

November 2, 2022

## Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023 [Japan GAAP]

Company name: **Mitsubishi Motors Corporation**  
 Listing: Prime Market, the Tokyo Stock Exchange  
 Stock code: 7211  
 URL: <https://www.mitsubishi-motors.co.jp/>  
 Representative: Takao Kato, Representative Executive Officer, President and  
 Chief Executive Officer  
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 Scheduled date to file quarterly Report: November 9, 2022  
 Scheduled date to deliver cash dividends: —  
 Quarterly earnings supplementary explanatory documents: Yes  
 Quarterly earnings presentation: Yes

### 1. Consolidated performance for the second quarter of fiscal year ending March 31, 2023 (April 1, 2022 to September 30, 2022)

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

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022 2nd quarter	1,158,192	30.1	84,628	236.0	101,320	274.2	82,736	281.8
FY2021 2nd quarter	890,567	54.9	25,186	-	27,073	-	21,670	-

Reference: Comprehensive income FY2022 2nd quarter: ¥130,176 million (906.9%) FY2021 2nd quarter: ¥12,928 million (-%)

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
FY2022 2nd quarter	55.60	55.59
FY2021 2nd quarter	14.57	14.56

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2022	2,014,323	758,422	36.3
March 31, 2022	1,928,443	630,301	31.5

Reference: Shareholders' Equity As of September 30, 2022: ¥730,758 million As of March 31, 2022: ¥606,772 million

## 2. Cash dividends

Record Date	Cash dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2021	-	0.00	-	0.00	0.00
FY2022	-	0.00			
FY2022 (Forecast)			-	-	-

Note: Revisions to the forecasts of cash dividends in the current quarter: No

Note: FY2022 dividends forecast has not yet been determined

## 3. Consolidated earnings forecasts for fiscal year 2022 (from April 1, 2022 to March 31, 2023)

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

	Net sales		Operating income		Ordinary income		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	2,530,000	24.1	170,000	94.7	180,000	78.3	140,000	89.1	94.07

Note: Modifications in the consolidated earnings forecasts from the latest announcement: Yes

### Note

- (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  
Please refer to "Consolidated financial statements (4) Notes to consolidated financial statements -Adoption of specific accounting policies for quarterly consolidated financial statement" in page 7 for details.
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards: Yes
  - (ii) Changes in accounting policies due to other reasons: No
  - (iii) Changes in accounting estimates: No
  - (iv) Restatement: No  
Please refer to "Consolidated financial statements (4) Notes to consolidated financial statements - Changes in accounting policies" in page 7 for details.
- (4) Number of shares issued and outstanding (common stocks)
  - (i) Total number of shares issued and outstanding at the end of the period (including treasury stock)
 

As of September 30, 2022:	1,490,282,496 shares
As of March 31, 2022:	1,490,282,496 shares
  - (ii) Number of shares of treasury stock at the end of the period
 

As of September 30, 2022:	1,990,075 shares
As of March 31, 2022:	2,430,361 shares
  - (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)
 

FY 2022 2nd quarter:	1,488,134,013 shares
FY 2021 2nd quarter:	1,487,733,532 shares

Note: The number of treasury shares at the end of each period includes shares of the Company held by the BIP Trust Account (1,103,450 shares as of September 30, 2022 and 1,137,650 shares as of March 31, 2022). The shares of the Company held by the BIP Trust Account is included in the number of treasury shares deducted in the calculation of average number of shares during each period (1,113,179 shares as of September 30, 2022 and 1,142,158 shares as of September 30, 2021).

\* Quarterly review procedures:

As of when this summary of quarterly financial results have 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)

This material contains forward-looking statements, based on judgments and estimates that have been made on the basis of currently available information. By nature, such statements are subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned statements due to changes in economic environments related to our business, market trends, fluctuations in interest rates and exchange rate, changes in laws, regulations and government policies, etc.

Potential risks and uncertainties are not limited to the above and Mitsubishi Motors is not under any obligation to update the information in this material to reflect any developments or events in the future.

If you are interested in investing in Mitsubishi Motors, you are requested to make a final investment decision at your own risk, taking the foregoing into consideration. Please note that neither Mitsubishi Motors nor any third party providing information shall be responsible for any damage you may suffer due to investment in Mitsubishi Motors based on the information shown in this material.

(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.

**Quarterly consolidated financial statements**  
**(1) Quarterly consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	511,502	530,054
Notes and accounts receivable – trade, and contract assets	119,829	135,413
Finance receivables	222,463	225,561
Merchandise and finished goods	192,292	220,648
Work in process	43,293	37,462
Raw materials and supplies	64,006	65,312
Other	111,992	123,297
Allowance for doubtful accounts	(9,459)	(12,582)
Total current assets	1,255,920	1,325,169
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,110	84,924
Machinery, equipment and vehicles, net	132,116	135,484
Tools, furniture and fixtures, net	64,638	60,704
Land	123,068	125,586
Construction in progress	24,521	27,589
Total property, plant and equipment	429,455	434,289
Intangible assets	38,273	37,162
Investments and other assets		
Investment securities	98,433	104,268
Other	110,081	117,346
Allowance for doubtful accounts	(3,720)	(3,913)
Total investments and other assets	204,794	217,702
Total non-current assets	672,523	689,153
Total assets	1,928,443	2,014,323

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	324,091	336,925
Electronically recorded obligations - operating	56,612	79,547
Short-term borrowings	21,778	21,475
Commercial papers	43,000	58,500
Current portion of long-term borrowings	292,134	70,405
Accounts payable - other and accrued expenses	204,894	174,205
Income taxes payable	8,487	7,173
Provision for product warranties	50,029	52,995
Other	83,144	93,884
Total current liabilities	1,084,173	895,113
Non-current liabilities		
Long-term borrowings	95,768	235,967
Retirement benefit liability	32,240	34,936
Other	85,960	89,882
Total non-current liabilities	213,968	360,787
Total liabilities	1,298,142	1,255,900
<b>Net assets</b>		
Shareholders' equity		
Capital stock	284,382	284,382
Capital surplus	199,837	199,632
Retained earnings	169,694	252,430
Treasury shares	(1,382)	(1,018)
Total shareholders' equity	652,531	735,427
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,111	1,329
Deferred gains or losses on hedges	(31)	(4,655)
Foreign currency translation adjustment	(32,571)	14,986
Remeasurements of defined benefit plans	(14,267)	(16,328)
Total accumulated other comprehensive income	(45,759)	(4,668)
Share acquisition rights	195	45
Non-controlling interests	23,334	27,619
Total net assets	630,301	758,422
Total liabilities and net assets	1,928,443	2,014,323

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

Consolidated statements of income	(Millions of yen)	
	FY2021 2nd quarter (from April 1, 2021 to September 30, 2021)	FY2022 2nd quarter (from April 1, 2022 to September 30, 2022)
Net sales	890,567	1,158,192
Cost of sales	742,185	918,634
Gross profit	148,381	239,557
Selling, general and administrative expenses		
Advertising and promotion expenses	15,547	22,340
Freight costs	20,350	33,275
Provision of allowance for doubtful accounts	(1)	(1,299)
Remuneration, salaries and allowances for directors (and other officers)	32,709	36,496
Retirement benefit expenses	1,840	1,903
Depreciation	6,324	7,050
Research and development expenses	26,613	29,837
Other	19,810	25,326
Total selling, general and administrative expenses	123,195	154,929
Operating profit (loss)	25,186	84,628
Non-operating income		
Interest income	671	2,506
Dividend income	565	667
Foreign exchange gains	-	16,643
Share of profit of entities accounted for using equity method	5,813	355
Other	1,647	1,458
Total non-operating income	8,698	21,631
Non-operating expenses		
Interest expenses	2,451	1,723
Foreign exchange losses	2,083	-
Litigation expenses	586	1,348
Other	1,690	1,866
Total non-operating expenses	6,811	4,939
Ordinary profit (loss)	27,073	101,320
Extraordinary income		
Gain on sales of non-current assets	2,732	716
Gain on sales of investments in capital of subsidiaries and associates	2,791	-
Other	391	88
Total extraordinary income	5,916	805

(Millions of yen)

	FY2021 2nd quarter (from April 1, 2021 to September 30, 2021)	FY2022 2nd quarter (from April 1, 2022 to September 30, 2022)
Extraordinary losses		
Loss on retirement of non-current assets	644	547
Impairment loss	50	-
Loss related to Russian operations	-	473
Other	331	39
Total extraordinary losses	1,026	1,059
Profit (loss) before income taxes	31,962	101,065
Income taxes	7,588	14,671
Profit (loss)	24,373	86,394
Profit (loss) attributable to non-controlling interests	2,703	3,658
Profit (loss) attributable to owners of parent	21,670	82,736

#### Quarterly consolidated statements of comprehensive income

(Millions of yen)

	FY2021 2nd quarter (from April 1, 2021 to September 30, 2021)	FY2022 2nd quarter (from April 1, 2022 to September 30, 2022)
Profit (loss)	24,373	86,394
Other comprehensive income		
Valuation difference on available-for-sale securities	305	217
Deferred gains or losses on hedges	(1,330)	(4,580)
Foreign currency translation adjustment	(8,025)	36,273
Remeasurements of defined benefit plans, net of tax	(5,396)	(2,166)
Share of other comprehensive income of entities accounted for using equity method	3,002	14,037
Total other comprehensive income	(11,445)	43,781
Comprehensive income	12,928	130,176
Comprehensive income attributable to owners of parent	9,669	123,827
Comprehensive income attributable to non-controlling interests	3,258	6,349

### (3) Consolidated statements of cash flows

(Millions of yen)

	FY2021 2nd quarter (from April 1, 2021 to September 30, 2021)	FY2022 2nd quarter (from April 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Profit (loss) before income taxes	31,962	101,065
Depreciation	26,394	30,218
Impairment loss	50	-
Gain on sales of investments in capital of subsidiaries and associates	(2,791)	-
Loss related to Russian operations	-	473
Increase (decrease) in allowance for doubtful accounts	(279)	3,158
Increase (decrease) in retirement benefit liability	(3,557)	2,213
Interest and dividend income	(1,237)	(3,174)
Interest expenses	2,451	1,723
Foreign exchange losses (gains)	(877)	(12,441)
Share of loss (profit) of entities accounted for using equity method	(5,813)	(355)
Loss (gain) on sales and retirement of non-current assets	(2,076)	(158)
Decrease (increase) in trade receivables	43,221	(7,908)
Decrease(increase) in financial receivables	20,407	(2,941)
Decrease (increase) in inventories	(22,877)	(4,934)
Increase (decrease) in trade payables	(62,404)	10,888
Increase (decrease) in accounts payable - other, and accrued expenses	(65,663)	(25,810)
Other, net	9,772	8,750
Subtotal	(33,316)	100,766
Interest and dividends received	1,699	7,350
Interest paid	(2,434)	(1,933)
Income taxes paid	(5,736)	(19,525)
Net cash provided by (used in) operating activities	(39,789)	86,658
Cash flows from investing activities		
Decrease (increase) in time deposits	11,071	-
Purchase of property, plant and equipment	(36,711)	(34,763)
Proceeds from sales of property, plant and equipment	4,716	967
Other, net	(3,434)	(3,927)
Net cash provided by (used in) investing activities	(24,358)	(37,723)



(Millions of yen)

	FY2021 2nd quarter (from April 1, 2021 to September 30, 2021)	FY2022 2nd quarter (from April 1, 2022 to September 30, 2022)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	9,846	(2,048)
Increase (decrease) in commercial papers	23,100	15,500
Proceeds from long-term borrowings	-	182,611
Repayments of long-term borrowings	(33,001)	(265,942)
Dividends paid	(12)	(8)
Dividends paid to non-controlling interests	(255)	(2,100)
Other, net	(2,056)	(2,305)
Net cash provided by (used in) financing activities	(2,379)	(74,293)
Effect of exchange rate change on cash and cash equivalents	(5,864)	43,906
Net increase (decrease) in cash and cash equivalents	(72,391)	18,547
Cash and cash equivalents at beginning of period	444,619	511,473
Cash and cash equivalents at end of period	372,227	530,021

#### **(4) Notes to consolidated financial statements**

##### **Notes on premise of going concern**

There is no item to be reported.

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

There is no item to be reported.

##### **Application of specific accounting treatment for preparing the quarterly consolidated financial statements**

(Tax expense calculation)

Tax expenses are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against profit (loss) before income taxes for the fiscal year including the second quarter ended September 30, 2022, and next by multiplying the quarterly profit (loss) before income taxes by such estimated effective tax rate. In case where the estimated effective tax rate is unavailable, statutory effective tax rate is used.

##### **Changes in accounting policies**

(Application of accounting standards, etc. related to the calculation of fair value)

The "Guidelines for Application of Accounting Standards for Calculation of Fair Value" (ASBJ Guidelines No. 31, June 17, 2021, hereafter referred to as the "Guidelines for Application of Accounting Standards for Calculation of Fair Value") is applied from the beginning of the first quarter of the current fiscal year, and new accounting policies prescribed by the Guidelines will be applied prospectively in accordance with the transitional treatment provided in paragraph 27-2 of the Guidelines for Application of Accounting Standards for Calculation of Fair Value. This change has no impact on the quarterly consolidated financial statements.

##### **Additional information**

(Application of Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

Effective from the first quarter of the current fiscal year, the Company and its domestic consolidated subsidiaries have shifted from a consolidated taxation system to a group tax sharing system. In conjunction with this change, the Company and its domestic consolidated subsidiaries have adopted the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System"(PITF No. 42, August 12, 2021; hereinafter referred to as "PITF No. 42") for accounting treatment and disclosure of income tax, local income tax, and tax effect accounting. In accordance with paragraph 32 (1) of PITF No. 42, there is no effect of the change in accounting policy due to the adoption of PITF No. 42.

(Change in presentation)

(Quarterly consolidated balance sheet)

In conjunction with the full-scale launch of the new core system, the definition of inventories was revised from the first quarter of the current fiscal year to allow for more precise control of inventories. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this revision.

As a result, "Work in process" of 53,266 million yen and "Raw materials and supplies" of 54,033 million yen presented in the consolidated balance sheets for the previous fiscal year have been reclassified as "Work in process" of 43,293 million yen and "Raw materials and supplies" of 64,006 million yen.

## Segment information

I. For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

### 1. Net sales and income (loss) for each reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers					
Revenue from contracts with customers	870,721	10,585	881,306	-	881,306
Other income	254	9,007	9,261	-	9,261
Subtotal	870,975	19,592	890,567	-	890,567
(2) Intersegment sales & transfers	6,525	1,014	7,539	(7,539)	-
Total	877,500	20,607	898,107	(7,539)	890,567
Segment income (loss)	23,620	2,398	26,019	(833)	25,186

Notes: 1. Adjustment represents the elimination of intersegment transactions.

2. Segment income (loss) agrees to the amount of operating income (loss) presented in the consolidated statement of income.

(Supplementary information about geographic information)

1. Change in geographic information

For information about geographic information, please refer to "II. For the Six months ended September 30, 2022, Supplementary information about geographic information, 1. Change in geographic information."

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							
Revenue from contracts with customers	167,349	171,600	111,188	202,661	106,723	121,783	881,306
Other income	9,069	137	-	-	54	-	9,261
Total	176,418	171,737	111,188	202,661	106,777	121,783	890,567

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

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

II. For the Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

1. Net sales and income (loss) for each reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers					
Revenue from contracts with customers	1,143,646	4,473	1,148,120	-	1,148,120
Other income	289	9,782	10,072	-	10,072
Subtotal	1,143,936	14,256	1,158,192	-	1,158,192
(2) Intersegment sales & transfers	3,991	1,785	5,777	(5,777)	-
Total	1,147,928	16,042	1,163,970	(5,777)	1,158,192
Segment income (loss)	82,103	2,357	84,461	166	84,628

Notes: 1. Adjustment represents the elimination of intersegment transactions.

2. Segment income (loss) agrees to the amount of operating income (loss) presented in the consolidated statement of income.

(Supplementary information about geographic information)

1. Matters relating to changes in the classification of countries or regions

Countries and regions are classified based on "geographic proximity and interrelationship of business activities." However, in order to be consistent with internal management, Israel and Palestine, which were included in "Europe" until the previous fiscal year, are included in "Other" from the first quarter of the current fiscal year.

In accordance with this change, the figures for the second quarter of the previous fiscal year have been reclassified to conform to the new classification.

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							
Revenue from contracts with customers	249,829	233,132	68,891	289,878	148,955	157,433	1,148,120
Other income	9,841	189	-	-	41	-	10,072
Total	259,671	233,321	68,891	289,878	148,996	157,433	1,158,192

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

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