exercise price: (X): one (1) yen
- (iv) Expected time to maturity: (t): 28 years
- (v) Volatility (σ): Share price volatility calculated using the closing price of the regular trading of the shares of common stock (*futsū kabushiki*) of the Company on each trading day during the period of twenty-eight (28) years (from July 15, 1989 to July 14, 2017)
- (vi) Risk-free interest rate (r): Interest rate of national government bonds whose remaining years to maturity corresponds to the expected time to maturity
- (vii) Dividend yield (λ): Dividend amount per share (actual dividends for the period ending March 2017) ÷ Share price set forth in (ii) above
- (viii) Cumulative distribution function for the standard normal distribution ($N(\cdot)$)

Notwithstanding the foregoing, if the Company conducts a stock split or a reverse stock split, the Number of Issued Shares shall be adjusted under the following formula:

Number of Issued Shares post-adjustment = Number of Issued Shares pre-adjustment x ratio of stock split or reverse stock split

If such adjustment results in a fraction of a share (i.e. less than one (1) share), the Number of Issued Shares shall be rounded down to the nearest whole number. If there are other circumstances where it is necessary to adjust the Number of Issued Shares, the Company can adjust such number to the extent reasonable.

The issuance would not fall under a "discounted issuance" (*yuri hakko*) since the Stock Options will be issued for a fair price.

5. Total Number of Stock Options that could be possibly granted

9,800 options

The total number of Stock Options is the maximum number of Stock Options that could possibly be granted to the directors. The number of Stock Options actually granted may be smaller than the maximum number, depending on the number of applications and other factors.

6. Amount of Contribution (issue price) per option

JPY 41,200

The Company will provide each of the grantees with compensation in an amount equal to the contribution made by such grantee. The contribution of each grantee will be made by offsetting his claim for compensation against the claim of the Company for the contribution.

7. Amount of Contribution (exercise price)

(1) Contribution upon exercising a Stock Option shall be made in cash. The amount of each contribution shall be the Exercise Price (as defined below) multiplied by the Number of Issued Shares.

(2) The amount for one share that a grantee shall contribute upon exercising a Stock Option (the "Exercise Price") is JPY 1.

8. Exercise Period

The exercise period will commence on the earliest of the following dates and end on April 30, 2070.

(i) May 1, 2020

(ii) If a shareholders' meeting of the Company (or, where no shareholder approval is required, the Board of Directors of the Company) approves a merger agreement that provides that the Company shall cease to exist, or a share exchange agreement for a statutory share exchange (*kabushiki koukan*) agreement or a plan for a statutory share-transfer (*kabushiki iten*) that will result in the Company becoming a wholly-owned subsidiary, the date of such approval.

(iii) If a shareholders' meeting of the Company (or, where no shareholder approval is required, the Board of Directors of the Company) approves a transfer of all or substantially all of the Company's business, or a spin-off agreement or spin-off plan (*kaisha bunkatsu*) that results in all or substantially all of the Company's business being assumed by a successor company, the date of such approval.

9. Conditions to Exercise of Stock Options

(1) Any fraction of a Stock Option may not be exercised.

(2) If a grantee transfers his/her Stock Options to a third party, the relevant transferee will be prohibited from exercising such Stock Options.

(3) In the event of a grantee's death, the grantee's heirs or other successors-in-interest ("Successors") may exercise unexercised Stock Options in accordance with the terms specified under the relevant stock option grant agreement. The heirs or other successors-in-interest of a Successor may not exercise unexercised Stock Options.

(4) Other conditions will be provided under the stock option grant agreement between the Company and the grantees.

10. Amount of Capital Stock and Capital Surplus Increased by Issuance of Shares upon Exercise of Stock Option

The amount of capital stock increased by the issuance of shares upon the exercise of a Stock Option shall be the amount obtained by multiplying the maximum limit of capital increase (as calculated in accordance with the provisions of Article 17, paragraph 1 of the Company Accounting Regulation) by 0.5, and any fraction of less the one (1) yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen. The amount of capital surplus increased by the issuance of shares upon the exercise of stock acquisition rights shall be the amount obtained by deducting the capital stock to be increased from the maximum limit of capital increase.

11. Events where the Company may redeem the stock options

(1) If the Grantee (or his/her Successor) becomes unable to exercise any granted Stock Options pursuant to this Agreement, the Company may redeem such unexercisable Stock Options without consideration on a date as is determined by the Board of Directors of the Company.

(2) If a shareholders' meeting of the Company (or, where no shareholder approval is required, the Board of Directors of the Company) approves any of the following, the Company may redeem all of the unexercisable Stock Options that exist as of the date of such approval without consideration on a date as is determined by the Board of Directors of the Company:

(i) a merger agreement that provides that the Company shall cease to exist;

(ii) a spin-off agreement or a spin-off plan for a spin-off (*kaisha bunkatsu*) that provides that the Company's business shall be assumed by a successor company;

(iii) a share exchange agreement for a statutory share exchange (*kabushiki koukan*) agreement or a plan for a statutory share-transfer (*kabushiki iten*) that will result in the Company becoming a wholly-owned subsidiary;

(iv) an amendment to the Articles of Incorporation of the Company to the effect that a transfer of any shares is required to be approved by the Company; or

(v) an amendment to the Articles of Incorporation of the Company to the effect that a transfer of any shares of a certain class that will be issued upon exercise of a Stock Option is required to be approved by the Company, or that the Company may repurchase all of such shares with a shareholders' resolution.

12. Prohibition on Transfer of Stock Options

The Company and each of the grantees will enter into a stock option grant agreement. Under such agreement, the grantees will be prohibited from transferring any Stock Options to a third party.

13. Treatment of the Stock Options in case of a Corporate Reorganization

If the Company conducts a merger (in which the Company will cease to exist), a statutory share exchange (*kabushiki koukan*) or a statutory share-transfer (*kabushiki iten*) (in which the Company will become a wholly-owned subsidiary) or a spin-off (*kaisha bunkatsu*) (in which the Company will transfer its business) (each, a "Corporate Reorganization"), replacement stock options of the other party to the Corporate Reorganization (the "Replacement Stock Options") as stipulated in Article 236, paragraphs (1), item (viii) (a) through (e) of the Companies Act (the "Successor Company") shall be granted to any grantee that holds Stock Options immediately before the effective date of the Corporate Reorganization in accordance with the below conditions. In such event, the Stock Options held by such grantee (the "Old Stock Options") shall be terminated in exchange for the Replacement Stock Options. However, such termination will not occur unless the relevant merger agreement, share exchange agreement, share transfer plan, spin-off agreement or spin-off plan provides that the Successor Company issues the Replacement Stock Options.

(1) Number of the Replacement Stock Options that will be granted to a holder of the Old Stock Options

The same number as the number of the Old Stock Options held by the relevant grantee

(2) Type of shares that will be issued upon exercise of the Replacement Stock Options

Common stock of the Successor Company

(3) Number of shares to be issued upon exercise of one Replacement Stock Option

Such number shall be determined in accordance with item 4 above (*Formula to calculate number of shares to be issued upon exercise of one Stock Option*) taking into consideration the terms of the Corporate Reorganization.

(4) Amount of Contribution at exercise (exercise price)

The amount payable to the Successor Company upon exercising a Replacement Stock Option shall be determined by multiplying (a) the exercise price for one share of the Successor Company by (b) the number of shares of the Successor Company to be issued or transferred upon the exercise of the Replacement Stock Options as determined in accordance with (3) above. The exercise price for one share is JPY 1.

(5) Exercise Period

The exercise period will commence on the earlier of (a) the earliest of the following dates or (b) the effective date of the Corporate Reorganization, and will end on April 30, 2020.

(i) May 1, 2020

(ii) If a shareholders' meeting of the Company (or, where no shareholder approval is required, the Board of Directors of the Company) approves a merger agreement that provides that the Company shall cease to exist, or a share exchange agreement for a statutory share exchange (*kabushiki koukan*) agreement or a plan for a statutory share-transfer (*kabushiki iten*) that will result in the Company becoming a wholly-owned subsidiary, the date of such approval.

(iii) If a shareholders' meeting of the Company (or, where no shareholder approval is required, the Board of Directors of the Company) approves a transfer of all or substantially all of the Company's business, or a spin-off agreement or spin-off plan (*kaisha bunkatsu*) that results in all or substantially all of the Company's business being assumed by a successor company, the date of such approval.

(6) Amount of Capital Stock and Capital Surplus to be increased by the issuance of shares upon exercise of the Replacement Stock Option

Such amounts shall be determined in accordance with item 10 above (*Amount of Capital Stock and Capital Surplus Increased by Issuance of Shares upon Exercise of Stock Option*)

(7) Prohibition on Transfer of Replacement Stock Options

The Company and each of the grantees will enter into a stock option grant agreement. Under such agreement, the grantees will be prohibited from transferring any Replacement Stock Options to a third party.

(8) Conditions to exercise of the Replacement Stock Options

Such conditions shall be substantially equivalent to those applicable to exercise of the Old Stock Options.

(9) Treatment of the Replacement Stock Options in a Corporate Reorganization by the Successor

Such treatment will be substantially equivalent to that of the Old Stock Options as set forth in this section.

14. Treatment of any fractional shares

The Stock Options may not be exercised for fractional shares.

15. Stock Option Certificates

No stock option certificates for the Stock Options shall be issued.

16. Grant Date

July 14, 2017