

July 27, 2022

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023 [Japan GAAP]

Company name: **Mitsubishi Motors Corporation**
 Listing: Prime Market, the Tokyo Stock Exchange
 Stock code: 7211
 URL: <http://www.mitsubishi-motors.co.jp/>
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 Scheduled date to file quarterly Report: August 4, 2022
 Scheduled date to deliver cash dividends: —
 Quarterly earnings supplementary explanatory documents: Yes
 Quarterly earnings presentation: Yes

1. Consolidated performance for the first quarter of fiscal year ending March 31, 2023 (April 1, 2022 to June 30, 2022)

(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	%
FY2022 1st quarter	528,698	22.4	30,783	190.8	49,476	342.0	38,560	533.1
FY2021 1st quarter	431,940	88.2	10,584	-	11,193	-	6,091	-

Reference: Comprehensive income FY2022 1st quarter: ¥73,251 million (-%) FY2021 1st quarter: ¥1,908 million (-%)

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
FY2022 1st quarter	25.91	25.91
FY2021 1st quarter	4.09	4.09

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2022	1,914,802	703,608	35.4
March 31, 2022	1,928,443	630,301	31.5

Reference: Shareholders' Equity As of June 30, 2022: ¥677,468 million As of March 31, 2022: ¥606,772 million

2. Cash dividends

Record Date	Cash dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual
FY2021	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
FY2022	-				
FY2022 (Forecast)		-	-	-	-

Note: Revisions to the forecasts of cash dividends in the current quarter: No

Note: FY2022 dividends forecast has not yet been determined

3. Consolidated earnings forecasts for fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(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	2,350,000	15.3	110,000	26.0	120,000	18.8	90,000	21.6	60.47

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

Note

(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

Please refer to "Consolidated financial statements (3) Notes to consolidated financial statements - Adoption of specific accounting policies for quarterly consolidated financial statement" in page 5 for details.

(3) 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: No

(iv) Restatement: No

Please refer to "Consolidated financial statements (3) Notes to consolidated financial statements - Changes in accounting policies" in page 5 for details.

(4) 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 June 30, 2022: 1,490,282,496 shares

As of March 31, 2022: 1,490,282,496 shares

(ii) Number of shares of treasury stock at the end of the period

As of June 30, 2022: 1,990,075 shares

As of March 31, 2022: 2,430,361 shares

(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

FY 2022 1st quarter: 1,487,973,866 shares

FY 2021 1st quarter: 1,487,613,627 shares

Note: The number of treasury shares at the end of each period includes shares of the Company held by the BIP Trust Account (1,103,450 shares as of June 30, 2022 and 1,137,650 shares as of March 31, 2022). 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 (1,123,015 shares as of June 30, 2022 and 1,146,716 shares as of June 30, 2021).

* 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)

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.

Quarterly consolidated financial statements
(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	511,502	479,537
Notes and accounts receivable – trade, and contract assets	119,829	126,775
Finance receivables	222,463	221,829
Merchandise and finished goods	192,292	168,826
Work in process	43,293	46,479
Raw materials and supplies	64,006	69,676
Other	111,992	125,030
Allowance for doubtful accounts	(9,459)	(13,565)
Total current assets	1,255,920	1,224,590
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,110	86,013
Machinery, equipment and vehicles, net	132,116	135,895
Tools, furniture and fixtures, net	64,638	62,935
Land	123,068	125,239
Construction in progress	24,521	24,242
Total property, plant and equipment	429,455	434,325
Intangible assets	38,273	37,725
Investments and other assets		
Investment securities	98,433	106,376
Other	110,081	115,613
Allowance for doubtful accounts	(3,720)	(3,829)
Total investments and other assets	204,794	218,160
Total non-current assets	672,523	690,212
Total assets	1,928,443	1,914,802

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	324,091	296,939
Electronically recorded obligations - operating	56,612	60,144
Short-term borrowings	21,778	20,286
Commercial papers	43,000	55,700
Current portion of long-term borrowings	292,134	92,782
Accounts payable - other and accrued expenses	204,894	171,027
Income taxes payable	8,487	7,247
Provision for product warranties	50,029	53,195
Other	83,144	96,735
Total current liabilities	1,084,173	854,058
Non-current liabilities		
Long-term borrowings	95,768	234,860
Retirement benefit liability	32,240	33,607
Other	85,960	88,666
Total non-current liabilities	213,968	357,134
Total liabilities	1,298,142	1,211,193
Net assets		
Shareholders' equity		
Capital stock	284,382	284,382
Capital surplus	199,837	199,632
Retained earnings	169,694	208,254
Treasury shares	(1,382)	(1,018)
Total shareholders' equity	652,531	691,251
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,111	2,644
Deferred gains or losses on hedges	(31)	(4,539)
Foreign currency translation adjustment	(32,571)	3,663
Remeasurements of defined benefit plans	(14,267)	(15,551)
Total accumulated other comprehensive income	(45,759)	(13,782)
Share acquisition rights	195	44
Non-controlling interests	23,334	26,095
Total net assets	630,301	703,608
Total liabilities and net assets	1,928,443	1,914,802

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

Consolidated statements of income (Millions of yen)

	FY2021 1st quarter (from April 1, 2021 to June 30, 2021)	FY2022 1st quarter (from April 1, 2022 to June 30, 2022)
Net sales	431,940	528,698
Cost of sales	360,262	425,218
Gross profit	71,678	103,479
Selling, general and administrative expenses		
Advertising and promotion expenses	7,601	9,994
Freight costs	9,646	14,179
Provision of allowance for doubtful accounts	(319)	(1,484)
Remuneration, salaries and allowances for directors (and other officers)	16,727	17,841
Retirement benefit expenses	824	899
Depreciation	3,154	3,506
Research and development expenses	13,934	16,055
Other	9,524	11,703
Total selling, general and administrative expenses	61,094	72,696
Operating profit (loss)	10,584	30,783
Non-operating income		
Interest income	357	1,057
Foreign exchange gains	-	17,288
Share of profit of entities accounted for using equity method	2,141	2,255
Other	748	746
Total non-operating income	3,247	21,347
Non-operating expenses		
Interest expenses	1,191	945
Foreign exchange losses	522	-
Litigation expenses	246	755
Other	677	954
Total non-operating expenses	2,638	2,654
Ordinary profit (loss)	11,193	49,476
Extraordinary income		
Gain on sales of non-current assets	170	26
Gain on sales of investments in capital of subsidiaries and associates	2,793	-
Other	92	6
Total extraordinary income	3,057	32

	(Millions of yen)	
	FY2021 1st quarter (from April 1, 2021 to June 30, 2021)	FY2022 1st quarter (from April 1, 2022 to June 30, 2022)
Extraordinary losses		
Loss on retirement of non-current assets	257	244
Loss on sales of non-current assets	11	2
Impairment loss	25	-
Other	50	11
Total extraordinary losses	346	258
Profit (loss) before income taxes	13,904	49,250
Income taxes	6,301	9,896
Profit (loss)	7,603	39,354
Profit (loss) attributable to non-controlling interests	1,512	793
Profit (loss) attributable to owners of parent	6,091	38,560

Quarterly consolidated statements
of comprehensive income

	(Millions of yen)	
	FY2021 1st quarter (from April 1, 2021 to June 30, 2021)	FY2022 1st quarter (from April 1, 2022 to June 30, 2022)
Profit (loss)	7,603	39,354
Other comprehensive income		
Valuation difference on available-for-sale securities	258	1,532
Deferred gains or losses on hedges	(206)	(4,488)
Foreign currency translation adjustment	(3,304)	30,728
Remeasurements of defined benefit plans, net of tax	(4,857)	(1,230)
Share of other comprehensive income of entities accounted for using equity method	2,415	7,354
Total other comprehensive income	(5,694)	33,897
Comprehensive income	1,908	73,251
Comprehensive income attributable to owners of parent	310	70,537
Comprehensive income attributable to non-controlling interests	1,598	2,714

(3) Notes to consolidated financial statements

Notes on premise of going concern

There is no item to be reported.

Notes on significant changes in the amount of shareholders' equity

There is no item to be reported.

Adoption of specific accounting policies for quarterly consolidated financial statement

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.

Changes in accounting policies

(Application of Accounting Standard for Fair Value Measurement)

MMC has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Implementation Guidance on Fair Value Measurement Accounting Standard") from the beginning of the first quarter ended June 30, 2022 and has decided to apply prospectively the new accounting policy set forth in the Implementation Guidance on Fair Value Measurement Accounting Standard in accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Accounting Standard. There is no impact of this application on the quarterly consolidated financial statements.

Additional information

(Application of the practical solution on the accounting and disclosure under the group tax sharing system)

MMC and its domestic consolidated subsidiaries have transitioned from the consolidated tax payment system to the group tax sharing system with effect from the first quarter ended June 30, 2022. As a result of this, our accounting for and disclosure of corporate tax, local corporation tax, and tax effects is in compliance with the "Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System" (Practical Solution No. 42, August 12, 2021; hereinafter referred to as the "Practical Solution No. 42"). Also, in accordance with Paragraph 32(1) of the Practical Solution No. 42, we see no impact of a change in accounting policies as a result of the application of the Practical Solution No. 42.

(Change in presentation)

(Quarterly consolidated balance sheet)

Due to more precise control of inventories enabled by our new mission-critical system which went live fully, we have revised the definition of inventories for the first quarter ended June 30, 2022. The consolidated financial statements for the fiscal year ended March 31, 2022 have been reclassified to reflect this change.

Consequently, 53,266 million yen of "Work in process" and 54,033 million yen of "Raw materials and supplies" in the consolidated balance sheet for the fiscal year ended March 31, 2022 have been reclassified as 43,293 million yen of "Work in process" and 64,006 million yen of "Raw materials and supplies."

Segment information

I. For the Three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

1. Net sales and income (loss) for each reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers					
Revenue from contracts with customers	422,422	4,881	427,303	-	427,303
Other income	117	4,519	4,637	-	4,637
Subtotal	422,539	9,400	431,940	-	431,940
(2) Intersegment sales & transfers	2,946	511	3,458	(3,458)	-
Total	425,486	9,912	435,398	(3,458)	431,940
Segment income (loss)	10,007	1,202	11,210	(626)	10,584

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.

(Supplementary information about geographic information)

1. Change in geographic information

For information about geographic information, please refer to "II. For the Three months ended June 30, 2022, Supplementary information about geographic information,

1. Change in geographic information."

2. 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							
Revenue from contracts with customers	70,915	84,466	48,901	107,931	57,779	57,309	427,303
Other income	4,534	69	-	-	33	-	4,637
Total	75,450	84,535	48,901	107,931	57,812	57,309	431,940

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

(1) North America.....The United States, Canada, Puerto Rico

(2) Europe..... Russia, Germany, the Netherlands, France, Spain

(3) Asia..... Indonesia, Thailand, Vietnam, the Philippines

(4) Oceania..... Australia, New Zealand

(5) Other.....U.A.E., Chile

II. For the Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Net sales and income (loss) for each reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers					
Revenue from contracts with customers	520,697	3,137	523,834	-	523,834
Other income	142	4,721	4,863	-	4,863
Subtotal	520,839	7,858	528,698	-	528,698
(2) Intersegment sales & transfers	1,223	808	2,032	(2,032)	-
Total	522,062	8,667	530,730	(2,032)	528,698
Segment income (loss)	29,226	1,204	30,431	351	30,783

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.

(Supplementary information about geographic information)

1. Change in geographic information

National and regional groupings have been classified by "geographical proximity and mutual relevance of business activities." However, for the consistency with in-house management, Israel and Palestine, which had been included in "Europe" until the previous fiscal year, are reclassified in "Other" from the three months ended June 30, 2022.

Pursuant to this change, countries and regions are indicated based on revised classifications for the Three months ended June 30, 2021.

2. 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							
Revenue from contracts with customers	107,490	106,119	27,360	126,330	74,825	81,707	523,834
Other income	4,751	91	-	-	20	-	4,863
Total	112,241	106,211	27,360	126,330	74,846	81,707	528,698

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

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