

Notice on Material Deficiency in Internal Controls on Financial Reporting Requiring Disclosure

Mitsubishi Motors Corporation (“MMC”) announces today that, as described below, a material deficiency requiring disclosure will be described in the Internal Control Report for the fiscal year ended March 31, 2016, which will be submitted to the Kanto Local Finance Bureau on June 24, 2016 pursuant to Article 24-4-4 of the Financial Instruments and Exchange Act.

Particulars

1. Description of Material Deficiency Requiring Disclosure

The deficiency in internal controls relating to financial reporting described below was judged to have a high possibility of causing a material effect on financial reporting and to fall under the category of a material deficiency requiring disclosure. Accordingly, it was judged that MMC’s internal controls relating to financial reporting at the end of the fiscal year were not effective.

In the settlement of accounts for the fiscal year ended March 31, 2016, an audit firm that is our Accounting Auditors (the “Accounting Auditors”) pointed out to MMC that the recording of provision for losses relating to fuel consumption testing was inadequately recorded. MMC’s response to this matter was to recognize an additional provision and record the amounts to be borne in the fiscal year ended March 31, 2016 in the Financial Statements and the Consolidated Financial Statements.

This matter concerns the recording of provision for losses in association with an improper conduct in fuel consumption testing on vehicles manufactured by MMC, which was revealed on April 20, 2016, and it was caused by inadequacies in the estimates review for the Financial Statements and Consolidated Financial Statements submitted to the Accounting Auditors on April 27, 2016, and this situation arose because of inadequacies in designing and operating internal control relating to the estimates of atypical items such as the recording of provision for losses relating to fuel consumption testing.

2. Reason that Rectification was not Possible before the End of the Fiscal Year

The reason that the aforementioned material deficiency in internal controls relating to financial reporting was not rectified before the end of the fiscal year was because the aforementioned reporting inadequacy was discovered in the process of the auditing of the Financial Statements after the end of the fiscal year.

3. Rectification Policy Concerning Material Deficiency Requiring Disclosure

Concerning the measures to be taken to rectify the material deficiency in internal controls relating to financial reporting requiring disclosure, when an atypical transaction occurs before or after the account closing date, MMC will secure an appropriate account settlement timeline, quickly review recurrence prevention measures such as strengthening the review system for more appropriate estimate processes, and secure reliability in financial reporting.

4. Effect on Consolidated Financial Statements

The matters requiring revision that arose from the material deficiency requiring disclosure are reflected in the Financial Statements and the Consolidated Financial Statements.

5. Audit Opinion in the Audit Report on Financial Statements

An unqualified opinion was given in the Audit Report.