

## Consolidated Financial Results for FY 2015 Full Year (April 1, 2015 through March 31, 2016) [Japan GAAP]

Company name: **Mitsubishi Motors Corporation**  
 Listing: First Section, the Tokyo Stock Exchange  
 Stock code: 7211  
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Scheduled date for ordinary general shareholders' meeting: June 24, 2016

Scheduled date to file Securities Report: June 24, 2016

Scheduled date to deliver cash dividends: June 27, 2016

### 1. Consolidated performance for the Full Year 2015 (April 1, 2015 to March 31, 2016)

(Figures less than one million yen are rounded, unless otherwise noted)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2015	2,267,849	4.0	138,377	1.8	141,027	(7.0)	<u>72,575</u>	<u>(38.6)</u>
FY 2014	2,180,728	4.2	135,913	10.1	151,616	17.1	118,170	12.9

Reference: Comprehensive income FY 2015: ¥ 32,482 million (78.1%) FY2014: ¥ 148,035 million 21.5%

	Net income per share-basic	Net income per share-diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to sales
	Yen	Yen	%	%	%
FY 2015	<u>73.80</u>	-	<u>10.9</u>	9.4	6.1
FY 2014	120.16	-	19.7	9.7	6.2

Note: Equity income from affiliates:

FY 2015  
¥10,993 million

FY 2014  
¥10,613 million

Note: Diluted net income per shares are not shown above because there are no diluted shares.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2016	1,433,725	<u>685,337</u>	<u>46.8</u>	<u>682.45</u>
March 31, 2015	1,582,802	670,766	41.6	669.74

Reference: Shareholders' Equity As of March 31, 2016: ¥ 671,147 million As of March 31, 2015: ¥ 658,652 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from Investing activities	Cash flows from financing activities	Cash & cash equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2015	197,691	17,169	(122,917)	462,440
FY2014	177,008	(71,327)	(131,494)	395,526

## 2. Cash dividends

Record Date	Cash dividend per share					Total annual cash dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2014	—	7.50	—	8.50	16.00	15,735	13.3	2.6
FY2015	—	8.00	—	8.00	16.00	15,735	<u>21.7</u>	<u>2.4</u>
FY2016 (Forecast)	—	—	—	—	—		—	

Note: Forecasts of cash dividends are not available.

## 3. Consolidated earnings forecasts for fiscal year 2016 (from April 1, 2016 to March 31, 2017)

MMC will disclose information on the consolidated earnings forecast for fiscal 2016 as soon as it is available.

### Note

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards: Yes
  - (ii) Changes in accounting policies due to other reasons: No
  - (iii) Changes in accounting estimates: Yes
  - (iv) Restatement: No
- (3) Number of shares issued and outstanding (common stocks)
  - (i) Total number of shares issued and outstanding at the end of the fiscal year (including treasury stock)

As of March 31, 2016:	983,661,919	shares
As of March 31, 2015:	983,661,919	shares
  - (ii) Number of shares of treasury stock at the end of the period

As of March 31, 2016:	221,976	shares
As of March 31, 2015:	221,845	shares
  - (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of March 31, 2016:	983,439,966	shares
As of March 31, 2015:	983,440,269	shares

## Reference: Summary of Non-consolidated Results

### Financial highlights (April 1, 2015 through March 31, 2016)

(1) Non-consolidated operating results *(Percentages indicate changes over same period in the previous fiscal year.)*

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2015	1,806,047	1.8	61,461	(24.3)	102,685	(16.6)	<u>42,272</u>	<u>(65.3)</u>
FY2014	1,774,489	6.2	81,149	43.1	123,058	19.7	121,918	30.2

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
FY2015	<u>42.98</u>	-
FY2014	123.97	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2016	938,787	<u>470,184</u>	<u>50.1</u>	<u>478.10</u>
March 31, 2015	964,905	447,458	46.4	454.99

Note: Shareholders' equity:

FY2015  
¥ 470,184 million

FY2014  
¥ 447,458 million

\* Annual audit procedures:

As of when this summary of financial results have been released as flash report, we have not completed the audit for Securities Report required in accordance with the Financial Instruments and Exchange Act.

\* Proper use of earnings forecasts, and other special matters:

(Note for the description about financial forecast)

Figures for financial forecasts are based on judgments and estimates that have been made on the basis of currently available information, and are subject to a number of risks, uncertainties and assumptions. Changes in the MMC group's business environment, market trends or exchange rates may cause actual results to differ materially from these forecasts.

(How to obtain additional information materials / details of the earnings release conference)

Additional information materials are disclosed on the MMC web site on the same day as publication of the results. In addition, an audio recording of the earnings release conference held on the same day will, together with the material used for the conference, be posted on the MMC website promptly following conference.

## 1. Operating and Financial Results

### 1.1. Analysis of operating results

The Mitsubishi Motors Group posted cumulative consolidated results for the fiscal 2015 as follows: Net sales increased by 87.1 billion yen, or 4% year-on-year, to 2,267.8 billion yen. Operating income rose by 2.5 billion yen, or 2% increase year-on-year to profit of 138.4 billion yen. Despite negative factors such as worsening in foreign exchange rate and increase in costs on quality measures in the market, positive factors such as cost reductions and improvements in volume/model mix, among others contributed to the increase. Ordinary income decreased by 10.6 billion yen, or 7% year-on-year, down to 141.0 billion yen. Net income attributable to owners of the parent decreased by 45.6 billion yen, or 39% year-on-year, to 72.6 billion yen.

Global retail sales volume for the full 2015 year totaled 1,048,000 units, a decrease of 4% or 42,000 units over the same period in FY2014. Sales volumes by regions were as follows.

Japan: Despite sales volume increased with registered vehicles, decrease in minicars negatively affected totaling 102,000 units, a decrease of 13,000 units or 11% over the same period last year.

North America: Sales volume totaled 135,000 units, an increase of 18,000 units or 16% over the same period last year. The increase was driven by an increase in sales of the Outlander and Outlander Sport.

Europe: Sales volume in Western European area totaled 173,000 units, a year-on-year increase of 11% or 19,000 units, contributed mainly by sales increases in Germany and the United Kingdom. However, this increase could not offset the drop in sales volume in Russia where the economic environment worsened and prices rose due to a worsening currency situation, resulting in total of 206,000 units, a decrease of 9% or 21,000 units over the same period last year for the whole region.

Asia: Sales volume totaled 322,000 units, a year-on-year decrease of 6% or 22,000 units. Although sales increased in Thailand over the same period last year, led by the firm sales of the Pajero Sport which debuted in October, 2015, sales decrease in China and Indonesia negatively affected the total sales of the region.

Other Regions: Sales volume totaled 283,000 units, a decrease of 1% or 4,000 units over the same period last year.

Notes:

(1) The sales figures above are reported by geographical segment, which is based on an administrative classification created by MMC.

Notes:

(2) The net sales and operating income reported below are supplemental information for the "Consolidated Financial Tables: Segment information". Specifically, results for MMC and affiliated companies in Japan, as well as results for MMC Group-affiliated companies outside of Japan will be outlined.

Results by business sector were as follows:

#### (1) Automobile business

In the automobile business sector or the year ended March 31, 2016 net sales totaled 2,260.6 billion yen, up 94.4 billion yen or 4% over the previous fiscal year. Operating income of 139.0 billion yen was up 3.9 billion yen over fiscal 2014.

#### (2) Automobile financing business

In the automobile financing business sector, for the year ended March 31, 2016, net sales totaled 7.1 billion yen, down 7.5 billion yen or 51% over the previous fiscal year. Operating income of -0.7 billion yen was down 1.6 billion yen over fiscal 2014.

Results by region were as follows.

#### (1) Japan

Net sales totaled 1,868.6 billion yen, an increase of 29.0 billion yen or 2% over fiscal 2014 due to increase in sales price despite decrease in sales volume. However, operating income came in at 67.1 billion yen, a decrease of 18.9 billion yen or 22% over fiscal 2014 mainly due to lower unit sales and increase in costs on quality measures in market (higher revenue and lower profit).

#### (2) North America

Net sales totaled 303.2 billion yen, a decrease of 2.3 billion yen or 1% mainly due to effects from transfer of U.S. financing services

despite higher unit sales. Operating income on the other hand totaled 8.3 billion yen, an increase of 5.8 billion yen or 227% due to an increase in sales volume (lower revenue and higher profit).

### (3) Europe

Net sales came in at 118.7 billion yen, an increase of 39.1 billion yen or 49% over fiscal 2014 mainly due to an increase in sales price despite a decrease in sales volume in Russia. Operating income however came in at 0.6 billion yen, a decrease of 7.4 billion yen or 92% over fiscal 2014 mainly due to lower unit sales in Russia and the impact from foreign exchange rates (higher revenue and lower profit).

### (4) Asia & Other

Net sales came in at 970.1 billion yen, an increase of 88.8 billion yen or 10% over fiscal 2014 mainly due to higher unit sales and favorable foreign exchange rates. Operating income came in at 61.0 billion yen, an increase of 21.5 billion yen or 54% over fiscal 2014 (higher revenue and profit).

### Forecast for the 2016 fiscal year

Under the current situation following the announcement on April 20, 2016 regarding "the improper conduct in fuel consumption testing on products manufactured by MMC," the consolidated earnings forecast for fiscal year 2016 (ending March 31, 2017) has not yet either been determined nor described here as MMC is in the process of carefully assessing the future impact from this issue. MMC will disclose information on the consolidated earnings forecast for fiscal 2016 as soon as it is available.

### Overview

**Production:** The 2015 fiscal year saw great developments towards streamlining production structure. First, vehicle production at the United States-based factory ended at the end of November 2015. The factory began production in 1988 and by 2000 had produced over 222,000 vehicles annually; however with the end of OEM production to Chrysler and the negative effects following the fall of Lehman Brothers, production dropped drastically to 19,000 per year in 2009.

Afterwards, production of the *Outlander Sport (ASX/RVR)* began in 2012 and rate of operation increased although production inefficiency at the small-scale plant remained. Then Russia-bound export units, which accounted for one-third of its production decreased greatly and overall production plummeted again. In view of these circumstances MMC decided to end production at the factory and change to production in Japan and export from Japan.

Conversely, MMC moved forward with boosting production capacity in the ASEAN region where it is expected to grow in the future. In the Philippines, production began in January 2015 at the new plant and MMC has applied for its participation in the Philippines' Comprehensive Automotive Resurgence Strategy (CARS) Program. MMC has begun preparing to produce the *Mirage* compact hatchback and its sedan sibling *Mirage G4* sedan starting from the beginning of 2017. Estimated production capacity is approximately 50,000 units per year.

In addition, construction of a new factory in Indonesia began in April of 2015 and preparations are being made for start of operations from April 2017. Construction is progressing smoothly and plans are to begin producing sequentially the *Pajero Sport* mid-size SUV, a new compact MPV, the *COLT L300* compact commercial vehicle. Production capacity is expected to be approximately 160,000 units per year and along with production MMC will establish a sales network.

Some countries in the ASEAN region are seen to be experiencing an economic slowdown; however in the mid- to long-term these markets are expected to grow substantially. MMC believes that these new plants will play an important role as key production hubs following the one in Thailand.

**Products:** MMC has moved ahead with boosting the core of its strategic model lineup: SUVs and electric-powered vehicles. This began with the June 2015 release of the new *Outlander* and *Outlander PHEV* – with a vastly improved chassis, body, powertrain, and all-new front face design. The new *Outlander PHEV* is one of MMC's main models; housing the MITSUBISHI Plug-in Hybrid EV System that integrally controls four-wheel drive, engine, drive battery and two electric motors.

The *Outlander PHEV* has been introduced in other markets outside of Japan, including Europe. In the 2015 fiscal year 42,000 units have been sold, an increase of 20% from fiscal 2014. In addition the Thai-produced *Pajero Sport* went on sale in October 2015. The new *Pajero Sport* has earned high acclaim as a "true SUV" with plenty of interior room, quality, design, and performance. During its pre-order period in August and September of 2015, the *Pajero Sport* received 5 times as many orders than what was forecasted. The sales of the model remained to be strong.

MMC has been sequentially rolling out the new *Pajero Sport* in markets outside of Thailand and is focusing on expanding its sales. MMC aims to contribute to the global community through SUVs and electric-powered vehicles by expanding its SUV and electric-powered vehicle lineup.

In addition MMC is steadily expanding its alliances with other automakers. In September 2015, MMC signed a contract with Fiat Group Automobiles concerning OEM supply of a model based on the small pickup truck *Triton*. Its OEM supply which commenced in

February 2016 is scheduled for the period of 6 years and cumulative total of 180,000 units of shipment.

In November 2014 MMC started OEM supply of the Atrage global compact sedan, the sedan version of the Mirage global compact hatchback to Chrysler de Mexico. Since then, MMC has been supplying approximately 20,000 units per year of the model to Chrysler de Mexico.

## 1.2 Financial standing

### Analysis of assets, debt, net assets and cash flows

Assets at the end of the period totaled 1,433.7 billion yen, a decrease of 149.1 billion yen over the end of fiscal 2014 due to the transfer of sales credit receivable during the second quarter of the fiscal year. Liabilities totaled 748.4 billion yen, reduction of 163.6 billion yen compared to the end of fiscal 2014 due to reduction in debts payable resulting from the transfer of sales credit receivable during the second quarter of the fiscal year. Net assets totaled 685.3 billion yen, an increase of 14.5 billion yen over the figure for the end of fiscal 2014.

Cash flows from operating activities came to a net inflow of 197.7 billion yen. This compared to a net inflow of 177.0 billion yen in fiscal 2014.

Cash flows from investing activities came to a net inflow of 17.2 billion yen due to proceeds from sales of tangible fixed assets. This compared to a net outflow of 71.3 billion yen in fiscal 2014.

Cash flows from financing activities came to a net outflow of 122.9 billion yen, due to disbursements related to repayments of borrowings and payment of dividends. This compared to net outflow of 131.5 billion yen in fiscal 2014.

As a result, the balance of cash and cash equivalents at the end of fiscal 2015 stood at 462.4 billion yen. This compared to a balance of 395.5 billion yen at the end of fiscal 2014.

### Trends in key cash flow ratios

	FY2011	FY2012	FY2013	FY2014	FY2015
Ratio of shareholders' equity (%)	19.5	23.4	35.0	41.6	<u>46.8</u>
Ratio of market value to assets (%)	39.4	41.0	68.8	67.4	57.8
Debt repayment coverage (years)	2.9	2.1	1.1	0.8	0.1
Interest coverage ratio	8.5	15.9	22.3	41.0	120.2

#### Definitions:

Ratio of shareholders' equity: Shareholders' equity / total assets (excluding minority interest)

Ratio of market value to assets: Total market value of shares / total assets (excluding minority interest)

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

Interest coverage ratio: Cash flows from operating activities / interest payments

- All figures are calculated based on consolidated financial data.

- Total market value of shares is the closing market share price at the end of the period multiplied by the number of outstanding shares (excluding treasury shares) at the end of the period.

- Operating cash flows used.

- Interest bearing liabilities indicate all liabilities listed on the consolidated balance sheet for which interest is paid.

### 1.3 Dividend for the term and the following term, and basic policy regarding income distribution

MMC considers returning profits to its shareholders one of its utmost priorities.

It is MMC's basic policy to maintain stable distribution of profits to shareholders by considering overall operating results and cash flows due to high demand for capital investment for companies to achieve sustainable growth, and other factors such as advances in new technologies and environmental efforts in the automobile industry. In regards to the end-of-term dividends, MMC plans to pay 8 yen per share as forecasted at the previous term, in overall view of the term's operating results and state of affairs.

By doing so, MMC plans to pay out a total of 16 yen per share for the term (including the 8 yen per share paid out for the mid-term dividend).

This end-of-year dividend payment amount will be determined at the General Shareholders' Meeting.

The amount of dividend paid for the next fiscal year has not yet been decided at this moment.

### 1.4 Business-related risks

Risks that may seriously impact the operating results and/or financial standing of the MMC Group are outlined below.

Country risk

Intensifying competition

Natural and other disaster

Changes in laws and regulations

Manufacturing cost

Foreign exchange rate fluctuations

Failure to achieve mid-term business plan targets

Product quality and safety

Tie-ups and alliances

Dependence on particular suppliers

Customer, trading partner credit

Infringement of intellectual property rights

IT and information security

As MMC announced on April 20, 2016, it has been revealed that in the certification process for minicars manufactured by MMC, with respect to the fuel consumption testing data submitted to the Ministry of Land, Infrastructure, Transport, and Tourism, MMC conducted testing improperly, to present better fuel consumption rates than the actual rates; and that the testing method was also different from the one required by Japanese law. Concerning this issue, MMC is currently investigating to identify affected vehicles and its root cause objectively and thoroughly. MMC will publish the results of our investigation as soon as it is complete.

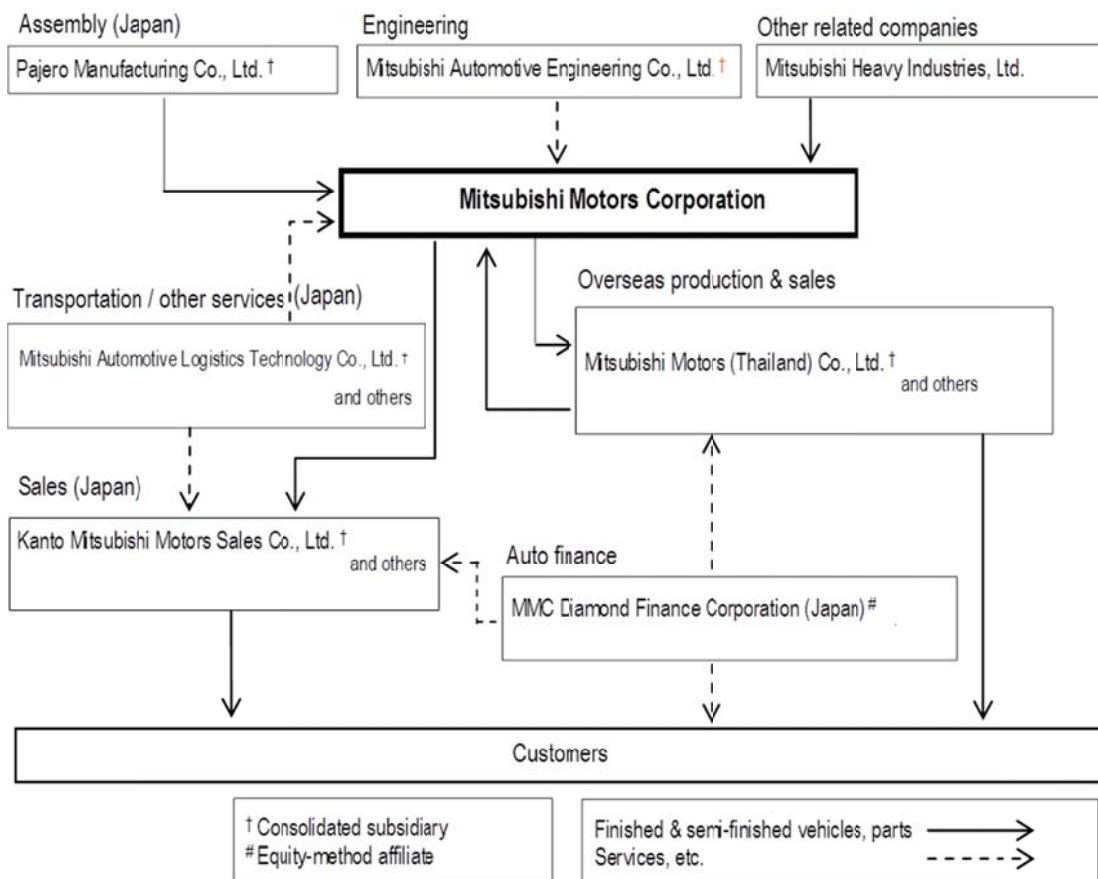
## 2. The Mitsubishi Motors Corporation Group of Companies

The MMC Group of companies comprises Mitsubishi Motors Corporation, 36 consolidated subsidiaries and 20 equity method affiliates (as at March 31, 2016). The MMC Group is engaged in the development, production and sales of passenger vehicles and their parts and components, as well as in auto financing operations. MMC conducts most of the development work.

In Japan, MMC produces standard and small passenger cars and minicars, while Pajero Manufacturing Co., Ltd. produces some Mitsubishi-brand sport utility vehicles (including the Pajero). Mitsubishi-brand vehicles are sold in Japan by Kanto Mitsubishi Motors Sales Co., Ltd. and other Mitsubishi Motors sales companies. Mitsubishi Automotive Engineering Co., Ltd. undertakes some of the development of MMC products. Mitsubishi Automotive Logistics Technology Co., Ltd. is responsible for the transport of Mitsubishi-brand cars throughout Japan and also for some predelivery inspection and maintenance work.

Outside Japan, Mitsubishi-brand cars are produced and sold in Thailand by Mitsubishi Motors (Thailand) Co., Ltd. and others. Mitsubishi Motors North America, Inc. ended its car production at the end of November 2015 and its main operation is sales of cars.

Auto lease and financing services are provided by MMC Diamond Finance Corporation in Japan. Mitsubishi Motors Credit of America, Inc. ended its operation in June 2015 in the United States. The MMC Group structure and constituent company products and services outlined above are shown in the diagram below.





### 3. Management Policies

#### 3.1 Basic management policy

"We are committed to providing the utmost driving pleasure and safety for our valued customers and our community. On these commitments we will never compromise. This is the Mitsubishi Motors way."

This corporate philosophy is the cornerstone to all of MMC's corporate activities in its quest to remain and grow as a company that enjoys the trust of its shareholders, customers, business associates, employees and all other stakeholders.

#### 3.2 Management indices

MMC does not currently employ ROE, ROA or other such management performance indices. MMC is, however, working toward sustainable growth by devoting its energies and resources to tackling the tasks set out in the New Stage 2016 midterm business plan.

#### 3.3 Medium- and long-term management strategy

All MMC Group directors and employees will work together in devoting their energies to executing the New Stage 2016 mid-term business plan that covers the period from fiscal 2014 through fiscal 2016 (end of March 2017).

#### 3.4 Issues facing the Company

First of all, regarding improper conduct in fuel consumption testing on products manufactured by MMC, we will investigate objectively and thoroughly to identify all affected vehicles and its root cause. MMC will publish the results of our investigation as soon as it is complete. Based on these results, we will conduct preventative measure thoroughly including reform in its corporate culture. MMC will take sincere response to our valued customers and all stakeholders who are affected by this issue.

Besides the improper conduct in fuel consumption testing, MMC will boost its attention towards the global community and environment with compliance as its first priority as a sincere conglomerate that will not lose trust given to it by customers and society at large.

Moreover, we will put maximum effort into never-ending reassessment of our internal control system. This includes bringing up our levels of corporate governance; adhere to regulations, improvements towards keeping efficiency as well as appropriate execution of operations.

The MMC Group announced its mid-/long-term product plan in February 2016. To achieve the goals in this plan, first it is necessary to cater to global interest in environmental technologies as well as needs for safety technologies.

As for environmental technologies, MMC has progressed with pioneering initiatives such as the introduction of the i-MiEV, the world's first mass-produced electric car in 2009 as well as sale of the Outlander PHEV plug-in electric vehicle in 2013, which incorporates electric-powered vehicle technologies from the i-MiEV. It is necessary to continually hone our technologies to enhance the appeal of electric-powered vehicles that provide silent running and high motive performance along with tackling exhaust emissions and improving fuel and electric power costs. This need comes about from heightening fierce competition with other automakers, concurrent introduction of electric-powered vehicles mainly from European manufacturers, and tightening of environmental regulations.

In terms of safety technologies, MMC has developed and sequentially expanded models equipped with the "e-Assist" (name used in Japan only) combination of safety technologies such as radar cruise control that maintains a certain distance from the car in front, automatic braking that mitigates collision damage, and an alarm that functions when the vehicle veers out from road lanes. However, as competitors have developed similar technologies and it has become increasingly difficult to differentiate oneself in terms of product, it is necessary for us to put new technologies such as the lane keep assist function and autonomous parking into practical use.

The ability to provide electricity from an electric-powered vehicle's generator or high-capacity drive battery, combined with autonomous driving features. Thus MMC will proactively develop appealing electric-powered vehicles that utilize features of autonomous driving.

To achieve this, it is essential that we strengthen our R&D. Moving forward with "boosting strengths" policy in product lineup and regions it operates in, MMC will proceed with utilizing resources it already has and expanding them to the fullest extent through increasing manpower and outsourcing.

Moreover, MMC will enhance its R&D environment including development centers and testing equipment. MMC will proactively invest in these areas, focusing on developing new technologies and adherence to R&D regulations to task in efficiently undertaking these matters.

In addition, MMC will put forth further effort into offering vehicles that have more attractive designs.

MMC believes that design is an important point to be able to show off the features of the MMC Group without its scope of business controlled by external forces. At the Geneva Motor Show in March of 2015, the all-new "Dynamic Shield" front face design concept was unveiled on a compact SUV concept car. The "Dynamic Shield" front face design concept builds on the functional shape of the bumpers' side protection inherited from generations of the *Pajero*. "Dynamic Shield" has been applied to the new *Outlander* released last year as well as the new *Pajero Sport*.

Into the future this concept is slated to be expanded to maintain a consistency in design. In this process MMC will build up a global design to express a "Mitsubishi-ness," utilizing to the fullest extent of two design studios, two in Japan and one in Europe,.

#### **4. Basic premise on accounting standards**

In consideration of possibilities that these consolidated financial statements may be subject to trend analysis and/or comparison with other companies' financial statements, the MMC Group's policy is to produce its consolidated financial statements according to Japanese accounting standards.

The MMC Group's policy regarding harmonization with IFRS is to apply appropriate measures based on consideration of domestic and overseas economic situation(s).

## 4. Consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	FY 2014 As of March 31, 2015	FY 2015 As of March 31, 2016
Assets		
Current assets		
Cash and deposits	440,272	453,371
Notes and accounts receivable-trade	184,653	172,119
Finance receivables	37,702	-
Merchandise and finished goods	155,181	141,260
Work in process	25,968	19,601
Raw materials and supplies	30,533	28,467
Short-term loans receivable	2,377	3,031
Deferred tax assets	24,742	14,883
Other	65,811	82,864
Less: Allowance for doubtful accounts	(3,585)	(1,414)
Total current assets	963,658	914,183
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	80,347	80,205
Machinery, equipment and vehicles, net	174,585	123,157
Tools, furniture and fixtures, net	37,142	32,230
Land	97,129	91,752
Construction in progress	17,105	13,778
Total property, plant and equipment	406,310	341,124
Intangible assets	14,043	16,519
Investments and other assets		
Long-term finance receivables	40,446	-
Investment securities	74,298	83,075
Long-term loans receivable	6,953	7,185
Net defined benefit asset	4,823	3,408
Deferred tax assets	9,914	9,378
Other	69,115	64,825
Less: Allowance for doubtful accounts	(6,763)	(5,975)
Total investments and other assets	198,789	161,897
Total noncurrent assets	619,143	519,541
Total assets	1,582,802	1,433,725

(Millions of yen)

	FY 2014 As of March 31, 2015	FY 2015 As of March 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	353,862	362,066
Electronically recorded obligations	21,018	27,093
Short-term loans payable	90,907	12,379
Current portion of long-term loans payable	27,643	14,155
Lease obligations	3,338	1,820
Accounts payable-other and accrued expenses	122,128	113,177
Income taxes payable	5,829	6,609
Deferred tax liabilities	11	45
Provision for product warranties	34,108	41,561
<u>Provision for loss on fuel economy test</u>	-	<u>20,567</u>
Other	33,992	<u>39,774</u>
<b>Total current liabilities</b>	<b>692,840</b>	<b><u>639,250</u></b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	25,914	540
Lease obligations	2,194	1,317
Deferred tax liabilities	29,970	26,663
Net defined benefit liability	106,821	34,002
Other	54,294	46,614
<b>Total noncurrent liabilities</b>	<b>219,195</b>	<b>109,137</b>
<b>Total liabilities</b>	<b>912,035</b>	<b><u>748,387</u></b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	165,701	165,701
Capital surplus	85,257	85,257
Retained earnings	432,241	<u>488,590</u>
Treasury stock	(220)	(220)
<b>Total shareholders' equity</b>	<b>682,980</b>	<b><u>739,328</u></b>
<b>Accumulated comprehensive income</b>		
Valuation difference on available-for-sale securities	7,844	4,429
Deferred gains or losses on hedges	286	542
Foreign currency translation adjustment	(21,013)	(59,109)
Remeasurements of defined benefit plans	(11,445)	(14,043)
<b>Total accumulated comprehensive income</b>	<b>(24,327)</b>	<b>(68,181)</b>
<b>Non-controlling interests</b>	<b>12,113</b>	<b>14,189</b>
<b>Total net assets</b>	<b>670,766</b>	<b><u>685,337</u></b>
<b>Total liabilities and net assets</b>	<b>1,582,802</b>	<b>1,433,725</b>

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

Consolidated statements of income	(Millions of yen)	
	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Net sales	2,180,728	2,267,849
Cost of sales	1,707,091	1,797,659
Gross profit	473,637	470,190
Selling, general and administrative expenses		
Advertising and promotion expenses	101,206	90,976
Freightage expenses	59,517	56,194
Provision of allowance for doubtful accounts	(367)	207
Directors' compensations, salaries and allowances	67,539	68,542
Retirement benefit expenses	3,926	4,604
Depreciation	9,131	9,487
Research and development expenses	45,057	45,012
Other	51,712	56,787
Total selling, general and administrative expenses	337,724	331,812
Operating income (loss)	135,913	138,377
Non-operating income		
Interest income	5,507	4,966
Dividends income	1,740	1,557
Foreign exchange gains	4,119	-
Equity in earnings of affiliates	10,613	10,993
Other	1,066	820
Total non-operating income	23,046	18,337
Non-operating expenses		
Interest expenses	4,305	1,587
Share issuance cost	-	11,302
Litigation expenses	1,356	967
Other	1,682	1,830
Total non-operating expenses	7,343	15,687
Ordinary income (loss)	151,616	141,027
Extraordinary income		
Gain on sales of noncurrent assets	408	10,848
Gain on revision of retirement benefit plan	2,448	-
Gain on sales of subsidiaries and affiliates' stocks	717	-
Other	517	1,570
Total extraordinary income	4,091	12,419

	(Millions of yen)	
	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Extraordinary loss		
Loss on retirement of noncurrent assets	2,569	3,247
Loss on sales of noncurrent assets	461	385
Impairment loss	20,145	2,188
<u>Loss on fuel economy test</u>	-	<u>19,126</u>
Loss on closing of plants	-	19,062
Loss on sales of stocks of subsidiaries and affiliates	517	-
Other	2,508	<u>610</u>
Total extraordinary losses	<u>26,203</u>	<u>44,619</u>
Income (loss) before income taxes	129,504	<u>108,827</u>
Income taxes-current	17,179	23,070
Income taxes-deferred	(7,698)	7,949
Total income taxes	<u>9,481</u>	<u>31,019</u>
Net income (loss)	<u>120,023</u>	<u>77,807</u>
Net income (loss) attributable to non-controlling interests	1,853	5,232
Net income (loss) attributable to owners of the parent	<u>118,170</u>	<u>72,575</u>

#### Consolidated statements of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Net income (loss)	120,023	<u>77,807</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	2,047	(3,400)
Deferred gains or losses on hedges	383	5
Foreign currency translation adjustment	30,750	(33,866)
Remeasurements of defined benefit plans	(7,942)	(2,726)
Share of other comprehensive income of associates accounted for using equity method	2,772	(5,336)
Total other comprehensive income	<u>28,011</u>	<u>(45,325)</u>
Comprehensive income	<u>148,035</u>	<u>32,482</u>
Comprehensive income attributable to:		
Owners of the parent	144,787	<u>28,721</u>
Non-controlling interests	3,247	3,760

(3) Consolidated statements of changes in net assets

(Millions of yen)

For the fiscal year ended March 31, 2015	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	165,701	85,257	340,714	(219)	591,453
Cumulative effects of changes in accounting policies			5,363		5,363
Restated balance	165,701	85,257	346,077	(219)	596,817
Changes of items during period					
Dividends of surplus			(31,961)		(31,961)
Net income (loss) attributable to owners of the parent			118,170		118,170
Purchase of treasury stock				(0)	(0)
Change of scope of equity method			(45)		(45)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	86,163	(0)	86,163
Balance at end of current period	165,701	85,257	432,241	(220)	682,980

(Millions of yen)

For the fiscal year ended March 31, 2015	Other comprehensive income					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 other comprehensive income		
Balance at beginning of current period	5,786	(1,641)	(51,323)	(3,742)	(50,921)	9,477	550,009
Cumulative effects of changes in accounting policies							5,363
Restated balance	5,786	(1,641)	(51,323)	(3,742)	(50,921)	9,477	555,373
Changes of items during period							
Dividends of surplus							(31,961)
Net income (loss) attributable to owners of the parent							118,170
Purchase of treasury stock							(0)
Change of scope of equity method							(45)
Net changes of items other than shareholders' equity	2,057	1,928	30,310	(7,703)	26,593	2,636	29,229
Total changes of items during the period	2,057	1,928	30,310	(7,703)	26,593	2,636	115,393
Balance at end of current period	7,844	286	(21,013)	(11,445)	(24,327)	12,113	670,766

(Millions of yen)

For the fiscal year ended March 31, 2016	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	165,701	85,257	432,241	(220)	682,980
Cumulative effects of changes in accounting policies					-
Restated balance	165,701	85,257	432,241	(220)	682,980
Changes of items during period					
Dividends of surplus			(16,226)		(16,226)
Net income (loss) attributable to owners of the parent			<u>72,575</u>		<u>72,575</u>
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	<u>56,348</u>	(0)	<u>56,348</u>
Balance at end of current period	165,701	85,257	<u>488,590</u>	(220)	<u>739,328</u>

(Millions of yen)

For the fiscal year ended March 31, 2015	Other comprehensive income					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 other comprehensive income		
Balance at beginning of current period	7,844	286	(21,013)	(11,445)	(24,327)	12,113	670,766
Cumulative effects of changes in accounting policies							-
Restated balance	7,844	286	(21,013)	(11,445)	(24,327)	12,113	670,766
Changes of items during period							
Dividends of surplus							(16,226)
Net income (loss) attributable to owners of the parent							<u>72,575</u>
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	(3,414)	255	(38,096)	(2,598)	(43,853)	2,075	(41,777)
Total changes of items during period	(3,414)	255	(38,096)	(2,598)	(43,853)	2,075	<u>14,570</u>
Balance at end of current period	4,429	542	(59,109)	(14,043)	(68,181)	14,189	<u>685,337</u>



#### (4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	129,504	<u>108,827</u>
Depreciation and amortization	62,406	58,717
Impairment loss	20,145	2,188
<u>Loss on fuel economy test</u>	-	<u>19,126</u>
Loss on closing of plants	-	19,062
Gain on revision of retirement benefit plan	(2,448)	-
Increase (decrease) in allowance for doubtful accounts	(849)	(2,264)
Increase (decrease) in net defined benefit liability	(9,415)	(80,764)
Interest and dividends income	(7,248)	(6,523)
Interest expenses	4,305	1,587
Foreign exchange losses (gains)	1,893	1,346
Equity in (earnings) losses of affiliates	(10,613)	(10,993)
Loss (gain) on sales and retirement of noncurrent assets	2,623	(7,216)
Loss (gain) on sales of stocks of subsidiaries and affiliates	(200)	-
Decrease (increase) in notes and accounts receivable-trade	481	3,931
Decrease (increase) in inventories	14,382	10,153
Change in finance receivables	2,824	65,208
Increase (decrease) in notes and accounts payable-trade	2,766	32,480
Other, net	(19,115)	<u>880</u>
Subtotal	<u>191,442</u>	<u>215,747</u>
Interest and dividends income received	11,342	13,367
Interest expenses paid	(4,315)	(1,645)
Payments for closing of plants	-	(8,656)
Income taxes paid	(21,459)	(21,122)
Net cash provided by (used in) operating activities	<u>177,008</u>	<u>197,691</u>
Net cash provided by (used in) investment activities		
Decrease (increase) in time deposits	(17)	40,694
Purchase of property, plant and equipment	(85,598)	(69,000)
Proceeds from sales of property, plant and equipment	16,353	64,024
Proceeds from sales of investment securities	53	104
Decrease (increase) in short-term loans receivable	423	(860)
Payments of long-term loans receivable	(870)	(2,526)
Collection of long-term loans receivable	1,343	1,487
Other, net	(3,015)	(16,753)
Net cash provided by (used in) investment activities	<u>(71,327)</u>	<u>17,169</u>

(Millions of yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(41,573)	(78,234)
Proceeds from long-term loans payable	28,613	2,705
Repayment of long-term loans payable	(83,064)	(26,957)
Dividends of surplus	(31,746)	(16,193)
Cash dividends paid to non-controlling interests	(507)	(1,615)
Other, net	(3,215)	(2,621)
Net cash provided by (used in) financing activities	(131,494)	(122,917)
Effect of exchange rate change on cash and cash equivalents	9,643	(25,029)
Net increase (decrease) in cash and cash equivalents	(16,168)	66,914
Cash and cash equivalents at beginning of period	411,695	395,526
Cash and cash equivalents at end of period	395,526	462,440

## (5) Notes to consolidated financial statements

### Notes on premise of going concern

There is no item to be reported.

### Significant Matters Serving as a Basis for the Preparation of Consolidated Financial Statements

Except for significant accounting policies below, disclosure is omitted as there were no significant changes to the items described in the latest Annual Securities Report (filed on June 24, 2015).

#### Recognition of significant provisions

##### Provision for loss on fuel economy test

Provision for loss on fuel economy test is calculated based on reasonable projections and assessments available at this time.

### Notes on Changes in Accounting Policies

Effective from FY2015, Mitsubishi Motors Corporation adopted the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No.21 of September 13, 2013), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22 of September 13, 2013), and "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7 of September 13, 2013). In applying these accounting standards, the accounting treatment for any changes in a parent's ownership interest in a subsidiary when the parent retains control over the subsidiary and the corresponding accounting for acquisition-related costs were revised. In addition, the presentation method of net income was amended, the reference to "minority interests" was changed to "non-controlling interests", and accounting treatment for adjustments to provisional amounts during measurement period was also changed.

There is no impact to the profit/loss.

### Notes on Changes in Accounting Estimate

Effective from FY2015, Mitsubishi Motors Corporation changed warranty estimation method from projecting future costs based on the ratio between past sales and after service costs to projecting future costs based on analysis by product, model year and area respectively. As a result, operating income, ordinary income and income before income taxes were reduced by ¥6,955 million, respectively.

### Consolidated balance sheet:

(Millions of yen)

As of March 31, 2016	
Contingent liabilities	
Contingent liabilities	6,224

### Consolidated statement of income:

(Millions of yen)

For the fiscal year from April 1, 2015 to March 31, 2016	
Total R&D expenditure included in selling, general and administrative expenses	45,012

Consolidated statement of changes in net assets: (from April 1, 2015 to March 31, 2016)

Shares issued and outstanding and treasury shares

(Thousands of shares)

	Number of shares As of 4/1/2015	Increase	Decrease	Number of shares As of 3/31/2016
Shares issued and outstanding:				
Common shares	983,661	-	-	983,661
Total	983,661	-	-	983,661
Treasury shares:				
Common shares <sup>Note</sup>	221	0	-	221
Total	221	0	-	221

Note: Increase of 0 thousand shares in treasury common shares is the result of purchases of stock lots not meeting the minimum trading lot (1,000 shares).

Consolidated statement of cash flows:

(Millions of yen)

For the fiscal year ended March 31, 2016	
Reconciliation between cash and cash equivalents and the amounts reported in the consolidated balance sheet is as follows:	
Cash and deposits	453,371
Time deposits with maturities greater than three months	(930)
Short-term investments maturing within three months from the acquisition date	10,000
Cash and cash equivalents	462,440

**Segment information:** (from April 1, 2015 to March 31, 2016)

1) Overview of reportable segment

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

The main business of the Group is automobile business, involving development, design, manufacturing and sales of automobiles and component parts. In addition, as financial service business, we engage in sales finance and leasing services for Group products. Accordingly, based on the types of products and services offered, the Group determined "automobile business" and "financial service business" as two reportable segments.

2) Net sales, income (loss), assets and others of reportable segments

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers	2,260,732	7,117	2,267,849	-	2,267,849
(2) Intersegment sales & transfers	(129)	-	(129)	129	-
Total	2,260,603	7,117	2,267,720	129	2,267,849
Segment income (loss)	138,953	(705)	138,248	129	138,377
Assets	1,372,989	11,960	1,384,950	48,774	1,433,725
Depreciation	54,111	4,605	58,717	-	58,717
Investment accounted for using the equity-method	82,853	10,344	93,198	(602)	92,595
Increase in property, plant and equipment and intangible assets (Note 3)	71,586	4,086	75,672	-	75,672

- Notes: 1. Adjustment represents the elimination of intersegment transactions and others.  
 2. Segments' income (loss) agrees to the amount of operating income (loss) presented in the consolidated statements of income.  
 3. Depreciation, Increase in property, plant and equipment and intangible assets include long-term prepaid expenses and amortization thereof.

(Related Information)

1) Information by products and services

The information is not shown here, as its classification is the same as for the reportable segment.

2) Information by geographic region

[ Net sales ]

Net sales are classified by the geographic location of the customers.

(Millions of yen)

Japan	North America		Europe	Asia		Oceania	Other	Total
	The United States			Thailand				
412,914	324,867	240,239	514,569	482,563	193,971	213,417	319,517	2,267,849

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

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

[ Property, plant and equipment ]

(Millions of yen)

	Japan	The United States	Thailand	Other	Total
Property, plant and equipment	247,538	6,715	73,544	13,325	341,124

(Supplementary information)

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

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total	Adjustment	Grand total
Net sales									
(1)External customers	1,330,926	287,179	111,253	304,283	213,417	20,789	2,267,849	-	2,267,849
(2)Intersegment sales & transfers	537,677	16,033	7,449	431,419	149	-	992,729	(992,729)	-
Total	1,868,604	303,213	118,702	735,702	213,567	20,789	3,260,579	(992,729)	2,267,849
Operating income (loss)	67,055	8,317	619	55,123	6,423	(522)	137,016	1,361	138,377

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

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

Information on major customers

(Millions of yen)

Customer	Net sales	Relevant segment
Mitsubishi Corporation	266,744	Automobiles

Impairment loss (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment	Grand total
Impairment loss	2,188	-	2,188	-	2,188

Goodwill (from April 1, 2015 to March 31, 2016)

There is no item to be reported.

Negative goodwill (from April 1, 2015 to March 31, 2016)

There is no item to be reported.

## Per share information

(Yen)

For the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)	
Net assets per share	<u>682.45</u>
Net income per share - basic	<u>73.80</u>

*Note: Basis for calculating net income per share – basic is shown below.*

(Millions of yen)

	For the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
<b>Net income per share - basic</b>	
Net income attributable to owners of the parent	<u>72,575</u>
Gain not attributable to ordinary shareholders	-
Net income attributable to owners of the parent related to common stock	<u>72,575</u>
Average number of shares of common stock outstanding during the period (Unit: Thousands of shares)	983,439

## Subsequent event:

In connection with the certification process for the mini-cars manufactured by Mitsubishi Motors Corporation (MMC), we found that with respect to the fuel consumption testing data submitted to the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), MMC conducted testing improperly to present better fuel consumption rates than the actual rates.

The applicable cars are four mini-car models, two of which are the "eK Wagon" and "eK Space" which have been manufactured by MMC; and the other two are the "Dayz" and "Dayz Roox" which have been manufactured by MMC and supplied to Nissan Motors Corporation (NM) since June 2013. Up until the end of March 2016, MMC has sold 157 thousand units and supplied 468 thousand units of the Dayz and Dayz Roox to NM.

Since MMC developed the applicable cars and was responsible for obtaining the relevant certifications, MMC conducted fuel consumption testing. In the process of the development for the next generation of mini-car products, NM examined the fuel consumption rates of the applicable cars for NM's reference and found deviations in the figures. NM requested MMC to review the running resistance value set by MMC during tests by MMC. In the course of our internal investigation upon this request, MMC learned of the improper conduct that MMC used the running resistance value for testing which provided more advantageous fuel consumption rates than the actual rates.

During our internal investigation, we have found that the testing method which was different from the one required by Japanese law has been applied to other models manufactured by MMC for the Japanese domestic market.

Investigations are currently being conducted by both internal and external experts. However, the possible impact on MMC group's financial position, results of operations, or cash flows for the following year and thereafter cannot be reasonably estimated at this moment.

## Other notes:

Notes to the following items are omitted from this report to enable accelerated disclosure of our financial reporting.

- Lease transactions
- Related-party transactions
- Deferred tax
- Financial instruments
- Marketable securities
- Derivative transactions
- Retirement benefits
- Business combinations etc.
- Asset retirement obligations



- Investment and rental properties etc.

## 5. Non-consolidated financial statements

### (1) Non-consolidated balance sheet

(Millions of yen)

	FY 2014 As of March 31, 2015	FY 2015 As of March 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash deposits	168,378	164,893
Notes receivable – trade	7	1
Accounts receivable – trade	199,872	198,696
Finished goods	31,826	29,156
Work in process	14,253	15,476
Raw materials and supplies	13,507	14,036
Prepaid expenses	900	789
Short-term loans receivable	21,834	5,619
Deferred tax assets	18,821	10,497
Accounts receivable–other	45,162	55,374
Other	9,972	21,766
Less: Allowance for doubtful accounts	(711)	(923)
<b>Total current assets</b>	<b>523,823</b>	<b>515,386</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings	37,202	37,350
Structures	6,852	7,173
Machinery and equipment	50,129	48,381
Vehicles	1,213	1,466
Tools, furniture and fixtures	33,468	28,218
Land	49,338	48,799
Construction in progress	5,705	10,035
<b>Total property, plant and equipment</b>	<b>183,911</b>	<b>181,425</b>
<b>Intangible assets</b>		
Intangible assets	9,907	13,322
<b>Total intangible assets</b>	<b>9,907</b>	<b>13,322</b>
<b>Investments and other assets</b>		
Investment securities	26,149	21,128
Investments in subsidiaries and affiliates	182,312	167,805
Long-term loans receivable	2,141	3,136
Investments in capital of subsidiaries and affiliates	21,721	20,795
Lease and guarantee deposits	5,963	5,913
Long-term prepaid expenses	5,159	6,054
Other	5,128	5,132
Less: Allowance for doubtful accounts	(1,315)	(1,314)
<b>Total investments and other assets</b>	<b>247,262</b>	<b>228,652</b>
<b>Total non-current assets</b>	<b>441,081</b>	<b>423,400</b>
<b>Total assets</b>	<b>964,905</b>	<b>938,787</b>

(Millions of yen)

	FY 2014 As of March 31, 2015	FY 2015 As of March 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable- trade	3,043	2,200
Electronically recorded obligations - operating	21,018	27,838
Accounts payable- trade	279,103	272,069
Short-term loans payable	-	10,000
Lease obligations	3,086	1,618
Accounts payable – other	48,324	45,779
Income taxes payable	701	20
Accrued expenses	3,518	3,762
Deposits received	2,207	11,580
Provision for product warranties	10,647	17,792
Provision for loss on fuel economy test	-	<u>20,567</u>
Other	24,533	<u>29,858</u>
<b>Total current liabilities</b>	<b>396,186</b>	<b>443,088</b>
<b>Non-current liabilities</b>		
Long-term loans payable	10,000	-
Lease obligations	1,538	793
Guarantee deposits received	4,410	3,728
Provision for retirement benefits	81,727	529
Long-term accounts payable-other	8,051	3,740
Deferred tax liabilities	6,593	5,875
Asset retirement obligations	3,521	3,601
Other	5,418	7,244
<b>Total non-current liabilities</b>	<b>121,260</b>	<b>25,513</b>
<b>Total liabilities</b>	<b>517,446</b>	<b>468,602</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	165,701	165,701
Capital surplus		
Other capital surplus	85,257	85,257
Total capital surplus	85,257	85,257
Retained earnings		
Legal retained earnings	3,196	4,818
Other retained earnings		
Retained earnings brought forward	185,815	<u>210,238</u>
Total earned surplus	189,011	<u>215,057</u>
Treasury stock	(220)	(220)
<b>Total shareholders' equity</b>	<b>439,750</b>	<b>465,796</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	7,708	4,387
<b>Total valuation and translation adjustments</b>	<b>7,708</b>	<b>4,387</b>
<b>Total net assets</b>	<b>447,458</b>	<b>470,184</b>
<b>Total liabilities and net assets</b>	<b>964,905</b>	<b>938,787</b>

## (2) Non-consolidated statement of income

(Millions of yen)

	For the fiscal year Ended as of March 31, 2015	For the fiscal year Ended as of March 31, 2016
Net sales	1,774,489	1,806,047
Cost of sales	1,513,990	1,563,340
Gross profit	260,499	242,706
Selling, general and administrative expenses		
Advertising and promotion expenses	31,156	28,905
Haulage expenses	54,536	50,583
Provision of allowance for doubtful accounts	(382)	212
Directors' compensations, salaries and allowances	24,038	25,244
Provision for retirement benefits	1,016	1,469
Depreciation	4,639	5,102
Research and development expenses	45,057	45,012
Other	19,288	24,715
Total selling, general and administrative expenses	179,350	181,245
<b>Operating income (loss)</b>	<b>81,149</b>	<b>61,461</b>
Non-operating income		
Interest and dividends income	49,917	58,184
Other	807	612
Total non-operating income	50,724	58,797
Non-operating expenses		
Interest expenses	2,447	515
Foreign exchange loss	5,031	15,083
Other	1,336	1,974
Total non-operating expenses	8,815	17,573
<b>Ordinary income (loss)</b>	<b>123,058</b>	<b>102,685</b>
Extraordinary income		
Gain on sales of non-current assets	152	884
Gain on sales of investments in capital	-	768
Gain on revision of retirement benefit plan	2,448	-
Other gains	105	1,134
Total extraordinary income	2,705	2,788
Extraordinary losses		
Loss on disposal of fixed assets	2,005	2,214
Loss on valuation of stocks of subsidiaries and affiliates	896	24,653
<u>Loss on fuel economy test</u>	-	<u>19,126</u>
Other losses	4,255	<u>1,531</u>
Total extraordinary losses	7,157	47,525
<b>Net income(loss) before income taxes</b>	<b>118,607</b>	<b>57,947</b>
Income tax, current	6,726	6,367
Income tax, deferred (- indicates reduction)	(10,037)	9,307
Total income taxes	(3,310)	15,674
<b>Net income(loss)</b>	<b>121,918</b>	<b>42,272</b>

(3) Non-consolidated statements of changes in net assets

(Millions of yen)

For the fiscal year ended March 31,2015	Shareholders' equity					
	Capital stock	Capital surplus	Legal retained earnings	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	165,701	85,257	-	93,641	(219)	344,381
Cumulative effect of changes in accounting policies				5,413		5,413
Restated balance	165,701	85,257	-	99,055	(219)	349,794
Changes of items during the period						
Dividends of surplus			3,196	(35,157)		(31,961)
Net income (loss)				121,918		121,918
Purchase of treasury stock					(0)	(0)
Net changes of items other than shareholders' equity						
Total changes of items during the period	-	-	3,196	86,760	(0)	89,955
Balance at the end of current period	165,701	85,257	3,196	185,815	(220)	439,750

(Millions of yen)

For the fiscal year ended March 31,2015	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total other Valuation and translation adjustments	
Balance at beginning of current period	5,649	(330)	5,318	349,699
Cumulative effect of changes in accounting policies				5,413
Restated balance	5,649	(330)	5,318	355,113
Changes of items during the period				
Dividends of surplus				(31,961)
Net income (loss)				121,918
Purchase of treasury stock				(0)
Net changes of items other than shareholders' equity	2,058	330	2,389	2,389
Total changes of items during the period	2,058	330	2,389	92,345
Balance at the end of current period	7,708	-	7,708	447,458

(Millions of yen)

For the fiscal year ended March 31,2016	Shareholders' equity					
	Capital stock	Capital surplus	Legal retained earnings	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	165,701	85,257	3,196	185,815	(220)	439,750
Cumulative effect of changes in accounting policies						
Restated balance	165,701	85,257	3,196	185,815	(220)	439,750
Changes of items during the period						
Dividends of surplus			1,622	(17,849)		(16,226)
Net income (loss)				<u>42,272</u>		<u>42,272</u>
Purchase of treasury stock					(0)	(0)
Net changes of items other than shareholders' equity						
Total changes of items during the period	-	-	1,622	<u>24,423</u>	(0)	<u>26,045</u>
Balance at the end of current period	165,701	85,257	4,818	<u>210,238</u>	(220)	<u>465,796</u>

(Millions of yen)

For the fiscal year ended March 31,2016	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total other Valuation and translation adjustments	
Balance at beginning of current period	7,708	-	7,708	447,458
Cumulative effect of changes in accounting policies				
Restated balance	7,708	-	7,708	447,458
Changes of items during the period				
Dividends of surplus				(16,226)
Net income (loss)				<u>42,272</u>
Purchase of treasury stock				(0)
Net changes of items other than shareholders' equity	(3,320)	-	(3,320)	(3,320)
Total changes of items during the period	(3,320)	-	(3,320)	<u>22,725</u>
Balance at the end of current period	4,387	-	4,387	<u>470,184</u>

**Notes on premise of going concern:**

There is no item to be reported.