

May 9, 2023

Consolidated Financial Results for FY 2022 Full Year (April 1, 2022 through 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
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 Scheduled date for ordinary general shareholders' meeting: June 22, 2023
 Scheduled date to file Securities Report: June 23, 2023
 Scheduled date to deliver cash dividends: June 23, 2023
 Earnings supplementary explanatory documents: Yes
 Earnings presentation: Yes

1. Consolidated performance for the full year 2022 (April 1, 2022 to March 31, 2023)

(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	2,458,141	20.6	190,495	118.1	182,022	80.3	168,730	127.9
FY2021	2,038,909	40.1	87,331	—	100,969	—	74,037	—

Reference: Comprehensive income FY2022 : ¥ 202,703million (89.9%) FY2021 : ¥ 106,757 million (—%)

	Net income per share-basic	Net income per share-diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to sales
	Yen	Yen	%	%	%
FY2022	113.38	113.36	24.0	8.8	7.7
FY2021	49.76	49.74	13.3	5.3	4.3

Note: Equity income (loss) from affiliates FY2022 : ¥ (12,209)million FY2021 : ¥ 8,527million

(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, 2023	2,201,524	830,376	36.4	538.28
March 31, 2022	1,928,443	630,301	31.5	407.82

Reference: Net assets excluding share subscription rights and non-controlling interests

As of March 31, 2023:¥ 801,139million As of March 31, 2022:¥ 606,772 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
FY2022	173,576	(53,145)	(61,865)	595,930
FY2021	118,114	(69,123)	(10,234)	511,473

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	%	%
FY2021	–	0.00	–	0.00	0.00	0	–	–
FY2022	–	0.00	–	5.00	5.00	7,447	4.4	1.1
FY2023 (Forecast)	–	5.00	–	5.00	10.00		14.9	

3. Consolidated earnings forecasts for fiscal year 2023 (from April 1, 2023 to March 31, 2024)

(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	2,700,000	9.8	150,000	(21.3)	150,000	(17.6)	100,000	(40.7)	67.19

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: Yes
 - (ii) Changes in accounting policies due to other reasons: No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatement: No

Please refer to "3. Consolidated financial statements (5) Notes to consolidated financial statements - Changes in accounting policies" in page 9 for details.

- (3) 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 March 31, 2023: 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 March 31, 2023: 1,956,603 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)
- As of March 31, 2023: 1,488,218,402 shares
- As of March 31, 2022: 1,487,792,671 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 March 31, 2023 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 (1,108,328 shares as of March 31, 2023 and 1,139,910 shares as of March 31, 2022).

Reference: Overview of the Unconsolidated Financial Results

1. Unconsolidated Results for FY2022 (from April 1, 2022 to March 31, 2023)

(1) Unconsolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022	2,045,567	26.7	109,832	220.0	196,864	277.9	189,066	370.9
FY2021	1,614,787	47.8	34,323	—	52,093	—	40,149	—

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
FY2022	127.04	127.02
FY2021	26.99	26.97

(2) Unconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	1,226,610	506,999	41.3	340.63
March 31, 2022	985,999	318,125	32.2	213.68

Reference: Net assets excluding share subscription rights and non-controlling interests

As of March 31, 2023: ¥ 506,970 million As of March 31, 2022: ¥ 317,930 million

* Annual audit procedures:

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

* 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 Corporation (MMC) 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 MMC, you are requested to make a final investment decision at your own risk, taking the foregoing into consideration. Please note that neither MMC nor any third party providing information shall be responsible for any damage you may suffer due to investment in MMC 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.

1. Overview of Financial Results, etc.

(1) Overview of Financial Results

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 taking measures to mitigate infection, and socioeconomic activities are gradually beginning to normalize.

On the other hand, the situation in Russia and Ukraine which remained no way out of sight, logistical disruptions showing no signs of easing, soaring energy prices, inflation reaching levels not seen in decades, and sharply rising interest rates to curb such inflation have made it difficult to take control of the business environment.

Amid this business environment, our FY22 results improved significantly YoY, thanks to the achievements of improving sales quality in all regions and promoting the "marginal profit improvement," as well as the effect of yen depreciation.

As a result, the number of vehicles sold for the full fiscal year was 834,000 units globally, down 11% from the previous fiscal year, and consolidated net sales for the full fiscal year rose 21% year on year to 2,458.1 billion yen.

In the severe environment, such as material costs hikes and semiconductor and vessel shortages, marginal profit rate improvement driven by the improved quality of sales, and the effect of favorable exchange rates helped to increase consolidated operating profit to 190.5 billion yen for the full fiscal year (an increase of 103.2 billion yen year on year). Consolidated operating profit reached a record high since FY2015. Consolidated ordinary profit was 182.0 billion yen (an increase of 81.0 billion yen year on year) and net income attributable to the owners of the parent company was 168.7 billion yen (an increase of 94.7 billion yen year on year).

(2) Overview of Financial Position

Total assets at the end of fiscal year 2022 amounted to 2,201.5 billion yen (an increase of 273.1 billion yen from the end of fiscal year 2021). Cash and cash deposits amounted to 596.0 billion yen (an increase of 84.5 billion yen from the end of fiscal year 2021). Total liabilities amounted to 1,371.1 billion yen (an increase of 73.0 billion yen from the end of fiscal year 2021). Of total liabilities, the interest bearing debt balance was 428.3 billion yen (a decrease of 52.2 billion yen from the end of fiscal year 2021). Net assets amounted to 830.4 billion yen (an increase of 200.1 billion yen from the end of fiscal year 2021).

(3) Overview of Cash Flow

The balance of cash and cash equivalents at the end of the fiscal year 2022 increased by 84.4 billion yen from the end of the previous fiscal year to 595.9 billion yen.

The status of each cash flow for the fiscal year 2022 and their factors are as follows:

Cash flows from operating activities

Net cash provided by operating activities was 173.6 billion yen, an increase of 55.5 billion yen from 118.1 billion yen used in the previous fiscal year.

This was primarily due to an improvement in operating profit.

Cash flows from investing activities

Net cash used in investing activities was 53.1 billion yen, a decrease of 16.0 billion yen from 69.1 billion yen used in the previous fiscal year.

This was primarily due to an increase in proceeds from sale of fixed assets.

Cash flows from financing activities

Net cash used in financing activities was 61.9 billion yen, an increase of 51.7 billion yen from 10.2 billion yen used in the previous fiscal year.

This was primarily due to repayment of borrowings.

Trends in key cash flow ratios

	FY2018	FY2019	FY2020	FY2021	FY2022
Ratio of shareholders' equity (%)	43.4	39.9	27.4	31.5	36.4
Ratio of market value to assets (%)	43.5	23.5	25.2	25.5	35.3
Debt repayment coverage (years)	1.6	15.9	(11.6)	4.1	2.5
Interest coverage ratio (%)	38.9	4.8	(8.0)	23.2	47.9

Definitions:

Ratio of shareholders' equity: Shareholders' equity / total assets

Ratio of market value to assets: Total market value of shares / total assets

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

Interest coverage ratio: Cash flows from operating activities / interest expenses paid

(Note 1) All figures are calculated based on consolidated financial data.

(Note 2) 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.

(Note 3) Cash flows from operating activities are used.

(Note 4) 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 2023

In FY2022, we achieved a significant increase in profit, overcoming supply constraints and increases in raw material and transportation costs through “marginal profit improvement” activities as well as favorable exchange rates. In FY2023, the impact of semiconductor and vessel shortages is expected to remain despite a recovery trend, and in addition, concerns about a macroeconomic slowdown and further instability remain, leading us to assume that the business environment will remain uncertain.

In this environment, we intend to secure stable earnings based on the management structure that has become leaner and more agile under the previous mid-term business plan, while responding flexibly to changes in the external environment and strengthening investments for the next stage of growth.

The outlook for the fiscal year 2023 (ending March 31, 2024) is as follows:

	FY 2022 Full-year
Net sales	2,700 billion yen
Operating profit	150 billion yen
Ordinary profit	150 billion yen
Profit attributable to owners of parent	100 billion yen

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

Region	FY 2023 Forecast	FY 2022 Results
Japan	111	92
North America	161	133
Europe	81	61
Asia	338	310
Others	226	238
Total	917	834

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Potential risks and uncertainties are not limited to the above and Mitsubishi Motors is not under any obligation to update the information in this presentation 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 presentation.

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)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	511,502	595,961
Notes and accounts receivable – trade, and contract assets	119,829	184,633
Finance receivables	222,463	226,042
Merchandise and finished goods	192,292	259,848
Work in process	43,293	24,835
Raw materials and supplies	64,006	66,901
Short-term loans receivable	624	1,022
Other	111,367	121,481
Allowance for doubtful accounts	(9,459)	(5,766)
Total current assets	1,255,920	1,474,959
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,110	86,288
Machinery, equipment and vehicles, net	132,116	134,524
Tools, furniture and fixtures, net	64,638	56,044
Land	123,068	116,734
Construction in progress	24,521	61,011
Total property, plant and equipment	429,455	454,603
Intangible assets	38,273	40,003
Investments and other assets		
Investment securities	98,433	95,361
Long-term loans receivable	2,817	2,760
Retirement benefit asset	4,775	4,045
Deferred tax assets	43,669	74,029
Other	58,818	59,660
Allowance for doubtful accounts	(3,720)	(3,898)
Total investments and other assets	204,794	231,959
Total non-current assets	672,523	726,565
Total assets	1,928,443	2,201,524

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	324,091	369,495
Electronically recorded obligations - operating	56,612	92,009
Short-term borrowings	21,778	31,330
Commercial papers	43,000	47,500
Current portion of long-term borrowings	292,134	73,098
Lease obligations	3,751	3,519
Accounts payable - other and accrued expenses	204,894	233,874
Income taxes payable	8,487	13,510
Provision for product warranties	50,029	54,605
Provision for contingent loss	-	10,504
Other	79,393	77,939
Total current liabilities	1,084,173	1,007,389
Non-current liabilities		
Long-term borrowings	95,768	248,048
Lease obligations	24,101	24,785
Deferred tax liabilities	17,127	320
Retirement benefit liability	32,240	36,688
Other	44,731	53,915
Total non-current liabilities	213,968	363,758
Total liabilities	1,298,142	1,371,148
Net assets		
Shareholders' equity		
Capital stock	284,382	284,382
Capital surplus	199,837	199,620
Retained earnings	169,694	338,424
Treasury shares	(1,382)	(989)
Total shareholders' equity	652,531	821,438
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,111	977
Deferred gains or losses on hedges	(31)	(35)
Foreign currency translation adjustment	(32,571)	(5,438)
Remeasurements of defined benefit plans	(14,267)	(15,802)
Total accumulated other comprehensive income	(45,759)	(20,298)
Share acquisition rights	195	29
Non-controlling interests	23,334	29,208
Total net assets	630,301	830,376
Total liabilities and net assets	1,928,443	2,201,524

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

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	2,038,909	2,458,141
Cost of sales	1,676,459	1,935,341
Gross profit	362,450	522,799
Selling, general and administrative expenses		
Advertising and promotion expenses	39,147	51,535
Freightage expenses	49,849	72,747
Provision of allowance for doubtful accounts	1,834	(605)
Remuneration, salaries and allowances for directors (and other officers)	66,875	74,711
Retirement benefit expenses	3,781	3,982
Depreciation	12,715	14,516
Research and development expenses	57,507	61,025
Other	43,405	54,390
Total selling, general and administrative expenses	275,118	332,304
Operating profit (loss)	87,331	190,495
Non-operating income		
Interest income	1,942	7,623
Dividend income	567	677
Foreign exchange gains	9,241	5,421
Share of profit of entities accounted for using equity method	8,527	-
Other	4,183	2,603
Total non-operating income	24,462	16,326
Non-operating expenses		
Interest expenses	5,085	3,559
Litigation expenses	1,586	4,306
Share of loss of entities accounted for using equity method	-	12,209
Financing expenses	1,476	706
Other	2,675	4,017
Total non-operating expenses	10,824	24,799
Ordinary profit (loss)	100,969	182,022
Extraordinary income		
Gain on sales of non-current assets	2,858	27,271
Gain on sales of investment securities	99	24
Gain on sales of investments in capital of subsidiaries and associates	2,791	-
Gain on reversal of asset retirement obligations	833	268
Other	548	129
Total extraordinary income	7,131	27,693

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Extraordinary losses		
Loss on retirement of non-current assets	2,887	1,941
Loss on sales of non-current assets	23	1,713
Impairment loss	1,451	5,015
Loss related to the Russian business	8,220	19,928
Loss related to the Chinese business	-	10,504
Other	827	2,483
Total extraordinary losses	13,411	41,586
Profit (loss) before income taxes	94,689	168,129
Income taxes – current	13,362	36,410
Income taxes – deferred	2,177	(44,642)
Total income taxes	15,539	(8,232)
Profit (loss)	79,149	176,361
Profit (loss) attributable to non-controlling interests	5,112	7,630
Profit (loss) attributable to owners of parent	74,037	168,730

Consolidated statements of comprehensive income

	(Millions of yen) Fiscal year ended March 31, 2022	(Millions of yen) Fiscal year ended March 31, 2023
Profit (loss)	79,149	176,361
Other comprehensive income		
Valuation difference on available-for-sale securities	600	(134)
Deferred gains or losses on hedges	537	(10)
Foreign currency translation adjustment	26,521	20,773
Remeasurements of defined benefit plans, net of tax	(6,530)	(1,670)
Share of other comprehensive income of entities accounted for using equity method	6,477	7,384
Total other comprehensive income	27,607	26,342
Comprehensive income	106,757	202,703
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	98,974	194,190
Comprehensive income attributable to non-controlling interests	7,782	8,512

(3) Consolidated statements of changes in net assets

(Millions of yen)

For the fiscal year ended March 31, 2022	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	284,382	199,950	95,928	(1,659)	578,602
Cumulative effects of changes in accounting policies			(271)		(271)
Restated balance	284,382	199,950	95,656	(1,659)	578,330
Changes of items during period					
Profit (loss) attributable to owners of parent			74,037		74,037
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				3	3
Exercise of share acquisition rights		(113)		273	160
Net changes of items other than shareholders' equity					
Total changes of items during period		(113)	74,037	276	74,201
Balance at end of current period	284,382	199,837	169,694	(1,382)	652,531

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	511	(554)	(63,035)	(7,617)	(70,696)	352	16,993	525,251
Cumulative effects of changes in accounting policies								(271)
Restated balance	511	(554)	(63,035)	(7,617)	(70,696)	352	16,993	524,980
Changes of items during period								
Profit (loss) attributable to owners of parent								74,037
Purchase of treasury shares								(0)
Disposal of treasury shares								3
Exercise of stock acquisition rights								160
Net changes of items other than shareholders' equity	600	523	30,464	(6,650)	24,937	(157)	6,341	31,120
Total changes of items during period	600	523	30,464	(6,650)	24,937	(157)	6,341	105,321
Balance at end of current period	1,111	(31)	(32,571)	(14,267)	(45,759)	195	23,334	630,301

(Millions of yen)

For the fiscal year ended March 31, 2023	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	284,382	199,837	169,694	(1,382)	652,531
Changes of items during period					
Profit (loss) attributable to owners of parent			168,730		168,730
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				7	7
Exercise of share acquisition rights		(216)		385	169
Net changes of items other than shareholders' equity					
Total changes of items during period		(216)	168,730	393	168,906
Balance at end of current period	284,382	199,620	338,424	(989)	821,438

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,111	(31)	(32,571)	(14,267)	(45,759)	195	23,334	630,301
Changes of items during period								
Profit (loss) attributable to owners of parent								168,730
Purchase of treasury shares								(0)
Disposal of treasury shares								7
Exercise of stock acquisition rights								169
Net changes of items other than shareholders' equity	(134)	(3)	27,133	(1,534)	25,460	(166)	5,874	31,168
Total changes of items during period	(134)	(3)	27,133	(1,534)	25,460	(166)	5,874	200,075
Balance at end of current period	977	(35)	(5,438)	(15,802)	(20,298)	29	29,208	830,376

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	94,689	168,129
Depreciation	53,630	60,132
Impairment loss	1,451	5,015
Loss related to the Russian business	8,220	19,928
Loss related to the Chinese business	-	10,504
Increase (decrease) in allowance for doubtful accounts	955	(3,632)
Increase (decrease) in retirement benefit liability	2,349	8,003
Interest and dividend income	(2,510)	(8,300)
Interest expenses	5,085	3,559
Foreign exchange losses (gains)	(6,160)	(5,354)
Share of loss (profit) of entities accounted for using equity method	(8,527)	12,209
Gain on sales of investments in capital of subsidiaries and associates	(2,791)	-
Loss (gain) on sales and retirement of non-current assets	53	(23,616)
Decrease (increase) in notes and accounts receivable - trade	37,935	(59,282)
Decrease(increase) in financial receivables	24,744	(3,496)
Decrease (increase) in inventories	(13,104)	(38,739)
Increase (decrease) in notes and accounts payable - trade	(42,322)	63,702
Increase (decrease) in accounts payable - other, and accrued expenses	(43,290)	6,639
Other, net	12,321	(19,341)
Subtotal	122,732	196,058
Interest and dividend income received	3,196	13,447
Interest expenses paid	(5,090)	(3,620)
Income taxes paid	(2,723)	(32,309)
Net cash provided by (used in) operating activities	118,114	173,576
Cash flows from investing activities		
Decrease (increase) in time deposits	11,071	(2)
Purchase of property, plant and equipment	(76,541)	(71,041)
Proceeds from sales of property, plant and equipment	4,816	36,389
Purchase of intangible assets	(10,650)	(8,601)
Other, net	2,181	(9,889)
Net cash provided by (used in) investing activities	(69,123)	(53,145)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	4,201	8,797
Increase (decrease) in commercial papers	10,500	4,500
Proceeds from long-term loans payable	45,780	238,541
Repayments of long-term loans payable	(65,772)	(306,549)
Cash dividends paid	(21)	(16)
Dividends paid to non-controlling interests	(1,436)	(2,633)
Other, net	(3,485)	(4,504)
Net cash provided by (used in) financing activities	(10,234)	(61,865)
Effect of exchange rate change on cash and cash equivalents	28,098	25,890
Net increase (decrease) in cash and cash equivalents	66,854	84,456
Cash and cash equivalents at beginning of period	444,619	511,473
Cash and cash equivalents at end of period	511,473	595,930

(5) Notes to consolidated financial statements

Notes on premise of going concern

There is no item to be reported.

Changes in accounting policies

(Application of accounting standards 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 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 consolidated financial statements.

Change in presentation

(Consolidated balance sheet)

In conjunction with the full-scale launch of the new core system, the definition of inventories was revised from 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.

Additional information

(Stock compensation plan)

Based on the resolution of the Compensation Committee meeting held on December 15, 2020, MMC has introduced a stock compensation plan (hereinafter the "Plan") that utilizes trusts as an incentive plan for its Executive Officers and Corporate Officers, etc. (hereinafter referred to as "Executive Officers, etc.")

(1) Outline of the transaction

The Plan adopts a structure called the Board Incentive Plan Trust (hereinafter the "Trust"). Through the Trust, MMC will deliver MMC shares or pay money equivalent to the converted value of such shares to Executive Officers, etc., according to their position and degree of achievement of performance targets.

(2) Treasury shares remaining in the Trust

The MMC's shares remaining in the Trust are recorded as treasury shares in the net assets section at the book value of the trust (excluding the amount of incidental expenses). The book value of the treasury shares as of March 31, 2023, is 240 million yen, and the number of shares is 1,103,450 shares

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

Effective from 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.

Segment information

(1) Segment Information

FY 2022 (from April 1, 2022 to March 31, 2023)

1. Overview of reportable segments

The reportable segments of the Group are components for which discrete financial information is available, and for which operating results are regularly reviewed by MMC's decision making bodies including the Board of Directors to determine resource allocation to the segments and to assess their performance.

The main business of the Group is automobile business, involving development, design, manufacturing and sales of automobiles and component parts. In addition, as financial service business, we engage in sales finance and leasing services for Group products (Including property sales associated with the expiration and cancellation of lease transactions).

Accordingly, based on the types of products and services offered, the Group determined "automobile business" and "financial service business" as two reportable segments.

2. Calculation method of net sales, profit or loss, assets and other items by reportable segments

The accounting method for the reportable segments is the same as "Material basis of preparation of the consolidated financial statements".

Inter-segment sales and adjustments are based on the price in the arms-lengths transaction.

3. Net sales and income (loss), assets and other items 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	2,426,066	11,441	2,437,507	-	2,437,507
Other income	571	20,063	20,634	-	20,634
Subtotal	2,426,637	31,504	2,458,141	-	2,458,141
(2) Intersegment sales & transfers	15,404	3,551	18,956	(18,956)	-
Total	2,442,041	35,056	2,477,098	(18,956)	2,458,141
Segment profit (loss)	186,086	4,855	190,942	(446)	190,495
Segment assets	1,928,456	306,098	2,234,554	(33,029)	2,201,524
Other items					
Depreciation (Note 3)	54,852	5,279	60,132	-	60,132
Investment in equity method affiliates	101,899	-	101,899	-	101,899
Increase in property, plant and equipment and intangible assets (Note 3)	85,521	14,232	99,754	-	99,754

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.

3. Depreciation, increase in property, plant and equipment and intangible assets, include the long-term prepaid expenses and depreciation.

(2) Related Information

FY 2022 (from April 1, 2022 to March 31, 2023)

1. Information by products and services

Information by products and services is omitted as this information is defined as the information by reportable segments.

2. Information by geographic region

1) Net sales

Net sales to 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	532,564	537,607	154,204	596,998	281,839	334,292	2,437,507
Other income	20,176	384	-	-	73	-	20,634
Total	552,741	537,991	15,204	596,998	281,912	334,292	2,458,141

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

(1) North America.....The United States, Canada, Mexico

(2) Europe.....Germany, the Netherlands, Spain, France

(3) Asia.....Indonesia, Thailand, the Philippines, Vietnam

(4) Oceania.....Australia, New Zealand

(5) Other.....U.A.E., Brazil

Supplementary information

Net sales and operating income (loss) classified by the geographic location of MMC and its consolidated subsidiaries

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total	Adjustment	Grand total
Net sales									
(1) External customers									
Revenue from contracts with customers	954,556	530,078	151,990	501,232	281,839	17,808	2,437,507	-	2,437,507
Other income	20,176	384	-	-	73	-	20,634	-	20,634
Subtotal	974,733	530,463	151,990	501,232	281,912	17,808	2,458,141	-	2,458,141
(2) inter-segment sales	1,145,931	2,425	1,036	662,747	4	-	1,812,146	(1,812,146)	-
Total	2,120,664	532,889	153,027	1,163,980	281,917	17,808	4,270,287	(1,812,146)	2,458,141
Operating profit (loss)	124,091	15,421	3,148	49,800	9,869	705	203,036	(12,541)	190,495

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

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

Per share information

(Yen)

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	
Net assets per share	538.28
Net income(loss) per share - basic	113.38
Net income per share - diluted	113.36

Note: 1. In the calculation of basic earnings per share and diluted earnings per share, the shares of the Company held by the BIP Trust Account is included in the number of treasury shares. Therefore, the number of those shares is deducted in calculating the number of common shares outstanding at the end of the year 1,103,450 shares and weighted average common shares outstanding during the year 1,108,328 shares.
2. Basis for calculating net income per share - basic is shown below.

(Millions of yen)

	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net income per share - basic	
Net income(loss) attributable to owners of the parent	168,730
Gain not attributable to ordinary shareholders	-
Net income(loss) attributable to owners of the parent related to common stock	168,730
Average number of shares of common stock outstanding during the period (Unit: Thousands of shares)	1,488,218
Net income per share - diluted	
Adjustment to Net income attributable to owners of the parent	-
Increase in number of shares of common stock (Unit: Thousands of shares)	230
(Subscription rights to shares)	(230)
Overview of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effect, which had significant changes from the previous consolidated fiscal year	-

Subsequent event

There is no item to be reported.