

July 24, 2023

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024[Japan GAAP]

Company name: **Mitsubishi Motors Corporation**
 Listing: Prime Market, the Tokyo Stock Exchange
 Stock code: 7211
 URL: <https://www.mitsubishi-motors.co.jp/>
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 Scheduled date to file quarterly Report: August 3, 2023
 Scheduled date to deliver cash dividends: —
 Quarterly earnings supplementary explanatory documents: Yes
 Quarterly earnings presentation: Yes

1. Consolidated performance for the first quarter of fiscal year ending March 31, 2024 (April 1, 2023 to June 30, 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	%
FY2023 1st quarter	635,753	20.2	45,158	46.7	61,811	24.9	47,949	24.3
FY2022 1st quarter	528,698	22.4	30,783	190.8	49,476	342.0	38,560	533.1

Reference: Comprehensive income FY2023 1st quarter: ¥76,848 million (4.9%) FY2022 1st quarter: ¥73,251 million (-%)

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
FY2023 1st quarter	32.22	32.21
FY2022 1st quarter	25.91	25.91

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2023	2,236,097	899,826	38.8
March 31, 2023	2,201,524	830,376	36.4

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

As of June 30, 2023: ¥867,700 million As of March 31, 2023: ¥801,139 million

2. Cash dividends

Record Date	Cash dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual
FY2022	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00
FY2023	-				
FY2023 (Forecast)		5.00	-	5.00	10.00

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

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	2,780,000	13.1	170,000	(10.8)	170,000	(6.6)	110,000	(34.8)	73.90

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 (3) Notes to consolidated financial statements -Adoption of specific accounting policies for quarterly consolidated financial statement" in page 5 for details.
- (3) 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
- (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 June 30, 2023:	1,490,282,496 shares
As of March 31, 2023:	1,490,282,496 shares
 - (ii) Number of shares of treasury stock at the end of the period

As of June 30, 2023:	1,859,456 shares
As of March 31, 2023:	1,956,603 shares
 - (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

FY 2023 1st quarter:	1,488,359,935 shares
FY 2022 1st quarter:	1,487,973,866 shares

Note: The number of treasury shares at the end of each period includes shares of the Company held by the BIP Trust Account (1,053,770 shares as of June 30, 2023 and 1,103,450 shares as of March 31, 2023). 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 (1,081,923 shares as of June 30, 2023 and 1,123,015 shares as of June 30, 2022).

* This Quarterly Financial Results report is out of scope of review by certified public accountants or an audit firm.

* 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 the conference.

Quarterly consolidated financial statements
(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	595,961	619,661
Notes and accounts receivable – trade, and contract assets	184,633	153,435
Finance receivables	226,042	226,379
Merchandise and finished goods	259,848	271,710
Work in process	24,835	26,258
Raw materials and supplies	66,901	70,601
Other	122,503	130,007
Allowance for doubtful accounts	(5,766)	(5,095)
Total current assets	1,474,959	1,492,959
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	86,288	87,671
Machinery, equipment and vehicles, net	134,524	172,401
Tools, furniture and fixtures, net	56,044	54,417
Land	116,734	124,350
Construction in progress	61,011	28,031
Total property, plant and equipment	454,603	466,873
Intangible assets	40,003	40,275
Investments and other assets		
Investment securities	95,361	99,885
Other	140,496	140,090
Allowance for doubtful accounts	(3,898)	(3,986)
Total investments and other assets	231,959	235,989
Total non-current assets	726,565	743,137
Total assets	2,201,524	2,236,097

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	369,495	336,281
Electronically recorded obligations - operating	92,009	79,219
Short-term borrowings	31,330	66,281
Commercial papers	47,500	65,000
Current portion of long-term borrowings	73,098	218,767
Accounts payable - other, and accrued expenses	233,874	194,858
Income taxes payable	13,510	9,754
Provision for product warranties	54,605	57,955
Provision for contingent loss	10,504	5,701
Other	81,459	87,351
Total current liabilities	1,007,389	1,121,171
Non-current liabilities		
Long-term borrowings	248,048	88,400
Retirement benefit liability	36,688	38,476
Other	79,021	88,222
Total non-current liabilities	363,758	215,099
Total liabilities	1,371,148	1,336,271
Net assets		
Shareholders' equity		
Share capital	284,382	284,382
Capital surplus	199,620	199,585
Retained earnings	338,424	378,926
Treasury shares	(989)	(936)
Total shareholders' equity	821,438	861,957
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	977	1,561
Deferred gains or losses on hedges	(35)	(3,613)
Foreign currency translation adjustment	(5,438)	24,590
Remeasurements of defined benefit plans	(15,802)	(16,794)
Total accumulated other comprehensive income	(20,298)	5,743
Share acquisition rights	29	23
Non-controlling interests	29,208	32,101
Total net assets	830,376	899,826
Total liabilities and net assets	2,201,524	2,236,097

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

Quarterly consolidated statements of income

(Millions of yen)

	FY2022 1st quarter (from April 1, 2022 to June 30, 2022)	FY2023 1st quarter (from April 1, 2023 to June 30, 2023)
Net sales	528,698	635,753
Cost of sales	425,218	507,952
Gross profit	103,479	127,801
Selling, general and administrative expenses		
Advertising and promotion expenses	9,994	13,647
Freight costs	14,179	19,268
Provision of allowance for doubtful accounts	(1,484)	(520)
Remuneration, salaries and allowances for directors (and other officers)	17,841	19,567
Retirement benefit expenses	899	1,058
Depreciation	3,506	3,848
Research and development expenses	16,055	13,439
Other	11,703	12,334
Total selling, general and administrative expenses	72,696	82,643
Operating profit (loss)	30,783	45,158
Non-operating income		
Interest income	1,057	3,342
Foreign exchange gains	17,288	14,521
Share of profit of entities accounted for using equity method	2,255	1,023
Other	746	591
Total non-operating income	21,347	19,478
Non-operating expenses		
Interest expenses	945	1,357
Litigation expenses	755	511
Other	954	956
Total non-operating expenses	2,654	2,825
Ordinary profit (loss)	49,476	61,811
Extraordinary income		
Gain on sale of non-current assets	26	18
Other	6	9
Total extraordinary income	32	28

	(Millions of yen)	
	FY2022 1st quarter (from April 1, 2022 to June 30, 2022)	FY2023 1st quarter (from April 1, 2023 to June 30, 2023)
Extraordinary losses		
Loss on retirement of non-current assets	244	160
Other	13	34
Total extraordinary losses	258	194
Profit (loss) before income taxes	49,250	61,645
Income taxes	9,896	13,244
Profit (loss)	39,354	48,400
Profit (loss) attributable to non-controlling interests	793	451
Profit (loss) attributable to owners of parent	38,560	47,949

Quarterly consolidated statements
of comprehensive income

	(Millions of yen)	
	FY2022 1st quarter (from April 1, 2022 to June 30, 2022)	FY2023 1st quarter (from April 1, 2023 to June 30, 2023)
Profit (loss)	39,354	48,400
Other comprehensive income		
Valuation difference on available-for-sale securities	1,532	583
Deferred gains or losses on hedges	(4,488)	(3,596)
Foreign currency translation adjustment	30,728	29,049
Remeasurements of defined benefit plans, net of tax	(1,230)	(988)
Share of other comprehensive income of entities accounted for using equity method	7,354	3,400
Total other comprehensive income	33,897	28,447
Comprehensive income	73,251	76,848
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	70,537	73,991
Comprehensive income attributable to non-controlling interests	2,714	2,856

(3) 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.

Adoption of specific accounting policies for quarterly consolidated financial statement

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

Income tax expenses were calculated by multiplying profit (loss) before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to a projected annual profit (loss) before income taxes. In case where the estimated effective tax rate is unavailable, statutory effective tax rate is used.

Segment information

I. For the Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Net sales and profit (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	520,697	3,137	523,834	-	523,834
Other income	142	4,721	4,863	-	4,863
Subtotal	520,839	7,858	528,698	-	528,698
(2) Intersegment sales & transfers	1,223	808	2,032	(2,032)	-
Total	522,062	8,667	530,730	(2,032)	528,698
Segment profit (loss)	29,226	1,204	30,431	351	30,783

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

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

(Supplementary information about geographic information)

1. 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	107,490	106,119	27,360	126,330	74,825	81,707	523,834
Other income	4,751	91	-	-	20	-	4,863
Total	112,241	106,211	27,360	126,330	74,846	81,707	528,698

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

II. For the Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1. Net sales and profit (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	627,540	3,050	630,590	-	630,590
Other income	128	5,034	5,163	-	5,163
Subtotal	627,668	8,085	635,753	-	635,753
(2) Intersegment sales & transfers	1,580	1,016	2,597	(2,597)	-
Total	629,249	9,101	638,351	(2,597)	635,753
Segment profit (loss)	44,563	1,045	45,609	(451)	45,158

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

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

(Supplementary information about geographic information)

1. 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	125,497	169,557	49,578	130,663	61,522	93,769	630,590
Other income	5,061	88	-	-	13	-	5,163
Total	130,558	169,646	49,578	130,663	61,536	93,769	635,753

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

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