

## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2017 [Japan GAAP]

Company name: **Mitsubishi Motors Corporation**  
 Listing: First Section, the Tokyo Stock Exchange  
 Stock code: 7211  
 URL: <http://www.mitsubishi-motors.co.jp/>  
 Representative: Osamu Masuko, Chairman of the Board and President, CEO  
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 Scheduled date to file quarterly report: August 12, 2016  
 Scheduled date to deliver cash dividends: TBD  
 Quarterly earnings supplementary explanatory documents: Yes  
 Quarterly earnings presentation: Yes

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

### 1. Consolidated performance for the first quarter of fiscal year 2016 (from April 1, 2016 to June 30, 2016)

#### (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	%
FY2016 1 <sup>st</sup> quarter	428,732	(14.3)	4,619	(75.2)	4,371	(81.9)	(129,724)	–
FY2015 1 <sup>st</sup> quarter	500,521	(2.6)	18,633	(39.8)	24,136	(26.1)	23,988	(14.8)

Note: Comprehensive income FY2016 1<sup>st</sup> quarter: ¥(155,384) million – % FY2015 1<sup>st</sup> quarter: ¥ 24,580 million (0.0)%

	Net income per share	Diluted net income per share
	Yen	Yen
FY2016 1 <sup>st</sup> quarter	(131.91)	–
FY2015 1 <sup>st</sup> quarter	24.39	–

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
	Millions of yen	Millions of yen	%
As of			
June 30, 2016	1,285,274	520,690	39.6
March 31, 2016	1,433,725	685,337	46.8

Reference: Equity As of June 30, 2016: ¥ 508,784 million As of March 31, 2016: ¥ 671,147 million

## 2. Cash dividends

Record date	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2015	–	8.00	–	8.00	16.00
FY2016	–				
FY2016 (Forecast)		5.00	–	5.00	10.00

Note : Revisions to the forecasts of cash dividends in the current quarter: Nil

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

(Percentages indicate changes over the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	1,910,000	(15.8)	25,000	(81.9)	32,000	(77.3)	(145,000)	–	(147.44)

Note: Modifications in the consolidated earnings forecasts from the latest announcement: Nil

### \* Notes:

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of specific accounting treatment for preparing the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - 1) Changes in accounting policies due to revisions to accounting standards: No
  - 2) Changes in accounting policies due to other reasons: No
  - 3) Changes in accounting estimates: No
  - 4) Restatement: No
- (4) Number of issued shares (common stock)
  - 1) Total number of issued shares and outstanding at the end of the period (including treasury stock)
 

As of June 30, 2016:	983,661,919 shares
As of March 31, 2016:	983,661,919 shares
  - 2) Number of shares of treasury stock at the end of the period
 

As of June 30, 2016:	221,976 shares
As of March 31, 2016:	221,976 shares
  - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
 

FY2016 1 <sup>st</sup> quarter:	983,439,943 shares
FY2015 1 <sup>st</sup> quarter:	983,440,023 shares

\* Quarterly review procedures:

As of when this summary of quarterly financial results have been released as flash report, we have not completed the review for the quarterly financial reporting 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 for FY2016.

(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. Qualitative Information and Financial Statements

### (1) Summary of operating results

The Mitsubishi Motors Group posted cumulative consolidated results for the first three months of FY2016 as follows: Net sales decreased 71.8 billion yen, or 14% year-on-year, to 428.7 billion yen. Operating income decreased 14.0 billion yen or 75% year-on-year, to 4.6 billion yen. Negative impact from the halt in production and sales stemming from the issue of improper conduct in fuel economy testing in Japan and increase in costs on quality measures in market affected the decrease. Ordinary income decreased 19.7 billion yen or 82% year-on-year, to 4.4 billion yen. Net income for the first quarter of FY2016 attributable to owners of the parent decreased 153.7 billion yen, to loss of 129.7 billion yen due to recording of an extraordinary loss of 125.9 billion yen resulting from loss on fuel economy test.

Global retail sales volume for the first three months of FY2016 totaled 221,000 units, a decrease of 16% or 41,000 units over the same period in FY2015. Sales volumes by regions were as follows.

Japan: Sales volume totaled 10,000 units, a year-on-year decrease of 43% or 8,000 units. Although sales volume of registered vehicles remained unchanged, year-on-year minicars sales volume dropped drastically due to impact from the halt in production and sales, resulting in an overall decrease for the region.

North America: Sales volume totaled 37,000 units, a year-on-year increase of 5% or 2,000 units. The increase was driven in particular by firm sales of the *Outlander*.

Europe: A sales volume plunge in Russia due to its continually stagnant economy was mitigated by an increase in sales of the *Outlander* in Western Europe, limiting the decrease in sales to 8,000 units for a sales volume total of 47,000 units, a year-on-year decrease of 15%.

Asia: In the ASEAN region, sales volume increased to 50,000 units, a year-on-year increase of 3% or 1,000 units. Sales of the *Pajero Sport* in Indonesia shifted upward; together with increases in sales volume of the *Mirage* and *Attrage* in both Thailand and the Philippines contributed to the increase.

However, in the North Asia region, sales volume in China decreased as the number of vehicles in MMC's China lineup applicable for the government subsidy for small cars (in effect from October 2015) were limited. This decrease negatively impacted the region, resulting in a year-on-year decrease of 27% or 8,000 units to a total 21,000 units.

As a result, overall sales volume totaled 71,000 units, a year-on-year decrease of 8% or 7,000 units for the entire Asia region.

Other Regions: Sales volume totaled 56,000 units, a year-on-year decrease of 26% or 20,000 units, with sluggish sales in the Middle East, Africa and Latin America as a result of economic downturns in those areas.

### (2) Summary of financial position

Total assets as of June 30, 2016 amounted to 1,285.3 billion yen, a decrease of 148.4 billion yen over the end of FY2015. Cash and cash deposits amounted 416.6 billion yen, a decrease of 36.8 billion yen from the end of FY2015. Total liabilities amounted to 764.6 billion yen, an increase of 16.3 billion yen from the end of FY2015. Out of total liabilities, the interest bearing debt balance was 39.5 billion yen, an increase of 12.4 billion yen from the end of FY2015. Net assets at the end of the first quarter of FY2016 amounted to 520.7 billion yen, a 164.7 billion yen decrease from the end of FY2015 due to factors including the net loss attributable to owners of the parent posted for the first quarter of FY2016 and dividend payouts.

### (3) Summary of earnings forecasts

Mitsubishi Motors Corporation has decided to leave its consolidated forecasts announced on June 22, 2016 unchanged for the full-year of FY2016 (April 1, 2016 through March 31, 2017).

## 2. Others

- (1) Application of specific accounting treatment for preparing the quarterly consolidated financial statements:  
Income tax expenses were calculated by multiplying income before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to a projected annual income before income taxes. In case where the estimated effective tax rate is unavailable, statutory effective tax rate is used.

### 3. Consolidated financial statements

#### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	453,371	416,584
Notes and accounts receivable-trade	172,119	89,817
Merchandise and finished goods	141,260	136,981
Work in process	19,601	18,860
Raw materials and supplies	28,467	27,299
Other	100,779	94,938
Allowance for doubtful accounts	(1,414)	(1,153)
Total current assets	914,183	783,327
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	80,205	78,631
Machinery, equipment and vehicles, net	123,157	115,475
Tools, furniture and fixtures, net	32,230	30,585
Land	91,752	90,662
Construction in progress	13,778	11,741
Total Property, plant and equipment	341,124	327,096
Intangible assets	16,519	16,654
Investments and other assets		
Investment securities	83,075	82,785
Other	84,798	81,005
Allowance for doubtful accounts	(5,975)	(5,595)
Total investments and other assets	161,897	158,195
Total noncurrent assets	519,541	501,947
Total assets	1,433,725	1,285,274

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	362,066	289,743
Electronically recorded obligations	27,093	18,753
Short-term loans payable	12,379	24,371
Current portion of long-term loans payable	14,155	14,711
Accounts payable-other and accrued expenses	113,177	110,332
Income taxes payable	6,609	5,260
Provision for product warranties	41,561	43,321
Provision for loss on fuel economy test	20,567	117,221
Other	41,640	43,621
Total current liabilities	639,250	667,337
Noncurrent liabilities		
Long-term loans payable	540	458
Net defined benefit liability	34,002	32,531
Other	74,594	64,256
Total noncurrent liabilities	109,137	97,246
Total liabilities	748,387	764,583
<b>Net assets</b>		
Shareholders' equity		
Capital stock	165,701	165,701
Capital surplus	85,257	85,257
Retained earnings	488,590	350,998
Treasury stock	(220)	(220)
Total shareholders' equity	739,328	601,737
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,429	3,745
Deferred gains or losses on hedges	542	1,622
Foreign currency translation adjustment	(59,109)	(85,368)
Remeasurements of defined benefit plans	(14,043)	(12,952)
Total accumulated other comprehensive income	(68,181)	(92,952)
Non-controlling interests	14,189	11,905
Total net assets	685,337	520,690
Total liabilities and net assets	1,433,725	1,285,274

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

Consolidated statements of income	(Millions of yen)	
	FY2015 1 <sup>st</sup> quarter (from April 1, 2015 to June 30, 2015)	FY2016 1 <sup>st</sup> quarter (from April 1, 2016 to June 30, 2016)
Net sales	500,521	428,732
Cost of sales	399,487	350,388
Gross profit	101,034	78,343
Selling, general and administrative expenses		
Advertising and promotion expenses	24,353	17,366
Freightage expenses	12,734	10,790
Provision of allowance for doubtful accounts	(186)	(239)
Directors' compensations, salaries and allowances	17,438	16,827
Retirement benefit expenses	1,399	913
Depreciation	2,173	2,456
Research and development expenses	10,678	12,295
Other	13,809	13,314
Total selling, general and administrative expenses	82,400	73,724
Operating income (loss)	18,633	4,619
Non-operating income		
Interest income	1,379	978
Foreign exchange gains	2,475	—
Equity in earnings of affiliates	2,679	2,875
Other	369	404
Total non-operating income	6,904	4,257
Non-operating expenses		
Interest expenses	414	264
Foreign exchange losses	—	3,789
Litigation expenses	643	140
Other	344	311
Total non-operating expenses	1,401	4,505
Ordinary income (loss)	24,136	4,371
Extraordinary income		
Gain on sales of noncurrent assets	9,730	95
Gain on sales of investment securities	—	260
Other	3	6
Total extraordinary income	9,734	362
Extraordinary loss		
Loss on retirement of noncurrent assets	521	397
Loss on sales of noncurrent assets	66	81
Loss on fuel economy test	—	125,862
Other	230	1,469
Total extraordinary losses	818	127,811
Income (loss) before income taxes	33,051	(123,078)
Income taxes	5,052	6,281
Net income (loss)	27,999	(129,359)
Net income (loss) attributable to non-controlling interests	4,011	364
Net income (loss) attributable to owners of the parent	23,988	(129,724)



## Consolidated statements of comprehensive income

(Millions of yen)

	FY2015 1 <sup>st</sup> quarter (from April 1, 2015 to June 30, 2015)	FY2016 1 <sup>st</sup> quarter (from April 1, 2016 to June 30, 2016)
Net income (loss)	27,999	(129,359)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,003)	(688)
Deferred gains or losses on hedges	(680)	1,169
Foreign currency translation adjustment	(1,924)	(24,087)
Remeasurements of defined benefit plans	(236)	1,156
Share of other comprehensive income of associates accounted for using equity method	427	(3,575)
Total other comprehensive income	(3,418)	(26,024)
Comprehensive income	24,580	(155,384)
Comprehensive income attributable to:		
Owners of the parent	20,707	(154,495)
Non-controlling interests	3,873	(888)

**(3) Notes to consolidated financial statements**

**Notes on premise of going concern**

N/A

**Notes on significant changes in the amount of shareholders' equity**

N/A

## Segment information

FY2015 1<sup>st</sup> quarter (from April 1, 2015 to June 30, 2015)

For information on reportable segment, please refer to “Change in reportable segments” in FY2016 1st quarter.

(Supplementary information about geographic information)

### 1) Net sales to the external customers, classified by the geographic location of the external customers

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers	79,034	83,071	107,028	98,119	60,526	72,740	500,521

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

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

### 2) 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 (Note)	Grand total
Net sales									
(1) External customers	288,731	74,637	15,905	56,045	60,526	4,673	500,521	–	500,521
(2) Intersegment sales & transfers	106,155	5,769	1,946	101,148	20	–	215,039	(215,039)	–
Total	394,886	80,407	17,852	157,194	60,547	4,673	715,561	(215,039)	500,521
Operating income (loss)	(1,745)	4,176	2,280	8,990	2,364	115	16,181	2,452	18,633

Note: 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

FY2016 1<sup>st</sup> quarter (from April 1, 2016 to June 30, 2016)

Information on reportable segment is omitted as the MMC group (the “Group”) has a single reportable segment which is “automobile business”.

(Change in reportable segments)

The Group’s reportable segments were previously classified as “automobile business” and “financial service business”. Effective FY2016 1<sup>st</sup> quarter, the Group changed its reportable segments to a single reportable segment which is “automobile business”.

As a result of the transferring finance receivables and leased vehicles of Mitsubishi Motors Credit of America Inc., a subsidiary in the United States in FY2015 2<sup>nd</sup> quarter, the scale of operations of “financial service business” have significantly decreased.

Accordingly, information on reportable segment is omitted for 1<sup>st</sup> quarter of FY2015 and FY2016 as the Group now operates in a single reportable segment.

(Supplementary information about geographic information)

1) Net sales to the external customers, classified by the geographic location of the external customers

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers	45,678	74,374	106,722	93,892	51,714	56,349	428,732

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

- (1) North America.....The United States
- (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.

2) 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 (Note)	Grand total
Net sales									
(1) External customers	237,553	70,788	13,878	49,013	51,714	5,783	428,732	–	428,732
(2) Intersegment sales & transfers	129,080	1,985	935	117,394	32	0	249,427	(249,427)	–
Total	366,634	72,774	14,813	166,407	51,746	5,783	678,159	(249,427)	428,732
Operating income (loss)	(22,929)	2,243	1,765	17,589	3,183	352	2,206	2,412	4,619

Note: 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