

Quarterly Securities Report

First Quarter of FY2022

(From April 1, 2022 to June 30, 2022)

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

MITSUBISHI MOTORS CORPORATION

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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, President & CEO

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Telephone number: +81-3-3456-1111 (Main telephone number)

Name of contact person: Natsuji Okino, General Manager, Accounting Dept.

Nearest place of contact: 3-1-21, Shibaura, Minato-ku, Tokyo, Japan

Telephone number: +81-3-3456-1111 (Main telephone number)

Name of contact person: Natsuji Okino, General Manager, Accounting Dept.

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 | | FY2021 For the three months ended June 30, 2021 | FY2022 For the three months ended June 30, 2022 | FY2021 |
|---|--------------------|---|---|---|
| Period | | From April 1, 2021 to June 30, 2021 | From April 1, 2022 to June 30, 2022 | From April 1, 2021 to March 31, 2022 |
| Net sales | Millions of yen | 431,940 | 528,698 | 2,038,909 |
| Ordinary profit (loss) | Millions of yen | 11,193 | 49,476 | 100,969 |
| Profit (loss) attributable to owners of parent | Millions of yen | 6,091 | 38,560 | 74,037 |
| Comprehensive income | Millions of yen | 1,908 | 73,251 | 106,757 |
| Net assets | Millions of yen | 526,890 | 703,608 | 630,301 |
| Total assets | Millions of yen | 1,736,112 | 1,914,802 | 1,928,443 |
| Basic earnings (loss) per share | Yen | 4.09 | 25.91 | 49.76 |
| Diluted earnings per share | Yen | 4.09 | 25.91 | 49.74 |
| Equity-to-asset ratio | % | 29.27 | 35.38 | 31.46 |

- (Notes) 1. Mitsubishi Motors Corporation (“MMC”) prepares quarterly consolidated financial statements. Therefore, summary of business results of reporting company is not noted.
2. When calculating “basic earnings (loss) per share” and “diluted earnings per share,” shares of MMC held by the Board Incentive Plan (BIP) Trust have been included in treasury shares excluded from the calculation of the average number of shares during the periods.

2. Description of business

In the three months ended June 30, 2022, 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 three months ended June 30, 2022, 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

Any future forecasts included in the following descriptions are based on the best estimates or judgment of the MMC Group as of June 30, 2022.

(1) Financial position and operating results

(i) Operating results

MMC started FY2022 in an uncertain business environment that included a lockdown in the Shanghai region in China, global shortages in parts supplies, and disruption to logistics. At the same time, we gradually saw the outcomes of initiatives to improve sales quality that we have promoted since the previous fiscal year, which were helped by foreign exchange rates, and MMC results significantly improved year on year.

As a result, net sales of the MMC Group were 528.7 billion yen (an increase of 96.8 billion yen year on year, or up 22% year on year). Operating profit improved to 30.8 billion yen (an increase of 20.2 billion yen year on year, or up 191% year on year) due to factors such as the effect of new automobiles launched in the previous fiscal year, normalization of sales activities in ASEAN markets, and improvements in the mix and sales pricing. Ordinary profit was 49.5 billion yen (an increase of 38.3 billion yen year on year, or up 342% year on year), and profit attributable to owners of parent was 38.6 billion yen (an increase of 32.5 billion yen year on year, or up 533% year on year).

Furthermore, global sales for the three months ended June 30, 2022 were 217,000 units. The status of operations in each major region was as follows:

- ASEAN: 65,000 units (up 7,000 units year on year)
- Australia and New Zealand: 24,000 units (down 1,000 units year on year)
- Japan: 18,000 units (up 3,000 units year on year)
- China and Other: 11,000 units (down 10,000 units year on year)
- North America: 35,000 units (down 4,000 units year on year)
- Europe: 20,000 units (down 13,000 units year on year)
- Central America, Middle East, Africa and Other: 44,000 units (up 5,000 units year on year)

The status of operations in each major region was as follows.

In Thailand, the number of new COVID-19 cases has fallen since April, and restrictions on people's movements have been relaxed in stages, while progress has also been made in the resumption of receiving tourists. On the other hand, there has been no vast improvement in the shortages in supplies of parts such as semiconductors, which has affected overall demand. MMC has also been affected by semiconductor shortages and the shortages of parts due to the lockdown in Shanghai, particularly in products such as *XPANDER*, *Triton* and *Pajero Sport*, which are the core of our sales. The new *XPANDER*, which was launched in spring this year, has been well received and recorded the top market share within this segment.

Similarly, Indonesia has been greatly affected, particularly in relation to the *XPANDER*, by curbs on production due to constraints on parts supplies and the lockdown in Shanghai. However, the

number of orders received itself was strong, and priority has been given to fulfilling the backlog of orders. We forecast that parts supplies will remain unstable, so we will strive to boost the sales for models and grades with few supply constraints while simultaneously following up with waiting customers.

In the Philippines, where there has been a recovery in economic activity with the relaxation of restrictions on people's movements, there have been moves towards normalization of bank loan inspections that had been a bottleneck for sales. MMC has seen growth in the number of vehicles sold and corresponding market share with a recovery from May in sales of *Mirage*, which had been struggling due to the tighter loan approval standards, and with sales of the new *XPANDER*, which was launched in May.

In Vietnam, demand has recovered, particularly for *XPANDER* and *Attrage* due to the revitalization of domestic tourism demand and the impact of the relaxation of regulations on entering the country from mid-March. In addition, the market greatly expanded with the rush in demand prompted by the implementation of the government's economic stimulus measures up until May. Although a counter-reactionary decline was subsequently recorded in June, this was followed by another recovery. Meanwhile, there was also an impact from the lockdowns in Shanghai, and we were unable to adequately respond to the growth in demand.

A similar situation was faced in Malaysia with a solid market recovery as well as strong MMC sales.

While we anticipate the trend for recovery in demand will continue in all countries, the outlook remains uncertain due to the impact on consumer purchasing sentiment from higher crude oil prices and higher inflation triggered by the deterioration of the situation in Ukraine, as well as the constraints on production due to issues such as shortages of parts. We continue to focus on these issues while promoting sales measures in each country.

In Australia, overall demand is sluggish with no signs of alleviation to the constraints on the supply of vehicles. MMC sales have focused on selling *Outlander* and *Pajero Sport* for which stock had been prepared, and we were able to secure market share and the number of vehicles sold.

In regard to total automobile demand in New Zealand, although demand for electric vehicles such as PHEV/EV was strong due to the Clean Car Discount scheme, this was not sufficient to cover the decline caused by the introduction of a system that taxes according to the volume of CO₂ emissions from April 2022. Under such circumstances, MMC sales increased its market share year on year due to the increased sales of *Eclipse Cross* PHEV model and *Outlander* PHEV model, which are eligible for subsidies under the Clean Car Discount scheme.

In future, we anticipate the risk of downward sales momentum in Australia due to lower business sentiment and lower consumer sentiment. Even in New Zealand, which has recently been strong, higher inflation suggests that consumer sentiment could cool. While monitoring the situation, we will aim to minimize the impact of semiconductor shortages on production numbers and maximize the new model effect.

In North America, the supply of vehicles could not at all keep up with the soaring demand, and growth in overall demand was sluggish due to the impact of delayed parts supplies caused by semiconductor shortages and the lockdowns in Shanghai.

MMC maintains strong sales for the new *Outlander* and prioritized supply to dealers for retail sales, but being unable to meet the soaring demand, continues to carry a large backlog of orders.

Such disruption has meant new car inventories remain at historical low levels, and we anticipate some time will be required before reaching a period of improvement in the demand and supply. On the other hand, in future, we need to monitor the risks of increased incentives and economic slowdown due to the drop in used care prices and the sharp rise in interest rates.

MMC will continue to do our utmost to achieve a shift into sales that do not rely on incentives by promoting the attractiveness of our products through further sales promotion of the well-received new *Outlander*, which has recorded 13 consecutive months of monthly sales in excess of 3,000 vehicles.

Total automobile demand in Japan was also at low levels with ongoing production constraints due to factors that have similarly affected other countries such as semiconductor shortages and the impact of the lockdowns in Shanghai.

Under such circumstances, MMC posted strong sales for the first quarter ended June 30, 2022 due to strong sales of new *Outlander* PHEV model and *eK XEV*, as well as a faster than anticipated turnaround from production delays.

The business environment surrounding MMC remains uncertain such as with the chronic shortage of semiconductors and concerns about an economic downturn due to inflation. We will aim to maximize the strong new model effect and also focus on improving service and the quality of interactions with customers, with the aim of improving the quality of overall sales.

(ii) Operating results per segment

i) Automobile business

Net sales for the three months ended June 30, 2022 were 522.1 billion yen (an increase of 96.6 billion yen year on year), and operating profit was 29.2 billion yen (an increase of 19.2 billion yen year on year). There was an improvement year on year due to the effect of new automobiles launched in the previous fiscal year, normalization of sales activities in ASEAN markets, and improvements in the mix and sales pricing.

ii) Financial service business

Net sales for the three months ended June 30, 2022 were 8.7 billion yen (a decrease of 1.2 billion yen year on year), and operating profit was 1.2 billion yen (an increase of 0.0 billion yen year on year).

(iii) Financial position

Total assets as of June 30, 2022 amounted to 1,914.8 billion yen (down 13.6 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 479.5 billion yen (down 32.0 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,211.2 billion yen (down 86.9 billion yen from the end of the previous fiscal year). Of total liabilities, the interest bearing debt balance was 433.4 billion yen (down 47.1 billion yen from the end of the previous fiscal year). Net assets as of June 30, 2022 amounted to 703.6 billion yen (up 73.3 billion yen from the end of the previous fiscal year).

(2) 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 three months ended June 30, 2022.

(3) Research and development activities

Research and development spending by the MMC Group in the three months ended June 30, 2022 (automobile business) totaled 25,527 million yen.

There were no material changes in the conditions of the MMC Group's research and development activities during the three months ended June 30, 2022.

(4) Production, orders and sales

(i) Production

Production for the three months ended June 30, 2022 was as follows:

| | For the three months ended June 30, 2022 Quantity (Units) | vs. for the three months ended June 30, 2021 (%) |
|----------|---|---|
| Japan | 83,424 | 91.8 |
| Overseas | 117,512 | 89.7 |
| Total | 200,936 | 90.5 |

(ii) Sales

Sales results for the three months ended June 30, 2022 were as follows:

| | For the three months ended June 30, 2022 | | vs. for the three months ended June 30, 2021 (%) | |
|----------|---|-----------------------------|---|--------|
| | Quantity (Units) | Amount (Millions of yen) | Quantity | Amount |
| Japan | 47,408 | 112,241 | 144.0 | 148.7 |
| Overseas | 174,002 | 416,456 | 94.1 | 116.8 |
| Total | 221,410 | 528,698 | 101.6 | 122.4 |

(Note) 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.

3. Critical contracts for operation

No critical contracts for operation were decided or entered into during the first quarter ended June 30, 2022.

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 June 30, 2022) (Shares) | Number of issued shares (As of the filing date: August 4, 2022) (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 (Prime Market) | 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 April 1, 2022 to June 30, 2022 | — | 1,490,282,496 | — | 284,382 | — | 118,680 |

(5) Major shareholders

The major shareholders are not required to be presented on account of the current quarterly accounting period being the first quarter ended June 30, 2022.

(6) Voting rights

As MMC is unable to confirm at this time the information stated in the shareholders register concerning the information on voting rights as of June 30, 2022, MMC presents information from the shareholders register of the latest preceding record date (March 31, 2022).

(i) Issued shares

(As of March 31, 2022)

| 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 | 1,292,500 | Number of shares for share unit: 100 shares | |
| | <Reciprocal holding> Common stock | 400 | | |
| Shares with complete voting rights (Other) | Common stock (Note) 1 | 1,488,822,500 | 14,888,225 | Same as above |
| Shares less than one unit | Common stock (Note) 2 | 167,096 | – | Same as above |
| Total number of issued shares | 1,490,282,496 | – | – | – |
| Total number of voting rights | – | 14,888,225 | – | – |

(Notes) 1. The number of “Shares with complete voting rights (Other)” includes 1,137,600 shares (11,376 units of voting rights) of MMC held by Board Incentive Plan (BIP) Trust and 5,700 shares (57 units of voting rights) in the name of Japan Securities Depository Center, Incorporated.

The 11,376 units of voting rights in the officer compensation BIP Trust are not to be exercised.

2. The number of “Shares less than one unit” includes 12 treasury shares held by MMC and 50 shares of MMC held by Board Incentive Plan (BIP) Trust.

(ii) Treasury shares, etc.

(As of March 31, 2022)

| 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 | 1,292,500 | – | 1,292,500 | 0.08 |
| <Reciprocal holding> Nagano Mitsubishi Motor Sales Co., Ltd. | 865-1, Aza- Imuraminamioki, Higashiwada, Nagano-shi, Nagano | 400 | – | 400 | 0.00 |
| Total | – | 1,292,900 | – | 1,292,900 | 0.08 |

(Note) The number of “Treasury shares” does not include shares of MMC held by Board Incentive Plan (BIP) Trust.

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 first quarter ended June 30, 2022 (from April 1, 2022 to June 30, 2022) and three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022) 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, 2022 | As of June 30, 2022 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 511,502 | 479,537 |
| Notes and accounts receivable - trade, and contract assets | 119,829 | 126,775 |
| Finance receivables | 222,463 | 221,829 |
| Merchandise and finished goods | 192,292 | 168,826 |
| Work in process | 43,293 | 46,479 |
| Raw materials and supplies | 64,006 | 69,676 |
| Other | 111,992 | 125,030 |
| Allowance for doubtful accounts | (9,459) | (13,565) |
| Total current assets | 1,255,920 | 1,224,590 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 85,110 | 86,013 |
| Machinery, equipment and vehicles, net | 132,116 | 135,895 |
| Tools, furniture and fixtures, net | 64,638 | 62,935 |
| Land | 123,068 | 125,239 |
| Construction in progress | 24,521 | 24,242 |
| Total property, plant and equipment | 429,455 | 434,325 |
| Intangible assets | 38,273 | 37,725 |
| Investments and other assets | | |
| Investment securities | 98,433 | 106,376 |
| Other | 110,081 | 115,613 |
| Allowance for doubtful accounts | (3,720) | (3,829) |
| Total investments and other assets | 204,794 | 218,160 |
| Total non-current assets | 672,523 | 690,212 |
| Total assets | 1,928,443 | 1,914,802 |

(Millions of yen)

| | As of March 31, 2022 | As of June 30, 2022 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 324,091 | 296,939 |
| Electronically recorded obligations - operating | 56,612 | 60,144 |
| Short-term borrowings | 21,778 | 20,286 |
| Commercial papers | 43,000 | 55,700 |
| Current portion of long-term borrowings | 292,134 | 92,782 |
| Accounts payable - other, and accrued expenses | 204,894 | 171,027 |
| Income taxes payable | 8,487 | 7,247 |
| Provision for product warranties | 50,029 | 53,195 |
| Other | 83,144 | 96,735 |
| Total current liabilities | 1,084,173 | 854,058 |
| Non-current liabilities | | |
| Long-term borrowings | 95,768 | 234,860 |
| Retirement benefit liability | 32,240 | 33,607 |
| Other | 85,960 | 88,666 |
| Total non-current liabilities | 213,968 | 357,134 |
| Total liabilities | 1,298,142 | 1,211,193 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 284,382 | 284,382 |
| Capital surplus | 199,837 | 199,632 |
| Retained earnings | 169,694 | 208,254 |
| Treasury shares | (1,382) | (1,018) |
| Total shareholders' equity | 652,531 | 691,251 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,111 | 2,644 |
| Deferred gains or losses on hedges | (31) | (4,539) |
| Foreign currency translation adjustment | (32,571) | 3,663 |
| Remeasurements of defined benefit plans | (14,267) | (15,551) |
| Total accumulated other comprehensive income | (45,759) | (13,782) |
| Share acquisition rights | 195 | 44 |
| Non-controlling interests | 23,334 | 26,095 |
| Total net assets | 630,301 | 703,608 |
| Total liabilities and net assets | 1,928,443 | 1,914,802 |

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

Quarterly consolidated statement of income

(Millions of yen)

| | FY2021 For the three months ended June 30, 2021 | FY2022 For the three months ended June 30, 2022 |
|---|---|---|
| Net sales | 431,940 | 528,698 |
| Cost of sales | 360,262 | 425,218 |
| Gross profit | 71,678 | 103,479 |
| Selling, general and administrative expenses | | |
| Advertising and promotion expenses | 7,601 | 9,994 |
| Freight costs | 9,646 | 14,179 |
| Provision of allowance for doubtful accounts | (319) | (1,484) |
| Remuneration, salaries and allowances for directors (and other officers) | 16,727 | 17,841 |
| Retirement benefit expenses | 824 | 899 |
| Depreciation | 3,154 | 3,506 |
| Research and development expenses | 13,934 | 16,055 |
| Other | 9,524 | 11,703 |
| Total selling, general and administrative expenses | 61,094 | 72,696 |
| Operating profit (loss) | 10,584 | 30,783 |
| Non-operating income | | |
| Interest income | 357 | 1,057 |
| Foreign exchange gains | – | 17,288 |
| Share of profit of entities accounted for using equity method | 2,141 | 2,255 |
| Other | 748 | 746 |
| Total non-operating income | 3,247 | 21,347 |
| Non-operating expenses | | |
| Interest expenses | 1,191 | 945 |
| Foreign exchange losses | 522 | – |
| Litigation expenses | 246 | 755 |
| Other | 677 | 954 |
| Total non-operating expenses | 2,638 | 2,654 |
| Ordinary profit (loss) | 11,193 | 49,476 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 170 | 26 |
| Gain on sale of investments in capital of subsidiaries and associates | 2,793 | – |
| Other | 92 | 6 |
| Total extraordinary income | 3,057 | 32 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 257 | 244 |
| Loss on sale of non-current assets | 11 | 2 |
| Impairment losses | 25 | – |
| Other | 50 | 11 |
| Total extraordinary losses | 346 | 258 |
| Profit (loss) before income taxes | 13,904 | 49,250 |
| Income taxes | 6,301 | 9,896 |
| Profit (loss) | 7,603 | 39,354 |
| Profit (loss) attributable to non-controlling interests | 1,512 | 793 |
| Profit (loss) attributable to owners of parent | 6,091 | 38,560 |

Quarterly consolidated statement of comprehensive income

(Millions of yen)

| | FY2021 For the three months ended June 30, 2021 | FY2022 For the three months ended June 30, 2022 |
|--|---|---|
| Profit (loss) | 7,603 | 39,354 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 258 | 1,532 |
| Deferred gains or losses on hedges | (206) | (4,488) |
| Foreign currency translation adjustment | (3,304) | 30,728 |
| Remeasurements of defined benefit plans, net of tax | (4,857) | (1,230) |
| Share of other comprehensive income of entities accounted for using equity method | 2,415 | 7,354 |
| Total other comprehensive income | (5,694) | 33,897 |
| Comprehensive income | 1,908 | 73,251 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 310 | 70,537 |
| Comprehensive income attributable to non-controlling interests | 1,598 | 2,714 |

Notes

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.

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 first quarter ended June 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.

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.

Quarterly consolidated balance sheet

Guarantee obligation

(1) Guarantee recipients

| As of March 31, 2022 | | | As of June 30, 2022 | | |
|------------------------------------|--|---|------------------------------------|--|---|
| Guaranteed | Guaranteed amount (Millions of yen) | Description of guaranteed obligation | Guaranteed | Guaranteed amount (Millions of yen) | Description of guaranteed obligation |
| MMD Automobile GmbH | 2,911 | Liquidation of receivables | MMD Automobile GmbH | 157 | Liquidation of receivables |
| Mitsubishi Corporation | 875 | Liquidation of receivables | Mitsubishi Corporation | 428 | Liquidation of receivables |
| MM Automobile Schweiz AG | 109 | Liquidation of receivables | MM Automobile Schweiz AG | 169 | Liquidation of receivables |
| M Motors Automobiles France S.A.S. | 19 | Liquidation of receivables | M Motors Automobiles France S.A.S. | 210 | Liquidation of receivables |
| Employees | 160 | (Note) | Employees | 160 | (Note) |
| Total | 4,076 | | Total | 1,127 | |

(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, 2022 | As of June 30, 2022 |
| 1,162 | 1,151 |

Quarterly consolidated statement of cash flows

There is no quarterly consolidated statement of cash flows for the three months ended June 30, 2022. In addition, depreciation cost for the three months ended June 30, 2022 is as follows:

| | (Millions of yen) | |
|--------------|---|---|
| | FY2021 | FY2022 |
| | For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021) | For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022) |
| Depreciation | 13,342 | 14,369 |

Shareholders' equity

I. For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

1. Dividend payment

Not applicable.

2. Dividends whose record dates are in the three months ended June 30, 2021 but whose effective dates are after the end of the first quarter ended June 30, 2021.

Not applicable.

3. Significant changes in the amount of shareholders' equity

Not applicable.

II. For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Dividend payment

Not applicable.

2. Dividends whose record dates are in the three months ended June 30, 2022 but whose effective dates are after the end of the first quarter ended June 30, 2022.

Not applicable.

3. Significant changes in the amount of shareholders' equity

Not applicable.

Segment information, etc.

[Segment information]

I. For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

1. The amounts of net sales and profits or losses by reportable segment, and information on disaggregation of revenue

(Millions of yen)

| | Automobiles | Financial services | Total | Adjustment (Note 1) | Grand total (Note 2) |
|---------------------------------------|-------------|--------------------|---------|------------------------|-------------------------|
| Net sales | | | | | |
| (1) Net sales to external customers | | | | | |
| Revenue from Contracts with Customers | 422,422 | 4,881 | 427,303 | – | 427,303 |
| Other revenue | 117 | 4,519 | 4,637 | – | 4,637 |
| Subtotal | 422,539 | 9,400 | 431,940 | – | 431,940 |
| (2) Intersegment sales | 2,946 | 511 | 3,458 | (3,458) | – |
| Total | 425,486 | 9,912 | 435,398 | (3,458) | 431,940 |
| Segment profit (loss) | 10,007 | 1,202 | 11,210 | (626) | 10,584 |

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

For information about geographic information, please refer to “II. For the three months ended June 30, 2022, Supplementary information about geographic region, 1. Change in geographic information.”

2. Net sales to external customers classified by the geographic location of the external customers, and information on disaggregation of revenue

(Millions of yen)

| | Japan | North America | Europe | Asia | Oceania | Other | Total |
|---------------------------------------|--------|---------------|--------|---------|---------|--------|---------|
| Net sales | | | | | | | |
| Net sales to external customers | | | | | | | |
| Revenue from contracts with customers | 70,915 | 84,466 | 48,901 | 107,931 | 57,779 | 57,309 | 427,303 |
| Other revenue | 4,534 | 69 | – | – | 33 | – | 4,637 |
| Total | 75,450 | 84,535 | 48,901 | 107,931 | 57,812 | 57,309 | 431,940 |

(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

3. Net sales and operating profit (loss) classified by the geographic location of MMC and its consolidated subsidiaries, and information on disaggregation of revenue

(Millions of yen)

| | Japan | North America | Europe | Asia | Oceania | Other | Total | Adjustment | Grand total |
|---------------------------------------|---------|---------------|--------|---------|---------|-------|---------|------------|-------------|
| Net sales | | | | | | | | | |
| (1) External customers | | | | | | | | | |
| Revenue from Contracts with Customers | 152,113 | 83,752 | 42,475 | 89,413 | 57,779 | 1,770 | 427,303 | – | 427,303 |
| Other revenue | 4,534 | 69 | – | – | 33 | – | 4,637 | – | 4,637 |
| Subtotal | 156,647 | 83,821 | 42,475 | 89,413 | 57,812 | 1,770 | 431,940 | – | 431,940 |
| (2) Intersegment sales | 183,191 | 1,009 | 492 | 111,303 | 3 | – | 296,000 | (296,000) | – |
| Total | 339,839 | 84,830 | 42,968 | 200,716 | 57,815 | 1,770 | 727,941 | (296,000) | 431,940 |
| Operating profit (loss) | (7,064) | 10,474 | 1,674 | 6,716 | 3,913 | 97 | 15,811 | (5,227) | 10,584 |

(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, Vietnam, the Philippines
- (4) Oceania.....Australia, New Zealand
- (5) Other.....U.A.E.

II. For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. The amounts of net sales and profits or losses by reportable segment, and information on disaggregation of revenue

(Millions of yen)

| | Automobiles | Financial services | Total | Adjustment (Note 1) | Grand total (Note 2) |
|---------------------------------------|-------------|--------------------|---------|---------------------|----------------------|
| Net sales | | | | | |
| (1) Net sales to external customers | | | | | |
| Revenue from Contracts with Customers | 520,697 | 3,137 | 523,834 | – | 523,834 |
| Other revenue | 142 | 4,721 | 4,863 | – | 4,863 |
| Subtotal | 520,839 | 7,858 | 528,698 | – | 528,698 |
| (2) Intersegment sales | 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. 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. 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 first quarter of the previous fiscal year have been reclassified to conform to the new classification.

2. Net sales to external customers classified by the geographic location of the external customers, and information on disaggregation of revenue

(Millions of yen)

| | Japan | North America | Europe | Asia | Oceania | Other | Grand 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 revenue | 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

3. Net sales and operating profit (loss) classified by the geographic location of MMC and its consolidated subsidiaries, and information on disaggregation of revenue

(Millions of yen)

| | Japan | North America | Europe | Asia | Oceania | Other | Total | Adjustment | Grand total |
|---------------------------------------|---------|---------------|--------|---------|---------|-------|---------|------------|-------------|
| Net sales | | | | | | | | | |
| (1) External customers | | | | | | | | | |
| Revenue from Contracts with Customers | 202,935 | 105,150 | 27,364 | 109,911 | 74,825 | 3,646 | 523,834 | – | 523,834 |
| Other revenue | 4,751 | 91 | – | – | 20 | – | 4,863 | – | 4,863 |
| Subtotal | 207,686 | 105,242 | 27,364 | 109,911 | 74,846 | 3,646 | 528,698 | – | 528,698 |
| (2) Intersegment sales | 178,030 | 839 | 232 | 132,083 | 0 | – | 311,186 | (311,186) | – |
| Total | 385,716 | 106,081 | 27,596 | 241,995 | 74,846 | 3,646 | 839,884 | (311,186) | 528,698 |
| Operating profit (loss) | (4,332) | 19,776 | 1,928 | 4,509 | 8,660 | 323 | 30,864 | (81) | 30,783 |

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

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

Revenue recognition

Information on disaggregation of revenue from contracts with customers is as described in “Notes - Segment information, etc.”

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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021) | For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022) |
|--|---|---|
| (1) Basic earnings (loss) per share (Yen) | 4.09 | 25.91 |
| <i>Basis of calculation</i> | | |
| Profit (loss) attributable to owners of parent (Millions of yen) | 6,091 | 38,560 |
| 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) | 6,091 | 38,560 |
| Average number of shares of common stock outstanding during the period (Thousands of shares) | 1,487,613 | 1,487,973 |
| (2) Diluted earnings per share (Yen) | 4.09 | 25.91 |
| <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) | 778 | 459 |
| 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 | – | – |

(Note) When calculating “basic earnings (loss) per share” and “diluted earnings per share,” shares of MMC held by the Board Incentive Plan (BIP) Trust have been included in treasury shares excluded from the calculation of the average number of shares during the period (1,146 thousand shares in the three months ended June 30, 2021; 1,123 thousand shares in the three months ended June 30, 2022).

Subsequent events after reporting period

Not applicable.

2. Others

Not applicable.

B. Information on Guarantors for the Company

Not applicable.

Independent Auditor's Quarterly Review Report
(English Translation)

August 4, 2022

The Board of Directors

MITSUBISHI MOTORS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo, Japan

Hirohisa Fukuda
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

Auditor's Conclusion

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 and notes thereto of MITSUBISHI MOTORS CORPORATION ("MMC") for the first quarter ended June 30, 2022 (April 1, 2022 through June 30, 2022) and the three months ended June 30, 2022 (April 1, 2022 through June 30, 2022).

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 June 30, 2022, and the operating results for the three-month period then ended in conformity with accounting principles for quarterly consolidated financial statements generally accepted in Japan.

Basis for Auditor's Conclusion

We conducted our review in accordance with the quarterly review standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Quarterly Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained evidence to form the basis for the statements of conclusion.

Responsibilities of Management and Audit Committee 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.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles for quarterly consolidated financial statements generally accepted in Japan, matters related to going concern.

Audit Committee is responsible for overseeing the performance of duties by Executive Officers and Directors regarding the development and operation of the Group's financial reporting process.

Auditor's Responsibilities for the Quarterly Review of the Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion on these quarterly consolidated financial statements in the Independent Auditor's Quarterly Review Report independently based on our review.

As part of a quarterly review in accordance with the quarterly review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the quarterly review. We also:

- A quarterly review consists principally of making inquiries, primarily to 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.
- If a material uncertainty exists related to events or conditions that may cast significant doubt on the matters concerning the ability of the Group to continue as a going concern, we shall conclude, based on the evidence obtained, whether there are matters that cause us to believe the quarterly consolidated financial statements and disclosures have not been presented fairly in conformity with accounting principles for quarterly financial statements generally accepted in Japan. In addition, if we conclude that a material uncertainty exists concerning the ability of the Group to continue as a going concern, we are required to draw attention in our quarterly review report to the related disclosures in the quarterly consolidated financial statements, or if the relevant disclosures in the quarterly consolidated financial statements concerning material uncertainty are inadequate, provide a qualified conclusion or a negative conclusion in relation to the quarterly consolidated financial statements. Our conclusions are based on the evidence obtained up to the date of the quarterly review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether there are matters that cause us to believe the quarterly consolidated financial statements and disclosures have not been prepared in conformity with accounting principles for quarterly financial statements generally accepted in Japan and whether there are matters that cause us to believe the overall presentation, structure and content of the quarterly consolidated financial statements, including the disclosures, and the transactions and events that underlie the quarterly consolidated financial statements have not been presented fairly.
- Obtain evidence regarding the financial information of MMC and its consolidated subsidiaries to express a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and performance regarding the quarterly review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We report to the Audit Committee regarding the planned scope and timing of the quarterly review and significant findings that we identify during the quarterly review.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflict of Interest

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

(Notes) 1. The original of the Independent Auditor's Quarterly Review Report above is kept separately by MMC (the filing company of the Quarterly Securities Report).

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

[Cover page]

| | |
|--|--|
| Document title: | Confirmation Letter (“ <i>Kakuninsho</i> ”) |
| 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: | August 4, 2022 |
| Company name: | 三菱自動車工業株式会社 (<i>Mitsubishi Jidosha Kogyo Kabushiki Kaisha</i>) |
| Company name in English: | MITSUBISHI MOTORS CORPORATION |
| Title and name of representative: | Takao Kato, Representative Executive Officer, President & 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, President & CEO, and Koji Ikeya, Chief Financial Officer of MITSUBISHI MOTORS CORPORATION, have confirmed that this quarterly securities report for the first quarter of FY2022 (April 1, 2022 through June 30, 2022) 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.