

## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2018 [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, Member of the Board, CEO  
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 TEL: +81-3-3456-1111 (from overseas)  
 Scheduled date to file quarterly report: August 3, 2017  
 Scheduled date to deliver cash dividends: TBD  
 Quarterly earnings supplementary explanatory documents: Yes  
 Quarterly earnings presentation: Yes

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

### 1. Consolidated performance for the first quarter of fiscal year ending March 31, 2018 (from April 1, 2017 to June 30, 2017)

#### (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	%
FY2017 1 <sup>st</sup> quarter	440,902	2.8	20,619	346.4	29,015	563.8	22,969	—
FY2016 1 <sup>st</sup> quarter	428,732	(14.3)	4,619	(75.2)	4,371	(81.9)	(129,724)	—

Note: Comprehensive income FY2017 1<sup>st</sup> quarter: ¥24,853 million — % FY2016 1<sup>st</sup> quarter: ¥(155,384) million — %

	Net income per share	Diluted net income per share
	Yen	Yen
FY2017 1 <sup>st</sup> quarter	15.42	—
FY2016 1 <sup>st</sup> quarter	(131.91)	—

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

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2017	1,444,055	722,568	48.8
March 31, 2017	1,484,413	703,463	46.5

Reference: Equity As of June 30, 2017: ¥ 704,119 million As of March 31, 2017: ¥ 690,455 million

## 2. Cash dividends

Record date	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2016	–	5.00	–	5.00	10.00
FY2017	–				
FY2017 (Forecast)		7.00	–	7.00	14.00

Note : Revisions to the forecasts of cash dividends in the current quarter: Nil

## 3. Consolidated earnings forecasts for fiscal year ending March 31, 2018

(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 : Modifications in the consolidated earnings forecasts from the latest announcement: Nil

### \* Notes:

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of specific accounting treatment for preparing the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - 1) Changes in accounting policies due to revisions to accounting standards: No
  - 2) Changes in accounting policies due to other reasons: No
  - 3) Changes in accounting estimates: No
  - 4) Restatement: No
- (4) Number of issued shares (common stock)
  - 1) Total number of issued shares and outstanding at the end of the period (including treasury stock)
 

As of June 30, 2017:	1,490,282,496 shares
As of March 31, 2017:	1,490,282,496 shares
  - 2) Number of shares of treasury stock at the end of the period
 

As of June 30, 2017:	222,136 shares
As of March 31, 2017:	222,136 shares
  - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
 

FY2017 1 <sup>st</sup> quarter:	1,490,060,360 shares
FY2016 1 <sup>st</sup> quarter:	983,439,943 shares

\* Quarterly review procedures:

As of when this summary of quarterly financial results has been released as flash report, we have not completed the review for the quarterly financial reporting required in accordance with the Financial Instruments and Exchange Act.

\* 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. Qualitative Information and Financial Statements

### (1) Summary of operating results

Global sales volume (retail) for the first quarter of fiscal year ending March 31, 2018 (fiscal year 2017) was 241,000 units in total (an increase of 20,000 units year on year, or up 9% year on year).

In Japan, sales recovered to the level before the issue of improper conduct in fuel economy testing, reaching 19,000 units, up 90% from the same period last year.

In North America, the strong sales of the *Outlander* was offset by the stagnant sales of other models, resulting in 36,000 units, down 5% from the same period last year.

In Europe, while demand in Russia is now on the recovery trend, sluggish growth primarily of the *Outlander* in Western Europe affected the volume of the entire region, which resulted in 46,000 units, down 2% from the same period last year.

In North Asia, the robust sales of the *Outlander* produced locally in China resulted in 30,000 units, up 43% from the same period last year.

In ASEAN, strong sales exceeding the market growth continued to this quarter, resulting in 54,000 units, up 8% from the same period last year.

In Other regions, thanks to strong sales in Australia and New Zealand, the sales resulted in 56,000 units, up 2% from the same period last year.

Consolidated net sales for the end of the first quarter of fiscal year 2017 was 440.9 billion yen (an increase of 12.2 billion yen year on year, or up 3% year on year).

Consolidated operating profit was 20.6 billion yen (an increase of 16.0 billion yen year on year, or up 346% year on year). Consolidated ordinary profit was 29.0 billion yen (an increase of 24.6 billion yen year on year, or up 564% year on year). Net income attributable to the shareholders of the parent company was 23.0 billion yen (an increase of 152.7 billion yen year on year).

### (2) Summary of financial position

Total assets at the end of the first quarter of fiscal year 2017 amounted to 1,444.1 billion yen (a decrease of 40.3 billion yen from the end of fiscal year 2016). Cash and cash deposits amounted to 519.2 billion yen (a decrease of 37.6 billion yen from the end of fiscal year 2016). Total liabilities amounted to 721.5 billion yen (a decrease of 59.4 billion yen from the end of fiscal year 2016). Of total liabilities, the interest bearing debt balance was 29.9 billion yen (an increase of 14.3 billion yen from the end of fiscal year 2016). Net assets amounted to 722.6 billion yen (an increase 19.1 billion yen from the end of fiscal year 2016).

### (3) Summary of earnings forecasts

Mitsubishi Motors Corporation has decided to leave its consolidated forecasts announced on May 9, 2017 unchanged for the full-year of fiscal year 2017.

## 2. Others

- (1) Application of specific accounting treatment for preparing the quarterly consolidated financial statements: Income tax expenses were calculated by multiplying income before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to a projected annual income before income taxes. In case where the estimated effective tax rate is unavailable, statutory effective tax rate is used.

### 3. Consolidated financial statements

#### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	556,836	519,163
Notes and accounts receivable - trade	164,761	123,433
Merchandise and finished goods	118,195	126,509
Work in process	19,695	20,239
Raw materials and supplies	26,139	33,828
Other	86,983	88,359
Allowance for doubtful accounts	(1,209)	(985)
Total current assets	971,401	910,549
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	77,002	87,449
Machinery, equipment and vehicles, net	100,516	105,382
Tools, furniture and fixtures, net	22,349	26,647
Land	89,925	97,037
Construction in progress	19,210	31,866
Total property, plant and equipment	309,004	348,382
Intangible assets	22,939	25,545
Investments and other assets		
Investment securities	94,959	91,232
Other	91,962	74,232
Allowance for doubtful accounts	(5,853)	(5,886)
Total investments and other assets	181,068	159,578
Total non-current assets	513,011	533,506
Total assets	1,484,413	1,444,055

	As of March 31, 2017	As of June 30, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	378,561	340,068
Electronically recorded obligations - operating	21,393	19,164
Short-term loans payable	15,069	14,388
Current portion of long-term loans payable	299	263
Accounts payable - other and accrued expenses	124,573	105,129
Income taxes payable	26,485	16,577
Provision for product warranties	45,512	45,641
Provision for loss on fuel economy test	28,136	18,261
Other	33,535	37,712
Total current liabilities	673,566	597,207
Non-current liabilities		
Long-term loans payable	240	15,242
Net defined benefit liability	41,593	42,303
Other	65,549	66,732
Total non-current liabilities	107,383	124,279
Total liabilities	780,949	721,487
<b>Net assets</b>		
Shareholders' equity		
Capital stock	284,382	284,382
Capital surplus	203,938	203,938
Retained earnings	277,281	289,375
Treasury shares	(220)	(220)
Total shareholders' equity	765,381	777,475
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,480	7,877
Deferred gains or losses on hedges	627	△304
Foreign currency translation adjustment	(62,739)	(60,977)
Remeasurements of defined benefit plans	(20,295)	(19,952)
Total accumulated other comprehensive income	(74,926)	(73,356)
Non-controlling interests	13,008	18,449
Total net assets	703,463	722,568
Total liabilities and net assets	1,484,413	1,444,055

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

### Consolidated statements of income

(Millions of yen)

	FY2016 1 <sup>st</sup> quarter (from April 1, 2016 to June 30, 2016)	FY2017 1 <sup>st</sup> quarter (from April 1, 2017 to June 30, 2017)
Net sales	428,732	440,902
Cost of sales	350,388	343,079
Gross profit	78,343	97,822
Selling, general and administrative expenses		
Advertising and promotion expenses	17,366	23,052
Freightage expenses	10,790	6,549
Provision of allowance for doubtful accounts	△239	△199
Directors' compensations, salaries and allowances	16,827	16,330
Retirement benefit expenses	913	826
Depreciation	2,456	2,888
Research and development expenses	12,295	11,979
Other	13,314	15,773
Total selling, general and administrative expenses	73,724	77,202
Operating profit (loss)	4,619	20,619
Non-operating income		
Interest income	978	783
Foreign exchange gains	—	2,715
Share of profit of entities accounted for using equity method	2,875	5,633
Other	404	729
Total non-operating income	4,257	9,861
Non-operating expenses		
Interest expenses	264	852
Foreign exchange losses	3,789	—
Litigation expenses	140	282
Other	311	329
Total non-operating expenses	4,505	1,465
Ordinary profit (loss)	4,371	29,015
Extraordinary income		
Gain on sales of non-current assets	95	62
Gain on sales of investment securities	260	342
Other	6	6
Total extraordinary income	362	411
Extraordinary losses		
Loss on retirement of non-current assets	397	371
Loss on sales of non-current assets	81	9
Impairment loss	434	345
Loss on fuel economy test	125,862	—
Other	1,035	41
Total extraordinary losses	127,811	768
Profit (loss) before income taxes	(123,078)	28,659
Income taxes	6,281	6,068
Profit (loss)	(129,359)	22,590
Profit attributable to non-controlling interests	364	(378)
Profit (loss) attributable to owners of parent	(129,724)	22,969

## Consolidated statements of comprehensive income

(Millions of yen)

	FY2016 1 <sup>st</sup> quarter (from April 1, 2016 to June 30, 2016)	FY2017 1 <sup>st</sup> quarter (from April 1, 2017 to June 30, 2017)
Profit (loss)	(129,359)	22,590
Other comprehensive income		
Valuation difference on available-for-sale securities	(688)	397
Deferred gains or losses on hedges	1,169	(728)
Foreign currency translation adjustment	(24,087)	2,642
Remeasurements of defined benefit plans, net of tax	1,156	357
Share of other comprehensive income of entities accounted for using equity method	(3,575)	(406)
Total other comprehensive income	(26,024)	2,262
Comprehensive income	(155,384)	24,853
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(154,495)	25,743
Comprehensive income attributable to non-controlling interests	(888)	(889)



**(3) Notes to consolidated financial statements**

**Notes on premise of going concern**

N/A

**Notes on significant changes in the amount of shareholders' equity**

N/A

**Adoption of specific accounting policies for quarterly consolidated financial statements**

Application of specific accounting treatment for preparing the quarterly consolidated financial statements:  
Income tax expenses were calculated by multiplying income before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to a projected annual income before income taxes. In case where the estimated effective tax rate is unavailable, statutory effective tax rate is used.

## Segment information

FY2016 1<sup>st</sup> quarter (from April 1, 2016 to June 30, 2016)

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

(Supplementary information about geographic information)

1) For information on geographic information, please refer to “Change in geographic information” in FY2017 1<sup>st</sup> quarter.

2) Net sales to the external customers, classified by the geographic location of the external customers

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers	45,678	77,427	106,722	93,892	51,714	53,296	428,732

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

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

FY2017 1<sup>st</sup> quarter (from April 1, 2017 to June 30, 2017)

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

(Supplementary information about geographic information)

1) Change in geographic information

National and regional groupings have been classified by “geographical proximity and mutual relevance of business activities”. However, for the consistency with in-house management, Puerto Rico, which had been included in “Other” until the previous fiscal year, is reclassified in “North America” from the beginning of the previous fiscal year.

2) Net sales to the external customers, classified by the geographic location of the external customers

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers	75,414	69,791	74,726	133,983	55,929	31,056	440,902

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

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