

## **Quarterly Securities Report**

Second Quarter of FY2019

(From July 1, 2019 To September 30, 2019)

(The English translation of the Quarterly Securities Report "Shihanki-Houkokusho")

**Mitsubishi Motors Corporation**

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Document title: Quarterly Securities Report ("*Shihanki-Houkokusho*")

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Company name: 三菱自動車工業株式会社 (*Mitsubishi Jidosha Kogyo Kabushiki Kaisha*)

Company name in English: MITSUBISHI MOTORS CORPORATION

Title and name of representative: Takao Kato, Representative Executive Officer, CEO

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Place for public inspection: Tokyo Stock Exchange, Inc.  
2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo, Japan

## A. Company Information

### I. Overview of the Company

#### 1. Summary of business results

Fiscal year		FY2018 For the six months ended September 30, 2018	FY2019 For the six months ended September 30, 2019	FY2018
Period		From April 1, 2018 to September 30, 2018	From April 1, 2019 to September 30, 2019	From April 1, 2018 to March 31, 2019
Net sales	Millions of yen	1,169,328	1,127,955	2,514,594
Ordinary profit (loss)	Millions of yen	68,342	1,246	119,850
Profit (loss) attributable to owners of parent	Millions of yen	51,857	2,598	132,871
Comprehensive income	Millions of yen	57,426	(10,627)	131,381
Net assets	Millions of yen	822,811	855,304	881,203
Total assets	Millions of yen	1,842,324	1,927,816	2,010,309
Basic earnings (loss) per share	Yen	34.83	1.75	89.26
Diluted earnings per share	Yen	34.80	1.74	89.18
Equity-to-asset ratio	%	44.21	43.88	43.37
Net cash provided by (used in) operating activities	Millions of yen	29,209	(25,815)	146,053
Net cash provided by (used in) investing activities	Millions of yen	(63,659)	(55,330)	(144,906)
Net cash provided by (used in) financing activities	Millions of yen	(76,430)	4,751	(74,966)
Cash and cash equivalents at end of period	Millions of yen	457,650	408,897	489,456

Fiscal year		FY2018 Second quarter ended September 30, 2018	FY2019 Second quarter ended September 30, 2019
Period		From July 1, 2018 to September 30, 2018	From July 1, 2019 to September 30, 2019
Basic earnings (loss) per share	Yen	15.91	(4.51)

(Notes) 1. Mitsubishi Motors Corporation ("MMC") prepares quarterly consolidated financial statements. Therefore, summary of business results of reporting company is not noted.

2. Net sales do not include consumption taxes.

#### 2. Description of business

In the six months ended September 30, 2019, there were no material changes in the business of the MMC Group.

And no changes were made to major subsidiaries and affiliates.

## II. Overview of Business

### 1. Business-related risks

During the six months ended September 30, 2019, there was no occurrence of new business-related risks or material changes in the business-related risks described in the annual securities report for the previous fiscal year.

### 2. Management analysis of financial position, operating results and cash flows

#### (1) Financial position and operating results

##### (i) Operating results

Global sales (retail) of the MMC Group for the six months ended September 30, 2019 reached a total of 592,000 units (a decrease of 2,000 units year on year, or down 0% year on year).

##### i) Net sales

Net sales for the six months ended September 30, 2019 was 1,128.0 billion yen (a decrease of 41.3 billion yen year on year, or down 4% year on year).

##### ii) Operating profit

Operating profit was 10.2 billion yen (a decrease of 46.7 billion yen year on year).

##### iii) Ordinary profit and profit attributable to owners of parent

Ordinary profit was 1.2 billion yen (a decrease of 67.1 billion yen year on year). Profit attributable to owners of parent was 2.6 billion yen (a decrease of 49.3 billion yen year on year).

Regarding the retail sales volume in the Chinese market, we changed the retail counting method effective from FY2019. With this change, a part of retail units that were recognized in or before FY2018 might be counted again in FY2019.

##### (ii) Operating results per segment

##### i) Automobile business

Net sales for the six months ended September 30, 2019 was 1,120.1 billion yen, and operating profit was 7.8 billion yen.

##### ii) Financial service business

Net sales for the six months ended September 30, 2019 was 15.9 billion yen, and operating profit was 2.5 billion yen.

##### (iii) Financial position

Total assets as of September 30, 2019 amounted to 1,927.8 billion yen (down 82.5 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 409.5 billion yen (down 91.4 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,072.5 billion yen (down 56.6 billion yen from the end of the previous fiscal year). Of total liabilities, the interest bearing debt balance, including lease obligations, was 274.9 billion yen (up 43.9 billion yen from the end of the previous fiscal year). Net assets as of September 30, 2019 amounted to 855.3 billion yen (down 25.9 billion yen from the end of the previous fiscal year).

(2) Cash flow

Cash flows for the six months ended September 30, 2019 came to a net outflow of 25.8 billion yen from operating activities, a net outflow of 55.3 billion yen from investing activities, and a net inflow of 4.8 billion yen from financing activities. In addition, the balance of cash and cash equivalents as of September 30, 2019 decreased by 80.6 billion yen from the end of the previous fiscal year to 408.9 billion yen, partially due to a decrease of 4.2 billion yen in effect of exchange rate change on cash and cash equivalents. Free cash flow for the six months ended September 30, 2019 was a negative 81.1 billion yen.

*Cash flows from operating activities*

Cash flows from operating activities shifted from an inflow to an outflow amid a situation where net cash used in operating activities was 25.8 billion yen, a decrease of 55.0 billion yen compared to cash provided by operating activities of 29.2 billion yen in the same period of the previous fiscal year. This was primarily due to a decrease in profit before income taxes and a shift from a decrease to an increase in trade receivables.

*Cash flows from investing activities*

Net cash used in investing activities was 55.3 billion yen, a decrease of 8.4 billion yen compared to cash used in investing activities of 63.7 billion yen in the same period of the previous fiscal year. This was primarily due to a decrease in purchase of property, plant and equipment.

*Cash flows from financing activities*

Cash flows from financing activities shifted from an outflow to an inflow amid a situation where net cash provided by financing activities was 4.8 billion yen, a decrease of 81.2 billion yen compared to cash used in financing activities of 76.4 billion yen in the same period of the previous fiscal year. This was primarily due to reduction of decrease in short-term borrowings and an increase in proceeds from long-term borrowings.

(Note) Free cash flow is calculated as the sum of cash flows from operating activities and cash flows from investing activities.

(3) Management policy and strategy, issues to be addressed, and others

There were no material changes in the MMC Group's management policy and strategy, and issues to be addressed during the six months ended September 30, 2019.

(4) Research and development activities

Research and development spending by the MMC Group in the six months ended September 30, 2019 (automobile business) totaled 64.5 billion yen.

There were no material changes in the conditions of the MMC Group's research and development activities during the six months ended September 30, 2019.

(5) Production, orders and sales

(i) Production

Production for the six months ended September 30, 2019 is as follows:

	For the six months ended September 30, 2019 Quantity (Units)	vs. for the six months ended September 30, 2018 (%)
Japan	310,824	98.2
Overseas	362,290	101.2
Total	673,114	99.8

(ii) Sales

Sales results for the six months ended September 30, 2019 are as follows:

	For the six months ended September 30, 2019		vs. for the six months ended September 30, 2018 (%)	
	Quantity (Units)	Amount (Millions of yen)	Quantity	Amount
Japan	135,850	234,121	118.1	121.1
Overseas	542,102	893,834	93.6	91.5
Total	677,952	1,127,955	97.7	96.4

(Notes) 1. Sales results represent the sales quantity of built-up vehicles and knockdown kits produced by MMC and its consolidated subsidiaries, classified by the geographic location of the external customers.

2. Above stated amounts do not include consumption taxes.

3. Critical contracts for operation

No critical contracts for operation were decided or entered into during the second quarter ended September 30, 2019.

### III. Information about Reporting Company

#### 1. Information about shares, etc.

##### (1) Total number of shares, etc.

###### (i) Total number of shares

Class	Total number of issuable shares (Shares)
Common stock	1,575,000,000
Total	1,575,000,000

###### (ii) Issued shares

Class	Number of issued shares (As of September 30, 2019) (Shares)	Number of issued shares (As of the filing date: November 8, 2019) (Shares)	Name of stock listing or the name of authorized financial instruments firms association	Description
Common stock	1,490,282,496	1,490,282,496	Tokyo Stock Exchange (First Section)	Number of shares for share unit: 100 shares
Total	1,490,282,496	1,490,282,496	-	-

##### (2) Share acquisition rights

###### (i) Details of stock option program

Not applicable.

###### (ii) Other share acquisition rights

Not applicable.

##### (3) Exercises, etc. of moving strike convertible bonds, etc.

Not applicable.

##### (4) Changes in number of issued shares, share capital, etc.

Date	Change in total number of issued shares (Shares)	Balance of total number of issued shares (Shares)	Change in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Change in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
From July 1, 2019 to September 30, 2019	-	1,490,282,496	-	284,382	-	118,680



## (5) Major shareholders

(As of September 30, 2019)

Name	Address	Number of shares held (Shares)	Percentage of total number of shares issued (excluding treasury shares) (%)
Nissan Motor Co., Ltd.	2, Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	506,620,577	34.03
Mitsubishi Corporation	2-3-1, Marunouchi, Chiyoda-ku, Tokyo	298,012,214	20.02
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	38,904,400	2.61
Japan Trustee Services Bank, Ltd. (Trust account)	1-8-11, Harumi, Chuo-ku, Tokyo	31,395,274	2.10
Mitsubishi Heavy Industries, Ltd.	3-2-3, Marunouchi, Chiyoda-ku, Tokyo	21,572,455	1.44
Japan Trustee Services Bank, Ltd. (Trust account 9)	1-8-11, Harumi, Chuo-ku, Tokyo	19,107,700	1.28
MUFG Bank, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	14,877,512	0.99
Japan Trustee Services Bank, Ltd. (Trust account 5)	1-8-11, Harumi, Chuo-ku, Tokyo	14,827,100	0.99
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1 (Standing proxy: MUFG Bank, Ltd.)	VERTIGO BUILDING - POLARIS 2-4 RUE EUGENE RUPPERT L-2453 LUXEMBOURG GRAND DUCHY OF LUXEMBOURG (2-7-1, Marunouchi, Chiyoda-ku, Tokyo, Transaction Services Division)	13,769,300	0.92
JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo)	11,473,810	0.77
Total	-	970,560,342	65.21

(6) Voting rights

(i) Issued shares

(As of September 30, 2019)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (Treasury shares, etc.)	-	-	-
Shares with restricted voting rights (Other)	-	-	-
Shares with complete voting rights (Treasury shares, etc.)	<Treasury shares> Common stock 1,969,400	-	Number of shares for share unit: 100 shares
	<Reciprocal holding> Common stock 400		
Shares with complete voting rights (Other)	Common stock (Note) 1 1,488,212,000	14,882,120	Same as above
Shares less than one unit	Common stock (Note) 2 100,696	-	Same as above
Total number of issued shares	1,490,282,496	-	-
Total number of voting rights	-	14,882,120	-

(Notes) 1. The number of "Shares with complete voting rights (Other)" includes 5,700 shares (57 units of voting rights) in the name of Japan Securities Depository Center, Incorporated.

2. The number of "Shares less than one unit" includes 1 treasury share held by MMC.

(ii) Treasury shares, etc.

(As of September 30, 2019)

Name of shareholders	Address of shareholders	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Percentage of total number of issued shares (%)
<Treasury shares> Mitsubishi Motors Corporation	3-1-21, Shibaura, Minato-ku, Tokyo, Japan	1,969,400	-	1,969,400	0.13
<Reciprocal holding> Nagano Mitsubishi Motor Sales Co., Ltd.	865-1, Aza- Imuraminamioki, Higashiwada, Nagano-shi, Nagano	400	-	400	0.00
Total	-	1,969,800	-	1,969,800	0.13

2. Status of officers

Not applicable.

#### **IV. Financial Information**

1. Basis of preparation of the quarterly consolidated financial statements

The quarterly consolidated financial statements of MMC are prepared in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Order No. 64 of 2007).

2. Independent audit

The quarterly consolidated financial statements for the second quarter ended September 30, 2019 (from July 1, 2019 to September 30, 2019) and six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019) were reviewed by Ernst & Young ShinNihon LLC, in accordance with Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act.

## 1. Quarterly consolidated financial statements

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	500,924	409,458
Notes and accounts receivable - trade	126,398	154,996
Finance receivables	294,423	272,932
Merchandise and finished goods	175,052	166,180
Work in process	18,553	22,614
Raw materials and supplies	40,803	45,510
Other	126,091	115,180
Allowance for doubtful accounts	(1,790)	(1,371)
Total current assets	1,280,457	1,185,501
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	106,095	111,731
Machinery, equipment and vehicles, net	131,431	142,491
Tools, furniture and fixtures, net	61,482	60,261
Land	116,201	132,676
Construction in progress	37,306	36,124
Total property, plant and equipment	452,517	483,285
Intangible assets	39,786	41,875
Investments and other assets		
Investment securities	93,328	77,846
Other	150,645	145,642
Allowance for doubtful accounts	(6,426)	(6,335)
Total investments and other assets	237,548	217,153
Total non-current assets	729,852	742,314
Total assets	2,010,309	1,927,816

(Millions of yen)

As of March 31, 2019

As of September 30, 2019

	As of March 31, 2019	As of September 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	391,785	359,520
Electronically recorded obligations - operating	50,311	70,350
Short-term borrowings	44,419	38,373
Commercial papers	50,800	56,200
Current portion of long-term borrowings	50,377	52,621
Accounts payable - other, and accrued expenses	196,695	141,278
Income taxes payable	11,352	5,829
Provision for product warranties	48,915	49,884
Provision for loss on fuel consumption test	3,758	2,879
Other	74,850	75,625
Total current liabilities	923,267	852,563
Non-current liabilities		
Long-term borrowings	83,122	102,730
Retirement benefit liability	51,615	33,832
Other	71,100	83,385
Total non-current liabilities	205,838	219,948
Total liabilities	1,129,105	1,072,512
<b>Net assets</b>		
Shareholders' equity		
Share capital	284,382	284,382
Capital surplus	200,072	200,072
Retained earnings	463,092	450,726
Treasury shares	(1,728)	(1,728)
Total shareholders' equity	945,818	933,451
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,353	(175)
Deferred gains or losses on hedges	652	514
Foreign currency translation adjustment	(61,281)	(67,405)
Remeasurements of defined benefit plans	(20,758)	(20,409)
Total accumulated other comprehensive income	(74,033)	(87,475)
Share acquisition rights	356	248
Non-controlling interests	9,062	9,079
Total net assets	881,203	855,304
Total liabilities and net assets	2,010,309	1,927,816

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income

	(Millions of yen)	
	FY2018 Six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)	FY2019 Six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)
Net sales	1,169,328	1,127,955
Cost of sales	949,732	957,216
Gross profit	219,595	170,738
Selling, general and administrative expenses		
Advertising and promotion expenses	35,251	24,755
Freight costs	24,673	23,748
Provision of allowance for doubtful accounts	246	(165)
Remuneration, salaries and allowances for directors (and other officers)	37,431	38,869
Retirement benefit expenses	1,939	1,837
Depreciation	6,546	8,597
Research and development expenses	28,940	36,547
Other	27,700	26,314
Total selling, general and administrative expenses	162,731	160,504
Operating profit (loss)	56,864	10,234
Non-operating income		
Interest income	2,199	2,979
Dividend income	1,589	543
Share of profit of entities accounted for using equity method	10,893	3,321
Foreign exchange gains	1,673	-
Other	949	625
Total non-operating income	17,305	7,469
Non-operating expenses		
Interest expenses	1,910	1,939
Foreign exchange losses	-	12,084
Other	3,916	2,433
Total non-operating expenses	5,827	16,458
Ordinary profit (loss)	68,342	1,246
Extraordinary income		
Gain on sales of non-current assets	597	353
Gain on contribution of securities to retirement benefit trust	-	9,376
Gain on step acquisitions	1,081	-
Other	191	302
Total extraordinary income	1,871	10,033
Extraordinary losses		
Loss on retirement of non-current assets	870	1,789
Impairment loss	348	367
Subsidiary transfer cost	-	* 912
Loss on disaster	1,678	-
Other	262	112
Total extraordinary losses	3,159	3,181
Profit (loss) before income taxes	67,054	8,097
Income taxes	14,622	4,840
Income taxes for prior periods	(764)	-
Profit (loss)	53,195	3,257
Profit (loss) attributable to non-controlling interests	1,337	658
Profit (loss) attributable to owners of parent	51,857	2,598

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	FY2018 Six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)	FY2019 Six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)
Profit (loss)	53,195	3,257
Other comprehensive income		
Valuation difference on available-for-sale securities	(645)	(7,528)
Deferred gains or losses on hedges	37	(56)
Foreign currency translation adjustment	7,345	(5,015)
Remeasurements of defined benefit plans, net of tax	2	174
Share of other comprehensive income of entities accounted for using equity method	(2,510)	(1,459)
Total other comprehensive income	4,230	(13,885)
Comprehensive income	57,426	(10,627)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	56,149	(10,843)
Comprehensive income attributable to non-controlling interests	1,276	215

(3) Quarterly consolidated statement of cash flows

	(Millions of yen)	
	FY2018	FY2019
	Six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)	Six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	67,054	8,097
Depreciation	28,904	35,835
Impairment loss	348	367
Gain on contribution of securities to retirement benefit trust	-	(9,376)
Increase (decrease) in allowance for doubtful accounts	(121)	(707)
Increase (decrease) in retirement benefit liability	2,196	743
Interest and dividend income	(3,788)	(3,523)
Interest expenses	1,910	1,939
Foreign exchange losses (gains)	(1,915)	1,877
Share of loss (profit) of entities accounted for using equity method	(10,893)	(3,321)
Loss (gain) on sales and retirement of non-current assets	300	1,468
Decrease (increase) in trade receivables	45,217	(31,088)
Decrease (increase) in finance receivables	(1,299)	21,670
Decrease (increase) in inventories	(32,448)	(2,912)
Increase (decrease) in trade payables	(26,877)	(7,154)
Other, net	(21,412)	(33,070)
Subtotal	47,175	(19,155)
Interest and dividends received	7,679	7,161
Interest paid	(1,910)	(2,023)
Payments related to fuel consumption test	(657)	(879)
Income taxes paid	(23,076)	(10,918)
Net cash provided by (used in) operating activities	29,209	(25,815)
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	12,015	10,854
Purchase of property, plant and equipment	(64,718)	(56,998)
Proceeds from sales of property, plant and equipment	2,585	1,100
Long-term loan advances	(293)	(1,144)
Collection of long-term loans receivable	438	415
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,668)	-
Other, net	(7,018)	(9,556)
Net cash provided by (used in) investing activities	(63,659)	(55,330)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	(40,115)	(6,092)
Increase (decrease) in commercial papers	15,000	5,400
Proceeds from long-term borrowings	22,500	51,200
Repayments of long-term borrowings	(35,732)	(29,167)
Dividends paid	(14,879)	(14,869)
Dividends paid to non-controlling interests	(14,190)	(212)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(7,197)	-
Other, net	(1,814)	(1,507)
Net cash provided by (used in) financing activities	(76,430)	4,751



	(Millions of yen)	
	FY2018	FY2019
	Six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)	Six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)
Effect of exchange rate change on cash and cash equivalents	9,381	(4,163)
Net increase (decrease) in cash and cash equivalents	(101,497)	(80,558)
Cash and cash equivalents at beginning of period	559,036	489,456
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	111	-
Cash and cash equivalents at end of period	* 457,650	* 408,897

## Notes

### *Changes in accounting policies*

Overseas consolidated subsidiaries:

#### IFRS 16 and ASC 842 "Leases"

IFRS 16 and ASC 842 "Leases" have been applied from the first quarter ended June 30, 2019.

In line with this adoption, lessees generally recognize all leases as assets or liabilities on the consolidated balance sheet. For its choice on what method to use for the transition approach in the application of these standards, the MMC Group chose to recognize the amount of the cumulative effect arising from the application of these standards on the date of initial application of these standards.

With the application of these standards, as of the second quarter ended September 30, 2019, property, plant and equipment increased by 22,604 million yen, other in current liabilities by 1,960 million yen, and other in non-current liabilities by 20,672 million yen.

The effect of this change in accounting policy on consolidated profit and loss in the six months ended September 30, 2019 is immaterial.

### *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, 2019, 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.

*Quarterly consolidated balance sheet*

Guarantee obligation

(1) Guarantee recipients

As of March 31, 2019			As of September 30, 2019		
Guaranteed	Guaranteed amount (Millions of yen)	Description of guaranteed obligation	Guaranteed	Guaranteed amount (Millions of yen)	Description of guaranteed obligation
PT. Mitsubishi Motors Krama Yudha Sales Indonesia	6,696	Bank loans	PT. Mitsubishi Motors Krama Yudha Sales Indonesia	6,010	Bank loans
MMD Automobile GmbH	3,469	Liquidation of receivables	MMD Automobile GmbH	-	-
M Motors Automobiles France S.A.S.	2,202	Liquidation of receivables	M Motors Automobiles France S.A.S.	-	-
MM Automobile Schweiz AG	1,066	Liquidation of receivables	MM Automobile Schweiz AG	-	-
PCMA Rus, LLC	252	Bank loans and others	PCMA Rus, LLC	-	-
Employees	376	(Note)	Employees	329	(Note)
Total	14,063		Total	6,340	

(Note) Bank loans for "Employees' property accumulation residence fund," etc.

(2) Retroactive obligation following liquidation of accounts receivable - trade

(Millions of yen)	
As of March 31, 2019	As of September 30, 2019
1,632	888

*Quarterly consolidated statement of income*

\* Subsidiary transfer cost

For the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

It consists of expenses mainly due to transfer of headquarters by Mitsubishi Motors North America, Inc., (MMNA) a wholly owned subsidiary of MMC in the United States.

*Quarterly consolidated statement of cash flows*

\* Reconciliation of cash and cash equivalents at the end of the second quarter and the amount recorded in quarterly consolidated balance sheet is as follows:

(Millions of yen)		
	FY2018 For the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)	FY2019 For the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)
Cash and deposits	458,556	409,458
Time deposits with maturity over three months	(906)	(560)
Cash and cash equivalents	457,650	408,897

*Shareholders' equity*

I. For the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

1. Dividend payment

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on June 22, 2018	Common stock	14,900	10.0	March 31, 2018	June 25, 2018	Retained earnings

2. Dividends whose record dates are in the six months ended September 30, 2018 but whose effective dates are after the end of the second quarter ended September 30, 2018.

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors Meeting held on November 6, 2018	Common stock	14,883	10.0	September 30, 2018	December 4, 2018	Retained earnings

II. For the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

1. Dividend payment

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on June 21, 2019	Common stock	14,883	10.0	March 31, 2019	June 24, 2019	Retained earnings

2. Dividends whose record dates are in the six months ended September 30, 2019, but whose effective dates are after the end of the second quarter ended September 30, 2019.

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors Meeting held on November 6, 2019	Common stock	14,883	10.0	September 30, 2019	December 3, 2019	Retained earnings

*Segment information, etc.*

[Segment information]

I. For the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

1. The amounts of net sales and profits or losses by reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers	1,157,903	11,424	1,169,328	-	1,169,328
(2) Intersegment sales	1,760	200	1,960	(1,960)	-
Total	1,159,663	11,625	1,171,288	(1,960)	1,169,328
Segment profit (loss)	55,603	1,758	57,361	(496)	56,864

(Notes) 1. The adjustment resulted from eliminating transactions among segments.

2. The amount of segment profit (loss) matches the operating profit (loss) in the quarterly consolidated statement of income.

*Supplementary information about geographic region*

1. 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	193,242	186,184	234,792	306,582	113,944	134,582	1,169,328

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

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

2. Net sales and operating profit (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	595,567	175,484	58,954	220,313	113,942	5,065	1,169,328	-	1,169,328
(2) Intersegment sales	382,283	3,540	1,443	254,093	11	-	641,372	(641,372)	-
Total	977,850	179,024	60,398	474,406	113,954	5,065	1,810,700	(641,372)	1,169,328
Operating profit (loss)	3,806	4,144	3,948	37,261	7,842	270	57,272	(408)	56,864

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

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

II. For the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

1. The amounts of net sales and profits or losses by reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers	1,113,424	14,531	1,127,955	-	1,127,955
(2) Intersegment sales	6,627	1,330	7,958	(7,958)	-
Total	1,120,051	15,862	1,135,913	(7,958)	1,127,955
Segment profit (loss)	7,834	2,527	10,361	(127)	10,234

(Notes) 1. The adjustment resulted from eliminating transactions among segments.

2. The amount of segment profit (loss) matches the operating profit (loss) in the quarterly consolidated statement of income.

*Supplementary information about geographic region*

1. 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	234,121	143,384	233,651	322,944	90,725	103,127	1,127,955

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

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

2. Net sales and operating profit (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	452,134	138,814	204,120	237,375	90,725	4,784	1,127,955	-	1,127,955
(2) Intersegment sales	460,586	3,255	1,256	260,470	11	-	725,580	(725,580)	-
Total	912,721	142,069	205,377	497,846	90,737	4,784	1,853,536	(725,580)	1,127,955
Operating profit (loss)	(33,333)	875	7,789	23,558	5,096	232	4,218	6,015	10,234

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

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

*Per share information*

The basis of calculation for basic earnings (loss) per share and the basis of calculation for diluted earnings per share are as follows:

	For the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)	For the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)
(1) Basic earnings (loss) per share (Yen)	34.83	1.75
<i>Basis of calculation</i>		
Profit (loss) attributable to owners of parent (Millions of yen)	51,857	2,598
Amounts not applicable to shareholders of common stock (Millions of yen)	-	-
Profit (loss) attributable to owners of parent pertaining to common stock (Millions of yen)	51,857	2,598
Average number of shares of common stock outstanding during the period (Thousands of shares)	1,488,940	1,488,312
(2) Diluted earnings per share (Yen)	34.80	1.74
<i>Basis of calculation</i>		
Profit attributable to owners of parent (Millions of yen)	-	-
Increase in number of shares of common stock (Thousands of shares)	1,122	1,106
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect with significant changes from the previous fiscal year	-	-

*Subsequent events after reporting period*

Not applicable.





**B. Information on Guarantors for the Company**

Not applicable.

**Independent Auditor's Quarterly Review Report**  
(English Translation)

November 8, 2019

The Board of Directors  
Mitsubishi Motors Corporation

Ernst & Young ShinNihon LLC

Yoji Murohashi  
Designated and Engagement Partner  
Certified Public Accountant

Takeshi Saida  
Designated and Engagement Partner  
Certified Public Accountant

Taichi Muto  
Designated and Engagement Partner  
Certified Public Accountant

We have reviewed, pursuant to the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act of Japan, the quarterly consolidated financial statements included in "Financial Information," which consist of the quarterly consolidated balance sheet, quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income, quarterly consolidated statement of cash flows and notes thereto of Mitsubishi Motors Corporation ("MMC") for the second quarter ended September 30, 2019 (July 1, 2019 through September 30, 2019) and the six months ended September 30, 2019 (April 1, 2019 through September 30, 2019).

*Management's Responsibility for the Quarterly Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the quarterly consolidated financial statements in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on these quarterly consolidated financial statements independently based on our review. We conducted our review in accordance with the quarterly review standards generally accepted in Japan. A quarterly review consists principally of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical procedures and other quarterly review procedures. Quarterly review procedures are more limited in scope compared with an annual audit conducted in accordance with auditing standards generally accepted in Japan.

We believe that we have obtained evidence to form the basis for the statements of conclusion.

*Auditor's Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above do not present fairly, in all material respects, the financial position of MMC and its consolidated subsidiaries as of September 30, 2019, and the results of their operations and their cash flows for the six-month period then ended in conformity with accounting principles for quarterly consolidated financial statements generally accepted in Japan.

*Conflict of Interest*

We have no interest in or relationship with MMC which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Act of Japan.

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(Notes) 1. The English translation has no legal force and is provided for convenience only.

2. The document presented above is a digitized copy of the original version of the Independent Auditor's Quarterly Review Report. The original report is kept separately by MMC (the filing company of the Quarterly Securities Report).

3. XBRL data is not included in the scope of the quarterly review.

## **[Cover page]**

Document title: Confirmation Letter ("*Kakuninsho*")

Clause of stipulation: Article 24-4-8, paragraph 1 of the Financial Instruments and Exchange Act

Place of filing: Director-General of the Kanto Local Finance Bureau

Filing date: November 8, 2019

Company name: 三菱自動車工業株式会社 (*Mitsubishi Jidosha Kogyo Kabushiki Kaisha*)

Company name in English: MITSUBISHI MOTORS CORPORATION

Title and name of representative: Takao Kato, Representative Executive Officer, CEO

Title and name of chief financial officer: Koji Ikeya, Representative Executive Officer, Executive Vice President, CFO

Address of registered headquarters: 3-1-21, Shibaura, Minato-ku, Tokyo, Japan

Place for public inspection: Tokyo Stock Exchange, Inc.  
2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo, Japan

1. Appropriateness of the descriptions in this Quarterly Securities Report

Takao Kato, Representative Executive Officer, CEO, and Koji Ikeya, Chief Financial Officer of Mitsubishi Motors Corporation, have confirmed that this quarterly securities report for the second quarter of FY2019 (July 1, 2019 through September 30, 2019) is reasonably and fairly stated in accordance with the Financial Instruments and Exchange Act and related regulations.

2. Special notes

There are no noteworthy matters that are pertinent to this quarterly securities report.