

April 24, 2020

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Notice regarding Revision of Consolidated Financial Forecasts for Fiscal Year 2019, Revision of Dividend Forecast, and Reductions in Compensation of Officers and Directors

Mitsubishi Motors Corporation has decided to revise its consolidated financial forecast and dividend-per-share forecast for the fiscal year ended March 2020, and has received approval from the board of directors on April 24, 2020 as follows:

1 Revision of Consolidated Financial Forecasts for Fiscal Year 2019

1.1 Consolidated Financial Forecasts for Fiscal Year 2019

(April 1, 2019 – March 31, 2020)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Millions of yen 2,450,000	Millions of yen 30,000	Millions of yen 20,000	Millions of yen 5,000	Yen 3.36
Revised forecast (B)	2,270,000	12,000	-5,000	-26,000	-17.47
Variance (B – A)	-180,000	-18,000	-25,000	-31,000	
Variance (%)	-7.3%	-60.0%	-	-	
(Ref.) Results of previous fiscal year 2018	2,514,594	111,815	119,850	132,871	89.26

1.2 Reason for the Revision

Sales volume declined sharply compared to the previous forecast announced on November 6, 2019, due to a further decline in global automotive demand and the impact of the spread of COVID-19.

Despite the efforts to further reduce costs in order to achieve the forecasts announced in November under a harsh environment, the sharp deterioration in the demand environment greatly exceeded our expectations, and consolidated net sales and consolidated operating profit are expected to fall significantly below the forecasts.

Profit attributable to owners of the parent is expected to fall below the forecast as a result of the deterioration of operating profit, combined with the deterioration of the share of profit of entities accounted for using the equity method and the recording of income taxes-deferred due to the reversal of deferred tax assets.

2 Revision of Dividend Forecast

2.1 Details of the Revision

	Annual Dividends (yen)		
	End of the 2nd Quarter	Year-end	Total
Previous forecast	yen	yen 10.00	yen 20.00
Revised forecast		0.00	10.00
Dividends paid during Fiscal Year 2019	10.00		
(Ref.) Dividends paid during Fiscal Year 2018	10.00	10.00	20.00

2.2 Reason for the Revision

Our basic policy is to maintain a stable distribution of profits to shareholders by comprehensively considering cash flow and business performance.

However, as the business environment is deteriorating rapidly due to the spread of COVID-19, we believe it is urgent to stabilize our financial base in order to restore profitability. Therefore, we sincerely regret that we have decided not to pay a year-end dividend.

3 Reductions in Compensation of Officers and Directors

Taking seriously the harsh situation in which our group is facing, we will reduce the compensation of representative executive officers, executive officers, and corporate officers. Also, non-executive directors, including outside directors, have offered to voluntarily return part of their compensation and we intend to accept their offer.

3.1 Description of the Reduction and Return of Compensation

3.1.1 Representative Executive Officers, Executive Officers, and Corporate Officers:

Non-payment of performance-based compensation

20% ~ 30% reduction in base compensation

3.1.2 Non-Executive Directors including Outside Directors: 10% ~ 25% return

3.2 Period Covered

Fiscal year 2020 (12 months)

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 different from the aforementioned statements.

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.