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### **A Notice Concerning Structural Reform of China Business**

MITSUBISHI MOTORS CORPORATION (MMC) resolved at a meeting of the Board of Directors held today (October 24) to proceed with structural reforms of the China business of GAC Mitsubishi Motors Co., Ltd. (GMMC), a joint venture company of Guangzhou Automobile Group Company, Ltd. (GAC) in China, MMC, and Mitsubishi Corporation (MC), as described below, considering the current changes in the business environment.

In accordance with this decision, we will record 24.3 billion yen of structural reform-related expenses as an extraordinary loss in the financial statements for the fiscal year ending March 31, 2024.

#### 1 Implementation of structural reforms

##### (1) Background and Purpose

Over the past 2-3 years, the Chinese automotive industry has faced rapid market changes. The shift to electric vehicles is accelerating faster than expected, and consumers are rapidly undergoing significant changes in their brand and segment choices.

We tried to recover our sales volume by releasing a new model in December 2022, but we continued to fall short of our plan and have suspended our production since March of this year in order to adjust our inventory. In light of this situation, we decided to fundamentally review our China strategy and implement structural reforms, as outlined below.

##### (2) Outline of Structural Reforms

- Local production of Mitsubishi brand vehicles in China will be terminated.
- MC's and MMC's equity interest in GMMC will be transferred to GAC, as a result of which GMMC will become a wholly-owned subsidiary of GAC, and the production function will continue to be utilized by Aion, an EV brand under GAC.
- GAC, MC, and MMC will continue to collaborate in order to provide after-sales services to the customers.

#### 2 Recording of Extraordinary Losses

An extraordinary loss of 26.5 billion yen will be recorded in the non-consolidated accounts and an extraordinary loss of 24.3 billion yen will be recorded in the consolidated accounts for the fiscal year ending March 31, 2024 as a result of the implementation of the above-mentioned structural reforms.

#### 3 Impact on business performance

Since this loss has, to a certain extent, been incorporated in the previously announced consolidated earnings forecast for the fiscal year ending March 31, 2024, there are no changes to the earnings forecast at this time.