

July 27, 2020

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Representative: Takao Kato
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Notice Regarding the Recording of Extraordinary Loss (Impairment Loss)

Mitsubishi Motors Corporation ("MMC") hereby announces that it recorded an impairment loss as an extraordinary loss, as detailed below.

1 Details of the impairment loss

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 and sales-related assets of MMC and its consolidated subsidiaries were written down to their recoverable amounts.

Also, in accordance with the decision made on the reorganization of our production structure, the production assets of consolidated subsidiaries were classified as a distinctive asset group separate from other production assets and the carrying amount of such asset group was written down to the recoverable amount. This impairment loss was recorded as part of business restructuring expenses.

Due to this event, MMC recognized an impairment loss of 115,916 million yen, recording 107,488 million yen as "Impairment loss" under extraordinary losses and 8,428 million yen as part of "Business restructuring expenses" in its consolidated financial results for the quarter ended June 30, 2020.

2 Impact on the financial results

The aforementioned impairment loss has been reflected in the "Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021 [Japan GAAP]" released today.