

May 11, 2021

Consolidated Financial Results for FY 2020 Full Year (April 1, 2020 through March 31, 2021) [Japan GAAP]

Company name: **Mitsubishi Motors Corporation**
 Listing: First Section, the Tokyo Stock Exchange
 Stock code: 7211
 URL: <http://www.mitsubishi-motors.co.jp/>
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 Scheduled date for ordinary general shareholders' meeting: June 23, 2021
 Scheduled date to file Securities Report: June 24, 2021
 Scheduled date to deliver cash dividends: —

1. Consolidated performance for the full year 2020 (April 1, 2020 to March 31, 2021)

(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	%
FY2020	1,455,476	(35.9)	(95,321)	—	(105,203)	—	(312,317)	—
FY2019	2,270,276	(9.7)	12,788	(88.6)	(3,843)	—	(25,779)	—

Reference: Comprehensive income FY2020 : ¥(259,691) million (—%) FY2019 : ¥(67,458) million (—%)

	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	%	%	%
FY2020	(209.88)	—	(48.8)	(5.5)	(6.5)
FY2019	(17.32)	—	(3.1)	(0.2)	0.6

Note: Equity income from affiliates FY2020 : ¥(9,122) million FY2019 : ¥(4,263) million

(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, 2021	1,856,279	525,251	27.4	341.44
March 31, 2020	1,938,123	788,363	39.9	519.15

Reference: Shareholders' Equity As of March 31, 2021: ¥ 507,905 million As of March 31, 2020: ¥ 772,663 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
FY2020	(41,537)	(101,323)	168,291	444,619
FY2019	18,786	(105,712)	9,624	399,588

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	%	%
FY2019	–	10.00	–	0.00	10.00	14,883	–	1.8
FY2020	–	0.00	–	0.00	0.00	0	–	–
FY2021 (Forecast)	–	0.00	–	0.00	0.00		0.0	

3. Consolidated earnings forecasts for fiscal year 2021 (from April 1, 2021 to March 31, 2022)

(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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,060,000	41.5	30,000	-	26,000	-	10,000	-	6.72

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: No
 - (ii) Changes in accounting policies due to other reasons: No
 - (iii) Changes in accounting estimates: No
 - (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 period (including treasury stock)

As of March 31, 2021:	1,490,282,496 shares
As of March 31, 2020	1,490,282,496 shares
 - (ii) Number of shares of treasury stock at the end of the period

As of March 31, 2021:	2,756,985 shares
As of March 31, 2020	1,969,601 shares
 - (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of March 31, 2021:	1,488,068,572 shares
As of March 31, 2020	1,488,312,896 shares

Note: The number of treasury shares at the end of each period includes shares of the Company held by the BIP Trust Account (1,152,650 shares as of March 31, 2021 and - shares as of March 31, 2020). The shares of the Company held by the BIP Trust Account is included in the number of treasury shares deducted in the calculation of average number of shares during each period (314,444 shares as of March 31, 2021 and - shares as of March 31, 2020).

Reference: Overview of the Unconsolidated Financial Results

1. Unconsolidated Results for FY2020 (from April 1, 2020 to March 31, 2021)

(1) Unconsolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020	1,092,242	(39.4)	(165,725)	—	(145,996)	—	(273,405)	—
FY2019	1,802,415	(9.9)	(66,512)	—	6,456	(90.0)	(7,037)	—

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
FY2020	(183.73)	—
FY2019	(4.73)	—

(2) Unconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2021	985,314	277,260	28.1	186.15
March 31, 2020	1,093,709	550,106	50.3	369.39

Reference: Shareholders' Equity As of March 31, 2021: ¥ 276,907 million As of March 31, 2020: ¥ 549,760 million

* Annual audit procedures:

This document is out of the scope of Audit by the independent Auditor.

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

(Note for the description about financial forecast)

This material contains forward-looking statements, based on judgments and estimates that have been made on the basis of currently available information. By nature, such statements are subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned statements due to changes in economic environments related to our business, market trends, fluctuations in interest rates and exchange rate, changes in laws, regulations and government policies, etc.

Potential risks and uncertainties are not limited to the above and Mitsubishi Motors is not under any obligation to update the information in this material to reflect any developments or events in the future.

If you are interested in investing in Mitsubishi Motors, you are requested to make a final investment decision at your own risk, taking the foregoing into consideration. Please note that neither Mitsubishi Motors nor any third party providing information shall be responsible for any damage you may suffer due to investment in Mitsubishi Motors based on the information shown in this material.

(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. Overview of Financial Results, etc.

(1) Overview of Financial Results

The worldwide slump in automobile demand due to the spread of COVID-19, which has emerged since the beginning of last year, is gradually regaining stability, mainly in developed countries. However, the recovery in the market in which we excel was delayed and conditions remained severe.

Under these circumstances, we formulated "Small but Beautiful", our Mid-Term Business Plan, to drastically improve profitability, and implemented structural reforms, including reductions in fixed costs, in line with the basic concept of selection and concentration.

As a result, the number of units sold for the full fiscal year was 801,000 units globally, down from the previous fiscal year, and consolidated net sales for the full fiscal year declined 36% year on year to 1,455.5 billion yen. However, due to the effects of company-wide efforts to reduce various expenses and fixed costs and restructuring activities, consolidated operating profit resulted in a loss of 95.3 billion yen for the full fiscal year (a decrease of 108.1 billion yen year on year), an improvement from the full-year forecast of 100.0 billion yen operating loss announced in February. Earnings momentum bottomed out in the first half and is steadily recovering. Consolidated ordinary profit was a loss of 105.2 billion yen (a decrease of 101.4 billion yen year on year) and net income attributable to the owners of the parent company was a loss of 312.3 billion yen (a decrease of 286.5 billion yen year on year).

(2) Overview of Financial Position

Total assets at the end of fiscal year 2020 amounted to 1,856.3 billion yen (a decrease of 81.8 billion yen from the end of fiscal year 2019). Cash and cash deposits amounted to 455.7 billion yen (an increase of 56.1 billion yen from the end of fiscal year 2019). Total liabilities amounted to 1,331.0 billion yen (an increase of 181.3 billion yen from the end of fiscal year 2019). Of total liabilities, the interest bearing debt balance was 483.3 billion yen (an increase of 183.9 billion yen from the end of fiscal year 2019). Net assets amounted to 525.3 billion yen (a decrease of 263.1 billion yen from the end of fiscal year 2019).

(3) Overview of Cash Flow

During the fiscal year 2020, net cash used in financing activities amounted to 168.3 billion yen as a result of borrowings from financial institutions, which outweighed net cash used in operating activities of 41.5 billion yen and net cash used in investing activities of 101.3 billion yen.

As a result, the balance of cash and cash equivalents at the end of the fiscal year 2020 increased by 45.0 billion yen from the end of the previous fiscal year to 444.6 billion yen. The status of each cash flow for the fiscal year 2020 and their factors are as follows:

(Cash flows from operating activities)

Net cash used in operating activities was 41.5 billion yen, an increase of 60.3 billion yen from 18.8 billion yen provided in the previous fiscal year.

This increase in expenditures was mainly due to lower sales and profits associated with the spread of COVID-19 and business restructuring.

(Cash flows from investing activities)

Net cash used in investing activities was 101.3 billion yen, a decrease of 4.4 billion yen from 105.7 billion yen in the previous fiscal year.

This decrease was mainly due to a decrease in capital investment.

(Cash flows from financing activities)

Net cash provided by financing activities was 168.3 billion yen, an increase of 158.7 billion yen from 9.6 billion yen in the previous fiscal year.

This increase in income was mainly due to an increase in borrowings.

Trends in key cash flow ratios

	FY2016	FY2017	FY2018	FY2019	FY2020
Ratio of shareholders' equity (%)	46.5	47.4	43.4	39.9	27.4.
Ratio of market value to assets (%)	67.2	68.9	43.5	23.5	25.2
Debt repayment coverage (years)	(0.3)	0.2	1.6	15.9	(11.6)
Interest coverage ratio (%)	(38.7)	34.1	38.9	4.8	(8.0)

Definitions:

Ratio of shareholders' equity: Shareholders' equity / total assets

Ratio of market value to assets: Total market value of shares / total assets

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

Interest coverage ratio: Cash flows from operating activities / interest expenses paid

(Note 1) All figures are calculated based on consolidated financial data.

(Note 2) 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.

(Note 3) Cash flows from operating activities are used.

(Note 4) Interest bearing liabilities indicate all liabilities listed on the consolidated balance sheet for which interest is paid. Including lease obligations from FY2018.

(4) Financial Forecast

Forecast for the fiscal year 2021

The challenging market conditions are expected to continue in the fiscal year 2021, but in order to achieve sustainable growth over the medium to long term, we will continue to promote reforms in line with "Small but Beautiful", our Mid-Term Business Plan, and build a solid management foundation.

The outlook for the fiscal year 2021 (ending March 31, 2022) is as follows:

	FY 2021 Full-year
Net sales	2,060 billion yen
Operating profit	30 billion yen
Ordinary profit	26 billion yen
Profit attributable to owners of parent	10 billion yen

The forecast for consolidated retail sales volume is as follows: (1,000 units)

Region	FY 2021 Forecast	FY 2020 Results
Japan	94	73
North America	154	113
Europe	124	144
Asia	377	294
Others	208	177
Total	957	801

* This material contains forward-looking statements, based on judgments and estimates that have been made on the basis of currently available information. By nature, such statements are subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned statements due to changes in economic environments related to our business, market trends, fluctuations in interest rates and exchange rate, changes in laws, regulations and government policies, etc.

Potential risks and uncertainties are not limited to the above and Mitsubishi Motors is not under any obligation to update the information in this presentation to reflect any developments or events in the future. If you are interested in investing in Mitsubishi Motors, you are requested to make a final investment decision at your own risk, taking the foregoing into consideration. Please note that neither Mitsubishi Motors nor any third party providing information shall be responsible for any damage you may suffer due to investment in Mitsubishi Motors based on the information shown in this presentation.

2. 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)

3. Consolidated financial statements

(1) Consolidated balance sheets

(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 economy 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		
Capital stock	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

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

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2020	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
Freightage expenses	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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Extraordinary losses		
Loss on retirement of non-current assets	4,097	3,167
Loss on sales of non-current assets	252	104
Impairment loss	(*1) 2,292	(*1) 107,747
Loss on COVID-19	-	(*2) 2,489
Business restructuring expenses	-	(*1), (*3) 70,286
Foreign withholding tax on adjustments for transfer pricing taxation	-	(*4) 8,604
Loss on sale 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 statements of comprehensive income

	(Millions of yen) Fiscal year ended March 31, 2020	(Millions of yen) 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

(3) Consolidated statements of changes in net assets

(Millions of yen)

For the fiscal year ended March 31, 2020	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current 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 of items 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 of scope of consolidation			(795)		(795)
Change in ownership interest of parent due to transactions with non-controlling interests					-
Change of scope of equity method			350		350
Net changes of items other than shareholders' equity					
Total changes of items during period			(55,990)	(0)	(55,990)
Balance at end of current 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 current 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 of items during period								
Dividends of surplus								(29,766)
Profit (loss) attributable to owners of parent								(25,779)
Purchase of treasury shares								(0)
Change of scope of consolidation								(795)
Change in ownership interest of parent due to transactions with non-controlling interests								-
Change of scope of equity method								350
Net changes of items other than shareholders' equity	(7,916)	(751)	(21,450)	(13,457)	(43,576)	(10)	6,291	(37,295)
Total changes of items during period	(7,916)	(751)	(21,450)	(13,457)	(43,576)	(10)	6,291	(93,286)
Balance at end of current period	(562)	(99)	(82,731)	(34,216)	(117,610)	345	15,354	788,363

(Millions of yen)

For the fiscal year ended March 31, 2021	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	284,382	200,072	407,547	(1,728)	890,273
Changes of items 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 of scope of consolidation			(23)		(23)
Change in ownership interest of parent due to transactions with non-controlling interests		9			9
Change of scope of equity method			721		721
Net changes of items other than shareholders' equity					
Total changes of items during period		(121)	(311,619)	69	(311,671)
Balance at end of current 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 current period	(562)	(99)	(82,731)	(34,216)	(117,610)	345	15,354	788,363
Changes of items during period								
Profit (loss) attributable to owners of parent								(312,317)
Purchase of treasury shares								(254)
Disposal of treasury shares								2
Exercise of stock acquisition rights								189
Change of scope of consolidation								(23)
Change in ownership interest of parent due to transactions with non-controlling interests								9
Change of scope of equity method								721
Net changes of items other than shareholders' equity	1,074	(455)	19,695	26,598	46,914	7	1,638	48,560
Total changes of items during period	1,074	(455)	19,695	26,598	46,914	7	1,638	(263,111)
Balance at end of current period	511	(554)	(63,035)	(7,617)	(70,696)	352	16,993	525,251

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	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 loss	2,292	107,747
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 notes and accounts receivable - trade	(19,268)	(7,579)
Decrease(increase) in financial receivables	26,202	21,121
Decrease (increase) in inventories	(34,340)	44,160
Increase (decrease) in notes and accounts payable - trade	(49,759)	(20,436)
Other, net	36,926	(27,703)
Subtotal	32,212	(27,280)
Interest and dividend income received	9,820	6,247
Interest expenses paid	(3,954)	(5,170)
Payments related to fuel economy 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)
Payments of long-term loans receivable	(1,147)	-
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)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	13,624	(48,331)
Increase (decrease) in commercial papers	7,500	(25,800)
Proceeds from long-term loans payable	81,803	320,210
Repayments of long-term loans payable	(60,373)	(70,986)
Cash dividends paid	(29,738)	(35)
Dividends paid to non-controlling interests	(393)	(2,864)
Payments from changes in ownership interests in subsidiaries that do not result 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 of scope of consolidation	5,894	126
Cash and cash equivalents at end of period	399,588	444,619

(5) Notes to consolidated financial statements

Notes on premise of going concern

There is no item to be reported.

Additional information

Based on a resolution of the Compensation Committee held on December 15, 2020, MMC has introduced a stock compensation system utilizing trusts as an incentive plan for Executive Officers.

(1) Outline

The System adopts a system referred to as the Officers' Compensation BIP (Board Incentive Plan) Trust (hereinafter the "the Trust"). Through the Trust, MMC will deliver or provide a certain proportion of the MMC's shares and the monetary amount equivalent to the shares converted to cash depending on the position of the Executive Officers and the degree of achievement of performance targets.

(2) Own shares remaining in the trust

The MMC's shares remaining in the trust are recorded as treasury stock in the net assets section at the book value of the trust (excluding the amount of incidental expenses). The book value of the treasury stock at the end of the current consolidated fiscal year is 251 million yen, and the number of shares is 1,152,650.

Consolidated statement of income

(*1) Impairment loss

The MMC Group recognized an impairment loss on the following asset group:

1. For FY2019 (from April 1, 2019 to March 31, 2020)

This information is omitted because it is immaterial.

2. For FY2020 (from April 1, 2020 to March 31, 2021)

(1) Outline of asset group on which an impairment loss was recognized

Location	Usage	Type	Amount (Millions of yen)
Okazaki, Aichi, Kyoto, Kyoto, Kurashiki, Okayama, etc. (6 locations)	Production facilities	Machinery, equipment, buildings and structures, tools, furniture, fixtures, and others	108,000
Kamo, Gifu (3 location)	Production facilities	Land, machinery, buildings and structures, and others	9,393
Ishioka, Ibaraki, etc. (29 locations)	Sales related assets	Buildings and structures, and others	469
Kyoto, Kyoto, etc. (2 locations)	Idle assets	Machinery, equipment, and others	110
		Total	117,973

(Note) Impairment loss 117,973 million yen is total of 107,747 million yen of “(*1) Impairment loss” of extraordinary loss and 10,225 million yen as including number of “(*3) Business restructuring expenses”.

(2) Grouping method of assets

Production assets are grouped by the business company and sales related assets are grouped mainly by business unit. In addition, lease assets and idle assets are treated as individual asset groups.

(3) Circumstances leading to recognition of impairment losses

As a result of formulating our new "Small but Beautiful" mid-term plan designed to rebuild our business as quickly as possible by implementing a broad range of structural reform plans, the existing future vehicle sales volume projections were updated and the updated projections suggested that part of the investments would not be recoverable. Therefore, the carrying amounts of the production facilities of MMC were written down to their recoverable amounts.

Also, in accordance with the decision made on closures of a part of stores, etc. based on and the reorganization of sales structure as the same as above plan, the carrying amount of some sales related assets of consolidated subsidiaries were written down to the recoverable amount. In addition, in accordance with the decision made on the reorganization of production structure and the business contraction as the same as above plan, some production facilities of MMC and production facilities of consolidated subsidiaries were classified as a distinctive asset group separate from other production assets and the carrying amount were written down to the recoverable amount. These impairment losses related to some production facilities of MMC and production facilities of consolidated subsidiaries and related to some sales related assets of consolidated subsidiaries were recorded as part of business restructuring expenses.

(4) Method of computing the recoverable amount

The recoverable amount is determined by the higher amount of the net selling value or the value in use. The net selling value is reasonably computed using the appraisal value based on the real estate appraisal standard and the assessed value of the inheritance tax based on the road rating, etc. the value in use is computed based on future cash flows (discount rate is mainly 10.9%).

The recoverable amount of idle assets is computed using the net selling value and those idle assets which are substantially difficult to sell are assessed as net selling value of zero.

(5) Amount of impairment loss

Main breakdown of impairment loss 117,973 million yen is as follows:

	(Millions of yen)
Buildings and structures	34,038
Machinery and equipment	37,668
Tools, furniture and fixtures	16,686
Land	3,462
Other	26,117
<hr/> Total	<hr/> 117,973

(*2) Loss on COVID-19

MMC had stopped operations following factory shutdown instruction of the government of key parts manufacturing plant locations for prevention of COVID-19. And also Philippine subsidiaries had stopped operations following factory shutdown instruction of the government for prevention of COVID-19. It was recognized 2,489 million yen for fixed costs, etc. as deterioration of operating cost and additional direct costs on the period of factory shutdown.

(*3) Business restructuring expenses

Business restructuring expenses are impairment loss, etc. of noncurrent assets in domestic sales and production unit 14,346 million yen accompanying with enhancing reorganization of sales structure and production system in Japan, expenses related to freeze of introduction of new models to European market 46,405 million, extra retirement benefit payments in MMC and its subsidiaries 9,103 million yen and so on.

(*4) Foreign withholding tax on adjustments for transfer pricing taxation

This is a foreign withholding tax related to transfer pricing adjustments from MMTh, which results from the mutual agreement procedure by taxing authorities of Japan and Thailand reached an agreement on the bilateral advance pricing arrangement ("APA") with regard to the transfer pricing method applied to related party transactions.

Segment information

(1) Segment Information

FY 2020 (from April 1, 2020 to March 31, 2021)

1. Overview of reportable segments

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. Calculation method of net sales, profit or loss, assets and other items by reportable segments

The accounting method for the reportable segments is the same as "Material basis of preparation of the consolidated financial statements".

Inter-segment sales and adjustments are based on the price in the arms-lengths transaction.

3. Net sales and income (loss), assets and other items for each reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers	1,422,913	32,563	1,455,476	-	1,455,476
(2) Intersegment sales & transfers	13,567	3,225	16,793	(16,793)	-
Total	1,436,480	35,788	1,472,269	(16,793)	1,455,476
Segment income (loss)	(101,288)	4,783	(96,504)	1,182	(95,321)
Segment assets	1,585,839	309,991	1,895,830	(39,551)	1,856,279
Other items					
Depreciation (Note 3)	63,557	2,359	65,917	-	65,917
Investment in equity method affiliates	89,619	-	89,619	-	89,619
Increase in property, plant and equipment and intangible assets (Note 3)	86,965	9,824	96,790	-	96,790

Notes: 1. Adjustment represents the elimination of intersegment transactions.

2. Segment income (loss) agrees to the amount of operating income (loss) presented in the consolidated statement of income.

3. Depreciation, increase in property, plant and equipment and intangible assets, include the long-term prepaid expenses and depreciation.

(2) Related Information

FY 2020 (from April 1, 2020 to March 31, 2021)

1. Information by products and services

Information by products and services is omitted as this information is defined as the information by reportable segments.

2. Information by geographic region

1) Net sales

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

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales to external customers	422,077	194,572	183,281	336,930	173,304	145,309	1,455,476

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

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

Supplementary information

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

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total	Adjustment	Grand total
Net sales									
(1) External customers	636,137	192,844	155,015	289,549	173,304	8,625	1,455,476	-	1,455,476
(2) inter-segment sales	527,885	4,353	3,902	351,740	10	-	887,892	(887,892)	-
Total	1,164,022	197,197	158,918	641,289	173,315	8,625	2,343,368	(887,892)	1,455,476
Operating profit (loss)	(155,709)	7,371	4,215	34,130	6,345	281	(103,365)	8,043	(95,321)

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

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

Per share information

(Yen)

For the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	
Net assets per share	341.44
Net income(loss) per share - basic	(209.88)
Net income per share - diluted	-

- Note* : 1. Diluted earnings per share for the fiscal year ended March 31, 2021 is not provided because MMC recorded a basic loss per share, although potential dilutive shares did exist.
2. In the calculation of basic earnings per share and diluted earnings per share, the shares of the Company held by the BIP Trust Account is included in the number of treasury shares. Therefore, the number of those shares is deducted in calculating the number of common shares outstanding at the end of the year 1,152,650 shares and weighted average common shares outstanding during the year 314,444 shares.
3. Basis for calculating net income per share - basic is shown below.

(Millions of yen)

	For the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Net income per share - basic	
Net income(loss) attributable to owners of the parent	(312,317)
Gain not attributable to ordinary shareholders	-
Net income(loss) attributable to owners of the parent related to common stock	(312,317)
Average number of shares of common stock outstanding during the period (Unit: Thousands of shares)	1,488,068
Net income per share - diluted	
Adjustment to Net income attributable to owners of the parent	-
Increase in number of shares of common stock (Unit: Thousands of shares)	-
(Subscription rights to shares)	-
Overview of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effect, which had significant changes from the previous consolidated fiscal year	-

Subsequent event

There is no item to be reported.