

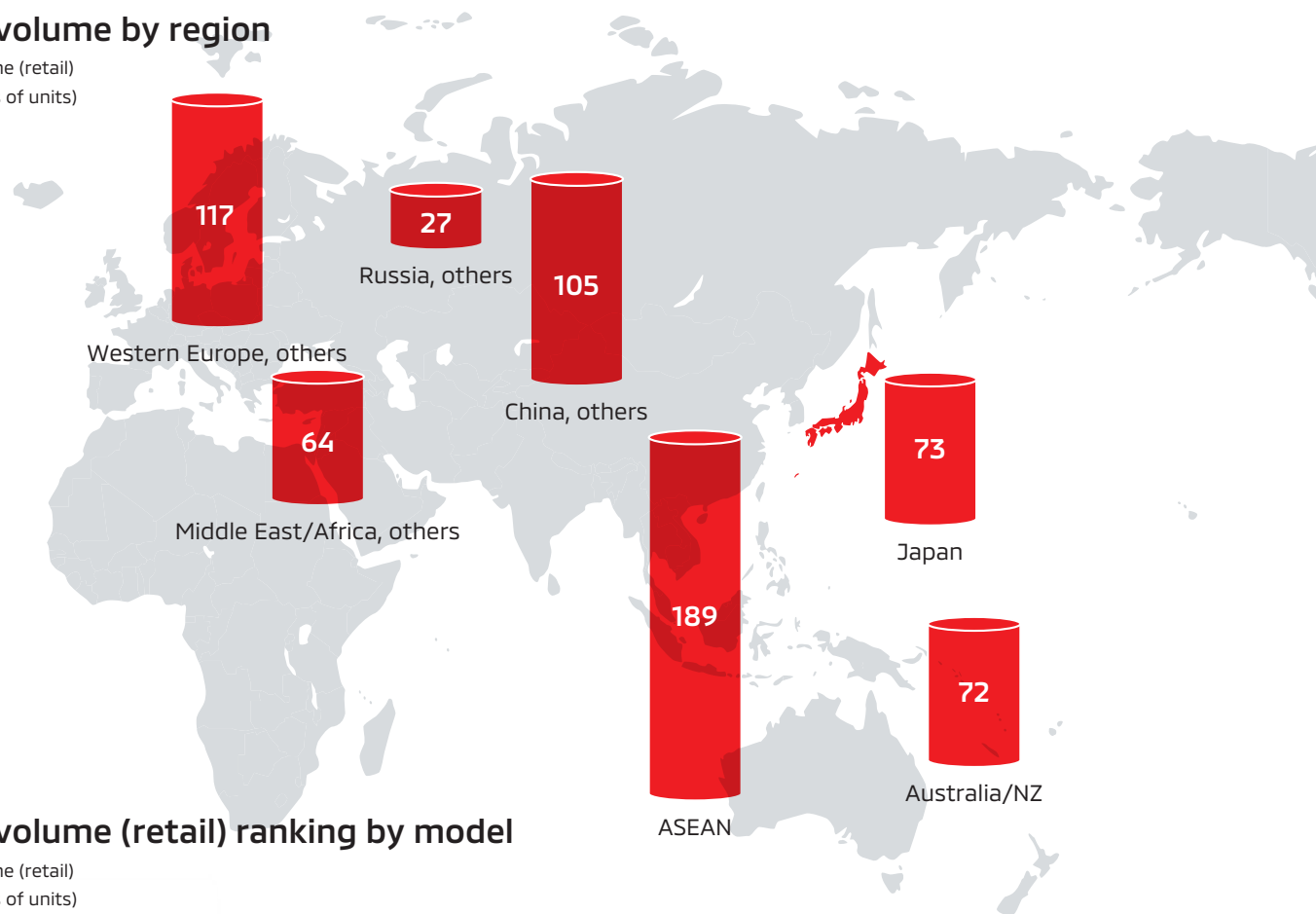
Business and Financial Condition

Sales and Production Data

Fiscal 2020 Sales volume (retail): **801,000** units;
production volume: **814,000** units

Sales volume by region

Sales volume (retail)
(Thousands of units)



Sales volume (retail) ranking by model

Sales volume (retail)
(Thousands of units)



Outlander 172 (PHEV 31)



Triton/L200 145



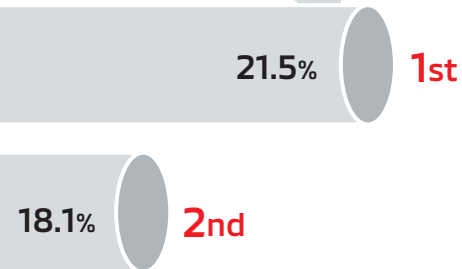
RVR 97 12.1% **3rd**
(ASX, Outlander Sport)



XPANDER 69 8.6% **4th**



Mirage 57 7.1% **5th**
(Space Star)



Production capacity

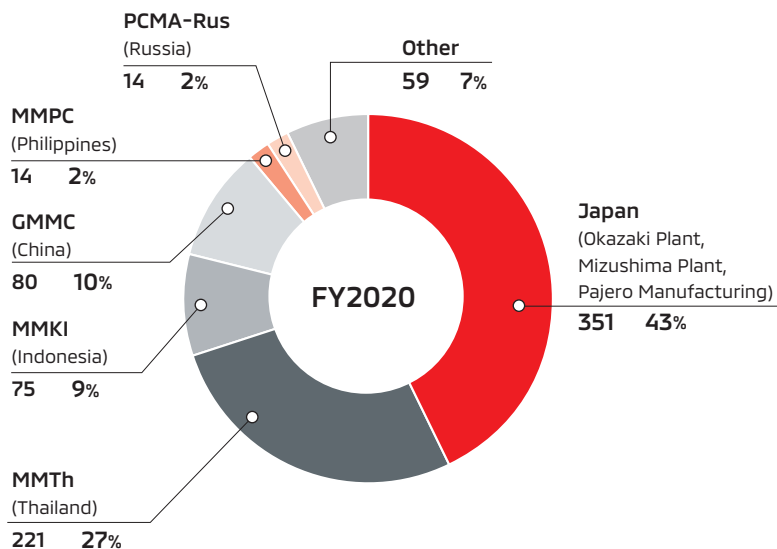
(Thousands of units)

For fiscal 2020, based on standard operation



Production results

(Thousands of units)



The count of the number of vehicles produced by plant is based on their site of final assembly, so statistical data may vary from that of the Japan Automobile Manufacturers Association.

Overview of Operations by Region

Sales Volume

(Thousands of units)

	FY2017	FY2018	FY2019	FY2020	FY2021 (Forecast)
ASEAN	272	318	290	189	273
Oceania	95	102	88	72	97
Latin America/Middle East/Africa, others	135	148	136	105	121
China, others	157	162	143	105	97
Japan	98	105	95	73	94
North America	155	173	160	113	155
Europe	189	236	215	144	130
Total	1,101	1,244	1,127	801	967

Net Sales

(Billions of yen)

	FY2017	FY2018	FY2019	FY2020	FY2021 (Forecast)
ASEAN	500.8	562.5	551.9	317.7	510.0
Oceania	241.0	221.6	176.8	173.3	255.0
Latin America/Middle East/Africa, others	218.6	298.5	249.6	145.3	220.0
China, others	85.4	101.4	41.7	19.2	15.0
Japan	349.4	428.7	460.5	422.1	465.0
North America	352.5	387.8	315.1	194.6	380.0
Europe	444.7	514.1	474.7	183.3	235.0
Total	2,192.4	2,514.6	2,270.3	1,455.5	2,080.0

Operating Profit

(Billions of yen)

	FY2017	FY2018	FY2019	FY2020
ASEAN	47.2	64.2	63.6	9.3
Oceania	18.6	13.3	(4.4)	(7.4)
Latin America/Middle East/Africa, others	18.7	17.9	4.0	(11.4)
China, others	16.1	13.1	(1.5)	(3.0)
Japan	(14.1)	4.1	(12.6)	(29.5)
North America	1.0	3.5	(18.2)	(33.3)
Europe	10.7	(4.3)	(18.1)	(20.0)
Total	98.2	111.8	12.8	(95.3)

Note: From FY2018, certain countries in Europe and ASEAN have been reclassified to Latin America/Middle East/Africa, others. Figures for FY2017 have been retroactively adjusted to account for this change.

Regarding retail sales in China, we changed the calculation method for retail sales volume from FY2019. As a result, retail sales recorded in FY2019 may include retail sales recorded in or before FY2018.

ASEAN (Thailand, Vietnam, the Philippines, Indonesia and Other Countries)

Performance in the year ended March 31, 2021

In fiscal 2020, within the ASEAN region the situation varied by country, and the overall pace of recovery was modest. Another wave of COVID-19 infections in Thailand dampened economic activity and led to a difficult conditions. Meanwhile, Indonesia (where recovery had been slow) showed signs of a rebound. As a result, sales volume in the region fell 101,000 units year on year, to 189,000 vehicles.

Sales amounted to ¥317.7 billion year on year, down ¥234.2 billion, and operating profit decreased from ¥63.6 billion to ¥9.3 billion.

Outlook for the year ending March 31, 2022

Although recovery has been slow, we anticipate a market rebound in the ASEAN region. In addition, we are renovating existing models and strengthening our sales network. Consequently, we expect sales volume for the region to be 273,000 vehicles, up 84,000 units from fiscal 2020, and forecast sales of ¥510.0 billion, up ¥192.3 billion.



Pajero Sport



XPANDER CROSS

Oceania (Australia, New Zealand)

Performance in the year ended March 31, 2021

Sales volume declined 16,000 units year on year in fiscal 2020, to 72,000 vehicles. However, automobile demand continued to gradually recover, and Mitsubishi Motors' sales turned upward as well. In New Zealand, we garnered our highest market share to date.

In line with the drop in sales volume, sales declined ¥3.5 billion year on year, to ¥173.3 billion, and the operating loss widened to ¥7.4 billion, from ¥4.4 billion in the preceding fiscal year.

Outlook for the year ending March 31, 2022

We expect the recovery trend to continue in fiscal 2021, and we believe the launch of the new *Outlander* will provide a boost. Accordingly, we anticipate sales volume of 97,000 vehicles, up 25,000 units from fiscal 2020 levels, and sales of ¥255.0 billion, up ¥81.7 billion.



New Outlander



Triton

Latin America/Middle East/Africa, others

Performance in the year ended March 31, 2021

In fiscal 2020, a shrinking market led to lower sales volume, falling 31,000 units year on year, to 105,000 vehicles.

Owing to the decreased sales volume, sales fell ¥104.3 billion year on year, to ¥145.3 billion. The region generated an operating loss of ¥11.4 billion, compared with operating profit of ¥4.0 billion in fiscal 2020.

Outlook for the year ending March 31, 2022

In fiscal 2021, we expect the sales volume to expand by 16,000 units from fiscal 2020 levels, to 121,000 units. We forecast a year-on-year sales increase of ¥74.7 billion, to ¥220.0 billion.



Triton/L200

China, others

Performance in the year ended March 31, 2021

In fiscal 2020, sales volume fell 38,000 units, to 105,000 vehicles, as we prioritized initiatives to enhance the quality of sales, such as improving prices.

Sales fell ¥22.5 billion year on year, to ¥19.2 billion, due to the drop in sales volume. The operating loss increased, from ¥1.5 billion to ¥3.0 billion.

Outlook for the year ending March 31, 2022

The Chinese market is already in a state of recovery. In fiscal 2021, we expect sales volume to fall by 8,000 units, to 97,000 vehicles. We forecast sales of ¥15.0 billion, down ¥4.2 billion from fiscal 2020 levels.



Outlander

Japan

Performance in the year ended March 31, 2021

In fiscal 2020, second-half launches of new *Eclipse Cross* and *Delica D:2* models helped sales recover. However, performance in the first half was affected by the COVID-19 pandemic, leading to the suspension of operations at some plants and curtailed sales activities. As a result, sales volume fell by 22,000 units year on year, to 73,000 vehicles.

This decrease hampered sales, which declined ¥38.4 billion, to ¥422.1 billion. The operating loss grew from ¥12.6 billion in fiscal 2019 to ¥29.5 billion in fiscal 2020.

Outlook for the year ending March 31, 2022

Despite the spreading and prolonged COVID-19 pandemic, as well as the uncertainty caused by semiconductor shortages, we believe consumer confidence is rebounding. Centering on the new *Outlander PHEV* that launched in Japan this year, we forecast fiscal 2021 sales volume of 94,000 units, up 21,000 vehicles from fiscal 2020. We anticipate sales of ¥465.0 billion, up ¥42.9 billion.



eK X space



Delica D:5

North America (United States, Mexico, Puerto Rico, others)

Performance in the year ended March 31, 2021

In fiscal 2020, sales volume decreased by 47,000 units year on year, to 113,000 vehicles. This decline was a result of our decision to prioritize initiatives that improve the quality of sales through such measures as optimizing inventories.

In line with the lower sales volume, sales fell ¥120.5 billion year on year, to ¥194.6 billion. The operating loss expanded, from ¥18.2 billion to ¥33.3 billion.

Ahead of the model launch for the new *Outlander*, we unveiled the model in an online event on Amazon Live in the United States.

Outlook for the year ending March 31, 2022

The North American launch of the new *Outlander* model has started out well, and we anticipate sales volume of ¥155,000 vehicles in fiscal 2021, up 42,000 units from fiscal 2020. We forecast sales of ¥380.0 billion, up ¥185.4 billion.



New *Outlander*



Outlander Sport

Europe (Germany, Russia, France, Netherlands, Italy, others)

Performance in the year ended March 31, 2021

In Europe, a shrinking market led to a decrease in sales volume in fiscal 2020, falling 71,000 units year on year, to 144,000 vehicles.

This reduction caused sales to decline ¥291.4 billion, to ¥183.3 billion. The operating loss grew from ¥18.1 billion to ¥20.0 billion.

We have frozen new-vehicle development in Europe. We have reached the decision to begin sourcing two vehicle models from Renault, an alliance partner, by around 2023. We have also resolved to withdraw from new vehicle sales in some parts of Europe.

Outlook for the year ending March 31, 2022

In fiscal 2021, we forecast sales volume of 130,000 vehicles, down 14,000 units from fiscal 2020. However, we expect sales to rise ¥51.7 billion, to ¥235.0 billion.



Outlander PHEV



Eclipse Cross PHEV

Financial and Non-Financial Summary

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
For the year: (In billions of yen)						
Net sales	2,267.8	1,906.6	2,192.4	2,514.6	2,270.3	1,455.5
Operating profit (loss)	138.4	5.1	98.2	111.8	12.8	(95.3)
Ordinary profit (loss)	141.0	8.9	110.1	119.9	(3.8)	(105.2)
Profit (loss) attributable to owners of the parent	72.6	(198.5)	107.6	132.9	(25.8)	(312.3)
Sales volume (retail) (Thousands of units)	1,048	926	1,101	1,244	1,127	801
R&D expenses	78.7	89.0	102.5	124.3	130.9	101.4
Capital expenditures	69.0	58.1	99.9	137.7	103.9	76.4
Depreciation	53.6	46.2	52.0	61.6	74.8	65.9
Return on equity (ROE) (%)	10.9	(29.2)	14.6	16.1	(3.1)	(48.8)
Per share data: (In yen)						
Earnings per share	73.80	(164.11)	72.23	89.26	(17.32)	(209.88)
Diluted earnings per share*1	—	—	72.20	89.18	—	—
Dividends per share	16.00	10.00	17.00	20.00	10.00	0.00
At year-end: (In billions of yen)						
Total assets	1,433.7	1,484.4	1,655.3	2,010.3	1,938.1	1,856.3
Net assets	685.3	703.5	796.6	881.2	788.4	525.3
Cash and deposits	453.4	556.8	571.9	500.9	399.6	455.7
Interest-bearing debt	27.1	15.6	26.6	228.7	299.4	483.3
Equity ratio (%)	46.8	46.5	47.2	43.4	39.9	27.4
Number of shares outstanding (Thousands)	983,661	1,490,282	1,490,282	1,490,282	1,490,282	1,490,282
CO₂ Emissions*2						
Scope 1 (direct emissions)*3 (x10 ³ t-CO ₂)	109	102	119	119	110	79
Scope 2 (indirect emissions)*3 (x10 ³ t-CO ₂)	414	359	436	469	416	289
Scope 3 (x10 ³ t-CO ₂ eq)	35,711	32,592	38,721	42,580	35,429	20,286
Energy input*2 (Primary and secondary energy) (PJ)	9.2	8.3	9.9	10.2	9.5	6.9
Generated waste*2 (x10 ³ t)	162	150	162	187	202	109
Withdrawn water volume*2 (x10 ³ m ³)	5,452	5,606	6,727	6,211	5,915	4,420
Number of female managers (Persons)	—	49	58	68	74	80
Ratio of annual paid leave taken (%)	79.9	81.6	82.6	86.6	100.6	99.2
Accident rate*4	—	0.54	0.60	0.41	0.42	0.30
Number of reports to or consultations with the internal employee consultation office (Instances)	110	153	170	194	166	112

(Note) Changes in accounting methods have not been retroactively applied to previous fiscal years.

*1 Diluted net income per share is not indicated for fiscal 2015, 2016, 2019 and 2020 because no dilutive shares existed.

*2 Target site: 21 management target companies (As of March 31, 2021)

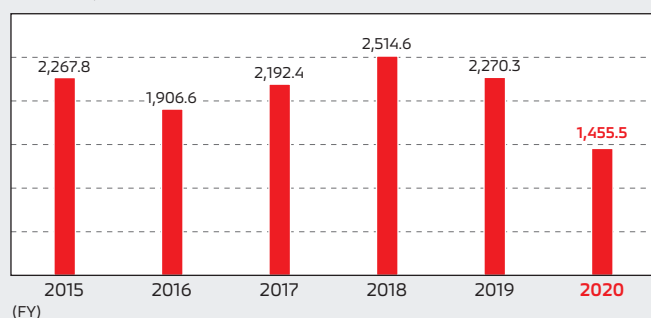
*3 CO₂ emission factors are based on "Greenhouse Gas Emissions Conversion, Reporting, and Announcement System based on the Act on Promotion of Global Warming Countermeasures."

Electric power conversion factors are provided by individual utilities. The IEA's "CO₂ Emissions from Fuel Combustion" or "Emission Factors" are used for some overseas locations.

*4 Number of accidents with or without loss of workdays per 1 million working hours

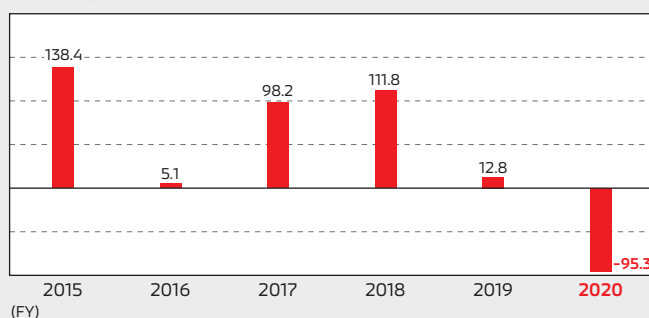
Net Sales

(Billions of yen)



Operating Profit

(Billions of yen)



Operational Review

Results of Operations

The global slump in automobile demand due to the COVID-19 spread and other factors has become apparent since the beginning of 2020. Although the situation has gradually calmed down in developed countries, the recovery in the markets where MMC excels has been delayed, and the severe situation continued.

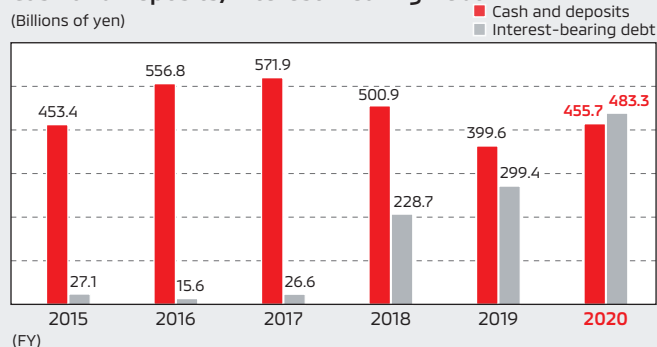
Under such circumstances, the MMC group formulated a new mid-term business plan, "Small but Beautiful," to drastically improve profitability and promote structural reforms in line with the basic concept of "selection and concentration."

As a result, the full-year sales volume decreased from the previous fiscal year to 801,000 units, and the full-year net sales was ¥1,455.5 billion (down ¥814.8 billion year on year, down 36% year on year). However, operating profit improved from the full-year forecast of operating loss of ¥100.0 billion announced in February 2021 to operating loss of ¥95.3 billion (profit of ¥12.8 billion in the previous fiscal year) due to companywide efforts to reduce overhead and fixed costs and structural reform activities. Earnings momentum bottomed out in the first half of the fiscal year under review and has been steadily recovering. Ordinary profit was a loss of ¥105.2 billion (a loss of ¥3.8 billion in the previous fiscal year), and profit attributable to owners of parent was a loss of ¥312.3 billion (a loss of ¥25.8 billion in the previous fiscal year).

Financial position

Total assets as of March 31, 2021 amounted to ¥1,856.3 billion (down ¥81.8 billion from the end of the previous fiscal year). Cash and deposits amounted to ¥455.7 billion (up ¥56.1 billion from the end of the previous fiscal year). Total liabilities amounted to ¥1,331.0 billion (up ¥181.3 billion from the end of the previous fiscal year). Of total liabilities, the interest bearing debt balance was ¥483.3 billion (up ¥183.9 billion from the end of the previous fiscal year). Net assets as of March 31, 2021 amounted to ¥525.3 billion (down ¥263.1 billion from the end of the previous fiscal year).

Cash and Deposits/Interest-Bearing Debt



Cash flows

Cash flows for the current fiscal year consisted of a net outflow of ¥41.5 billion from operating activities (up ¥60.3 billion year on year), a net outflow of ¥101.3 billion from investing activities (down ¥4.4 billion year on year), and a net inflow of ¥168.3 billion from financing activities (improvement of ¥158.7 billion from the previous fiscal year). In addition, the balance of cash and cash equivalents at the end of the current fiscal year increased by ¥45.0 billion from the end of the previous fiscal year to ¥444.6 billion, partially due to an increase of ¥19.4 billion in effect of exchange rate change on cash and cash equivalents and other factors.

Free cash flow for the current fiscal year ended up with a net outflow of ¥142.8 billion (deterioration of ¥55.9 billion from the previous fiscal year), due to a significant increase in the amount of net outflow from operating activities as a consequence of the impact of business restructuring expenses in addition to both net sales and operating profit decreasing as a result of deterioration of the business environment because of the spread of COVID-19.

Overview of Cash Flow

(FY)	2016	2017	2018	2019	2020
Shareholders' equity ratio (%) ^{*1}	46.5	47.2	43.4	39.9	27.4
Shareholders' equity ratio (fair value basis) ^{*2}	67.2	68.5	43.5	23.5	25.2
Cash flows/Interest-bearing debt ratio ^{*3}	(0.3)	0.2	1.6	15.9	(11.6)
Interest coverage ratio ^{*4}	(38.7)	34.1	38.9	4.8	(8.0)

*1 The shareholders' equity ratio is shareholders' equity divided by total assets.

*2 The shareholders' equity ratio (fair value basis) is market capitalization divided by total assets.

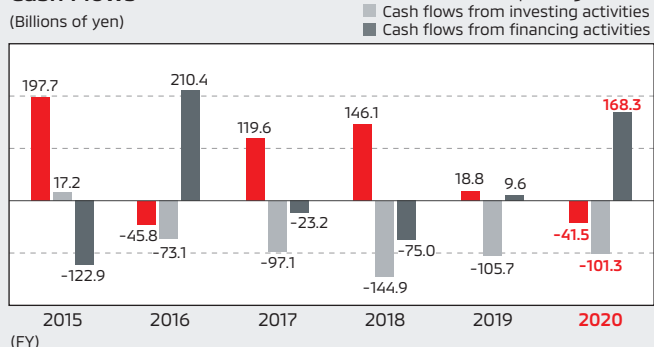
*3 The cash flows/interest-bearing debt ratio is interest-bearing debt divided by cash flow.

*4 The interest coverage ratio is cash flow divided by interest paid.

Notes:

1. Each indicator is calculated from consolidated financial figures.
2. Market capitalization is calculated based on the number of issued shares excluding treasury stock.
3. Cash flow refers to operating cash flow.
4. Interest-bearing debt includes all liabilities recorded on the balance sheet for which interest is paid. From fiscal 2018, lease obligations are included in this figure.

Cash Flows



Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	399,614	455,716
Notes and accounts receivable - trade	137,519	154,253
Finance receivables	268,435	247,331
Merchandise and finished goods	214,083	182,713
Work in process	23,626	26,657
Raw materials and supplies	35,719	40,585
Short-term loans receivable	726	723
Other	124,938	117,880
Allowance for doubtful accounts	(1,802)	(1,921)
Total current assets	1,202,862	1,223,940
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	109,127	83,486
Machinery, equipment and vehicles, net	140,516	120,136
Tools, furniture and fixtures, net	56,983	57,167
Land	126,183	124,963
Construction in progress	46,813	25,227
Total property, plant and equipment	479,624	410,982
Intangible assets	49,486	33,918
Investments and other assets		
Investment securities	77,005	81,895
Long-term loans receivable	4,086	3,439
Retirement benefit asset	3,058	4,548
Deferred tax assets	54,972	40,689
Other	72,109	60,790
Allowance for doubtful accounts	(5,083)	(3,925)
Total investments and other assets	206,149	187,437
Total non-current assets	735,260	632,338
Total assets	1,938,123	1,856,279

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	308,378	307,704
Electronically recorded obligations - operating	76,276	77,222
Short-term borrowings	62,426	16,085
Commercial papers	58,300	32,500
Current portion of long-term borrowings	55,661	57,702
Lease obligations	3,422	3,533
Accounts payable - other, and accrued expenses	221,140	249,231
Income taxes payable	11,301	6,747
Provision for product warranties	48,611	48,308
Provision for loss on fuel consumption test	2,304	1,066
Other	70,521	67,845
Total current liabilities	918,344	867,947
Non-current liabilities		
Long-term borrowings	99,388	347,978
Lease obligations	20,197	25,525
Deferred tax liabilities	20,357	16,044
Retirement benefit liability	48,252	28,593
Other	43,220	44,938
Total non-current liabilities	231,415	463,080
Total liabilities	1,149,759	1,331,027
Net assets		
Shareholders' equity		
Share capital	284,382	284,382
Capital surplus	200,072	199,950
Retained earnings	407,547	95,928
Treasury shares	(1,728)	(1,659)
Total shareholders' equity	890,273	578,602
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(562)	511
Deferred gains or losses on hedges	(99)	(554)
Foreign currency translation adjustment	(82,731)	(63,035)
Remeasurements of defined benefit plans	(34,216)	(7,617)
Total accumulated other comprehensive income	(117,610)	(70,696)
Share acquisition rights	345	352
Non-controlling interests	15,354	16,993
Total net assets	788,363	525,251
Total liabilities and net assets	1,938,123	1,856,279

Consolidated statement of income

(Millions of yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net sales	2,270,276	1,455,476
Cost of sales	1,932,762	1,299,021
Gross profit	337,514	156,454
Selling, general and administrative expenses		
Advertising and promotion expenses	48,407	34,891
Freight costs	51,058	29,112
Provision of allowance for doubtful accounts	484	624
Remuneration, salaries and allowances for directors (and other officers)	76,886	68,387
Retirement benefit expenses	3,987	4,959
Depreciation	18,505	14,898
Research and development expenses	73,826	55,990
Other	51,570	42,912
Total selling, general and administrative expenses	324,726	251,776
Operating profit (loss)	12,788	(95,321)
Non-operating income		
Interest income	5,351	1,846
Dividend income	536	596
Foreign exchange gains	—	3,784
Subsidies for employment adjustment	—	6,048
Other	1,821	2,178
Total non-operating income	7,709	14,454
Non-operating expenses		
Interest expenses	3,889	5,375
Foreign exchange losses	11,277	—
Litigation expenses	1,632	2,581
Share of loss of entities accounted for using equity method	4,263	9,122
Other	3,276	7,255
Total non-operating expenses	24,341	24,335
Ordinary profit (loss)	(3,843)	(105,203)
Extraordinary income		
Gain on sales of non-current assets	8,704	1,548
Gain on sales of investment securities	199	41
Gain on sales of shares of subsidiaries	413	—
Gain on sales of investments in capital of subsidiaries and associates	—	1,543
Gain on contribution of securities to retirement benefit trust	9,376	—
Other	98	488
Total extraordinary income	18,793	3,621
Extraordinary losses		
Loss on retirement of non-current assets	4,097	3,167
Loss on sales of non-current assets	252	104
Impairment losses	2,292	107,747
COVID-19	—	2,489
Business restructuring expenses	—	70,286
Foreign withholding taxes on transfer pricing taxation adjustments	—	8,604
Loss on sales of facilities	2,376	—
Subsidiary transfer cost	1,879	456
Other	250	3,850
Total extraordinary losses	11,147	196,707
Profit (loss) before income taxes	3,801	(298,289)
Income taxes - current	19,790	7,599
Income taxes for prior periods	—	(6,674)
Income taxes - deferred	6,067	10,215
Total income taxes	25,857	11,139
Profit (loss)	(22,055)	(309,428)
Profit (loss) attributable to non-controlling interests	3,723	2,888
Profit (loss) attributable to owners of parent	(25,779)	(312,317)

Consolidated statement of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit (loss)	(22,055)	(309,428)
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,916)	1,074
Deferred gains or losses on hedges	8	(407)
Foreign currency translation adjustment	(22,336)	23,775
Remeasurements of defined benefit plans, net of tax	(13,606)	26,679
Share of other comprehensive income of entities accounted for using equity method	(1,551)	(1,384)
Total other comprehensive income	(45,402)	49,737
Comprehensive income	(67,458)	(259,691)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(69,588)	(264,122)
Comprehensive income attributable to non-controlling interests	2,129	4,431

Consolidated statement of changes in net assets

(Millions of yen)

For the fiscal year ended March 31, 2020	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	284,382	200,072	463,092	(1,728)	945,818
Cumulative effects of changes in accounting policies			445		445
Restated balance	284,382	200,072	463,538	(1,728)	946,264
Changes during period					
Dividends of surplus			(29,766)		(29,766)
Profit (loss) attributable to owners of parent			(25,779)		(25,779)
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			(795)		(795)
Change in ownership interest of parent due to transactions with non-controlling interests					–
Change in scope of equity method			350		350
Net changes in items other than shareholders' equity					
Total changes during period			(55,990)	(0)	(55,990)
Balance at end of period	284,382	200,072	407,547	(1,728)	890,273

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	7,353	652	(61,281)	(20,758)	(74,033)	356	9,062	881,203
Cumulative effects of changes in accounting policies								445
Restated balance	7,353	652	(61,281)	(20,758)	(74,033)	356	9,062	881,649
Changes during period								
Dividends of surplus								(29,766)
Profit (loss) attributable to owners of parent								(25,779)
Purchase of treasury shares								(0)
Change in scope of consolidation								(795)
Change in ownership interest of parent due to transactions with non-controlling interests								–
Change in scope of equity method								350
Net changes in items other than shareholders' equity	(7,916)	(751)	(21,450)	(13,457)	(43,576)	(10)	6,291	(37,295)
Total changes during period	(7,916)	(751)	(21,450)	(13,457)	(43,576)	(10)	6,291	(93,286)
Balance at end of period	(562)	(99)	(82,731)	(34,216)	(117,610)	345	15,354	788,363

For the fiscal year ended March 31, 2021	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	284,382	200,072	407,547	(1,728)	890,273
Changes during period					
Profit (loss) attributable to owners of parent			(312,317)		(312,317)
Purchase of treasury shares				(254)	(254)
Disposal of treasury shares				2	2
Exercise of share acquisition rights		(131)		320	189
Change in scope of consolidation			(23)		(23)
Change in ownership interest of parent due to transactions with non-controlling interests		9			9
Change in scope of equity method			721		721
Net changes in items other than shareholders' equity					
Total changes during period		(121)	(311,619)	69	(311,671)
Balance at end of period	284,382	199,950	95,928	(1,659)	578,602

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(562)	(99)	(82,731)	(34,216)	(117,610)	345	15,354	788,363
Changes during period								
Profit (loss) attributable to owners of parent								(312,317)
Purchase of treasury shares								(254)
Disposal of treasury shares								2
Exercise of share acquisition rights								189
Change in scope of consolidation								(23)
Change in ownership interest of parent due to transactions with non-controlling interests								9
Change in scope of equity method								721
Net changes in items other than shareholders' equity	1,074	(455)	19,695	26,598	46,914	7	1,638	48,560
Total changes during period	1,074	(455)	19,695	26,598	46,914	7	1,638	(263,111)
Balance at end of period	511	(554)	(63,035)	(7,617)	(70,696)	352	16,993	525,251

Consolidated statement of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	3,801	(298,289)
Depreciation	74,789	65,917
Impairment losses	2,292	107,747
Loss (gain) on contribution of securities to retirement benefit trust	(9,376)	–
Loss on COVID-19	–	2,489
Business restructuring expenses	–	70,286
Increase (decrease) in allowance for doubtful accounts	(621)	(1,051)
Increase (decrease) in retirement benefit liability	288	2,263
Interest and dividend income	(5,887)	(2,443)
Interest expenses	3,889	5,375
Foreign exchange losses (gains)	3,366	1,556
Share of loss (profit) of entities accounted for using equity method	4,263	9,122
Gain on sales of investments in capital of subsidiaries and associates	–	(1,543)
Loss (gain) on sales and retirement of non-current assets	(4,354)	1,724
Decrease (increase) in trade receivables	(19,268)	(7,579)
Decrease (increase) in finance receivables	26,202	21,121
Decrease (increase) in inventories	(34,340)	44,160
Increase (decrease) in trade payables	(49,759)	(20,436)
Other, net	36,926	(27,703)
Subtotal	32,212	(27,280)
Interest and dividends received	9,820	6,247
Interest paid	(3,954)	(5,170)
Payments related to fuel consumption test	(1,577)	(1,237)
Income taxes paid	(17,715)	(14,096)
Net cash provided by (used in) operating activities	18,786	(41,537)
Cash flows from investing activities		
Decrease (increase) in time deposits	11,391	(11,071)
Purchase of property, plant and equipment	(111,549)	(79,472)
Proceeds from sales of property, plant and equipment	13,004	2,128
Purchase of intangible assets	(17,830)	(12,388)
Proceeds from sales of investment securities	457	263
Decrease (increase) in short-term loans receivable	(331)	(2)
Long-term loan advances	(1,147)	–
Proceeds from collection of long-term loans receivable	766	838
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	3,739	–
Other, net	(4,212)	(1,618)
Net cash provided by (used in) investing activities	(105,712)	(101,323)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	13,624	(48,331)
Increase (decrease) in commercial papers	7,500	(25,800)
Proceeds from long-term borrowings	81,803	320,210
Repayments of long-term borrowings	(60,373)	(70,986)
Dividends paid	(29,738)	(35)
Dividends paid to non-controlling interests	(393)	(2,864)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(329)
Other, net	(2,797)	(3,572)
Net cash provided by (used in) financing activities	9,624	168,291
Effect of exchange rate change on cash and cash equivalents	(18,460)	19,473
Net increase (decrease) in cash and cash equivalents	(95,762)	44,903
Cash and cash equivalents at beginning of period	489,456	399,588
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	5,894	126
Cash and cash equivalents at end of period	399,588	444,619