

Quarterly Securities Report

First Quarter of FY2018
(From April 1, 2018 To June 30, 2018)

(The English translation of the Quarterly Securities Report "Shihanki-Houkokusho")

Mitsubishi Motors Corporation

Table of Contents

	page
Cover	1
A. Company Information	2
I. Overview of the Company	2
1. Summary of business results	2
2. Description of business	2
II. Overview of Business	3
1. Business-related risks	3
2. Management analysis of financial position, operating results and cash flows.....	3
3. Critical contracts for operation	5
III. Information about Reporting Company	6
1. Information about shares, etc.....	6
(1) Total number of shares, etc.	6
(2) Share acquisition rights	6
(3) Exercises, etc. of moving strike convertible bonds, etc.	6
(4) Changes in number of issued shares, stated capital, etc.	6
(5) Major shareholders.....	6
(6) Voting rights	7
2. Status of officers	7
IV. Financial Information	8
1. Quarterly consolidated financial statements	9
(1) Quarterly consolidated balance sheet.....	9-10
(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income	11
Quarterly consolidated statement of income.....	11
Quarterly consolidated statement of comprehensive income.....	12
2. Others	22
B. Information on guarantors for the Company	23
Independent Auditor’s Quarterly Review Report	
Confirmation Letter	

[Cover page]

Document title: Quarterly Securities Report ("*Shihanki-Houkokusho*")

Clause of stipulation: Article 24-4-7, paragraph 1 of the Financial Instruments and Exchange Act

Place of filing: Director-General of the Kanto Local Finance Bureau

Filing date: August 3, 2018

Quarterly accounting period: First quarter of FY2018 (April 1, 2018 through June 30, 2018)

Company name: 三菱自動車工業株式会社 (*Mitsubishi Jidosha Kogyo Kabushiki Kaisha*)

Company name in English: MITSUBISHI MOTORS CORPORATION

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Place for public inspector Tokyo Stock Exchange, Inc.
2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo, Japan

A. Company Information

I. Overview of the Company

1. Summary of business results

Fiscal year		FY2017 For the three months ended June 30, 2017	FY2018 For the three months ended June 30, 2018	FY2017
Period		From April 1, 2017 to June 30, 2017	From April 1, 2018 to June 30, 2018	From April 1, 2017 to March 31, 2018
Net sales	Millions of yen	440,902	560,045	2,192,389
Ordinary profit (loss)	Millions of yen	29,015	33,369	110,127
Profit (loss) attributable to owners of parent	Millions of yen	22,969	28,186	107,619
Comprehensive income	Millions of yen	24,853	24,178	110,713
Net assets	Millions of yen	722,568	790,189	796,562
Total assets	Millions of yen	1,439,264	1,808,512	1,646,240
Basic earnings (loss) per share	Yen	15.42	18.92	72.23
Diluted earnings per share	Yen	-	18.91	72.20
Equity-to-asset ratio	%	48.92	43.28	47.44

(Notes) 1. Mitsubishi Motors Corporation ("MMC") prepares quarterly consolidated financial statements. Therefore, summary of business results of reporting company is not noted.

2. Net sales do not include consumption taxes.

3. Diluted earnings per share for the three months ended June 30, 2017 are not shown above because there are no potential shares.

4. The MMC Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter ended June 30, 2018. Accordingly, the change in accounting policies in line with the adoption of these accounting standards has been retrospectively adopted and with respect to the prior fiscal year, retrospective adoption is reflected on the amounts of the consolidated financial statements for the prior fiscal year.

2. Description of business

In the three months ended June 30, 2018, there were no material changes in the business of the MMC Group. MMC Diamond Finance Corp., which provided sales financing services for MMC's products in Japan, was converted to a consolidated subsidiary from an equity-method affiliate on April 2, 2018. As a result of a review of the segmentation method after the conversion to a consolidated subsidiary of MMC DIAMOND FINANCE Corp., the previous single reportable segment "automobile business" was changed to two segments, "automobile business" and "financial service business."

II. Overview of Business

1. Business-related risks

During the three months ended June 30, 2018, there was no occurrence of new business-related risks or material changes in the business-related risks described in the annual securities report for the previous fiscal year.

2. Management analysis of financial position, operating results and cash flows

The MMC Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter ended June 30, 2018. Accordingly, the change in accounting policies in line with the adoption of these accounting standards has been retrospectively adopted and with respect to the prior fiscal year, retrospective adoption is reflected on the amounts of the consolidated financial statements for the prior fiscal year.

(1) Overview and analysis of financial position and operating results, etc.

In the fiscal year ending March 31, 2019, the second year of the DRIVE FOR GROWTH mid-term business plan, we were able to make a start according to plans in terms of both scale and profit, such that global sales volume reached 292,000 units during the three months ended June 30, 2018, up 21% year on year.

Sales in the ASEAN region increased by 28% year on year to 69,000 units, driven by strong performance of the XPANDER next-generation crossover MPV, which was launched in Indonesia last fall, and by pick-up trucks in Thailand.

Sales in China increased by 50% year on year to 36,000 units, driven by strong sales of the locally produced OUTLANDER. In the North American region, sales rose centered on the OUTLANDER PHEV and the ECLIPSE CROSS introduced in the second half of FY2017, rising by 25% year on year to 45,000 units.

(i) Net sales

Net sales for the end of the first quarter of fiscal year 2018 was 560.0 billion yen (an increase of 119.1 billion yen year on year, or up 27% year on year), mainly due to an increase in sales volume described above.

(ii) Operating profit

Operating profit was 28.1 billion yen (an increase of 7.5 billion yen year on year).

(iii) Ordinary profit and profit attributable to owners of parent

Ordinary profit was 33.4 billion yen (an increase of 4.4 billion yen year on year). Profit attributable to owners of parent was 28.2 billion yen (an increase of 5.2 billion yen year on year).

For the first quarter ended June 30, 2018, as a result of a review of the segmentation method after the conversion to a consolidated subsidiary of MMC DIAMOND FINANCE Corp., which operates a financial service business, the previous single reportable segment "automobile business" was changed to two segments, "automobile business" and "financial service business."

(i) Automobile business

Net sales for the end of the first quarter of fiscal year 2018 was 555.0 billion yen, operating profit was 27.3 billion yen.

(ii) Financial service business

Net sales for the end of the first quarter of fiscal year 2018 was 5.7 billion yen, operating profit was 0.8 billion yen.

Total assets as of June 30, 2018 amounted to 1,808.5 billion yen (up 162.3 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 444.3 billion yen (down 127.6 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,018.3 billion yen (up 168.6 billion yen from the end of the previous fiscal year). Of total liabilities, the interest bearing debt balance was 219.1 billion yen (up 192.5 billion yen from the end of the previous fiscal year). Net assets as of June 30, 2018 amounted to 790.2 billion yen (down 6.4 billion yen from the end of the previous fiscal year).

The main factors behind these changes were the inclusion of MMC DIAMOND FINANCE Corp., which was converted to a consolidated subsidiary in the first three months of the fiscal year ending March 31, 2019, to the scope of consolidation, the use of assets for capital expenditures, and other factors.

(2) Management policy, management strategy, issues to be addressed, and others

There were no material changes in the MMC Group's management policy and strategy, and issues to be addressed during the three months ended June 30, 2018.

(3) Research and development activities

Research and development expenses (automobile business) by the MMC Group for the three months ended June 30, 2018 totaled 26.6 billion yen.

There were no material changes in the conditions of the MMC Group's research and development activities during the three months ended June 30, 2018.

(4) Production, orders and sales

(i) Production

Production for the three months ended June 30, 2018 is as follows.

	For the three months ended June 30, 2018 Quantity (units)	vs. for the three months ended June 30, 2017 (%)
Japan	154,017	130.6
Overseas	181,640	129.2
Total	335,657	129.8

(ii) Sales

Sales results for the three months ended June 30, 2018 are as follows.

	For the three months ended June 30, 2018		vs. for the three months ended June 30, 2017 (%)	
	Quantity (units)	Amount (millions of yen)	Quantity	Amount
Japan	54,845	90,229	112.9	119.6
Overseas	281,404	469,816	131.2	128.5
Total	336,249	560,045	127.9	127.0

(Notes) 1. Above stated amounts are shown as wholesales volume, by region, of finished cars and KD packages sold to external customers of MMC and consolidated subsidiaries.

2. Above stated amounts do not include consumption taxes.

3. Critical contracts for operation

No critical contracts for operation were decided or entered into during the first quarter ended June 30, 2018.

III. Information about Reporting Company

1. Information about shares, etc.

(1) Total number of shares, etc.

(i) Total number of shares

Class	Total number of issuable shares (Shares)
Common stock	1,575,000,000
Total	1,575,000,000

(ii) Issued shares

Class	Number of issued shares (As of June 30, 2018) (Shares)	Number of issued shares (As of the filing date: August 3, 2018) (Shares)	Name of stock listing or the name of authorized financial instruments firms association	Description
Common stock	1,490,282,496	1,490,282,496	Tokyo Stock Exchange (First Section)	Number of shares for share unit: 100 shares
Total	1,490,282,496	1,490,282,496	-	-

(2) Share acquisition rights

(i) Details of stock option program

Not applicable.

(ii) Other share acquisition rights

Not applicable.

(3) Exercises, etc. of moving strike convertible bonds, etc.

Not applicable.

(4) Changes in number of issued shares, stated capital, etc.

Date	Change in total number of issued shares (Shares)	Balance of total number of issued shares (Shares)	Change in capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Change in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
From April 1, 2018 to June 30, 2018	-	1,490,282,496	-	284,382	-	118,680

(5) Major shareholders

The major shareholders are not required to be presented on account of the current quarterly accounting period being the first quarter ended June 30, 2018.

(6) Voting rights

As MMC is unable to confirm at this time the information stated in the shareholders register concerning the information on voting rights as of June 30, 2018, MMC presents information from the shareholders register of the directly preceding record date (March 31, 2018).

(i) Issued shares

(As of March 31, 2018)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (Treasury shares, etc.)	-	-	-
Shares with restricted voting rights (Other)	-	-	-
Shares with complete voting rights (Treasury shares, etc.)	Common stock 222,100	-	Number of shares for share unit: 100 shares
Shares with complete voting rights (Other)	Common stock (Note) 1 1,489,970,200	14,899,702	Same as above
Shares less than one unit	Common stock (Note) 2 90,196	-	Same as above
Total number of issued shares	1,490,282,496	-	-
Total number of voting rights	-	14,899,702	-

(Notes) 1. The number of "Shares with complete voting rights (Other)" includes 6,400 shares (64 units of voting rights) in the name of Japan Securities Depository Center, Incorporated.

2. The number of "Shares less than one unit" includes 86 treasury shares held by MMC.

(ii) Treasury shares, etc.

(As of March 31, 2018)

Name of shareholders	Address of shareholders	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Percentage of total number of issued shares (%)
Mitsubishi Motors Corporation	5-33-8, Shiba, Minato-ku, Tokyo	222,100	-	222,100	0.01
Total	-	222,100	-	222,100	0.01

2. Status of officers

Not applicable.

IV. Financial Information

1. Basis of preparation of the quarterly consolidated financial statements

The quarterly consolidated financial statements of MMC are prepared in accordance with the "Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Ordinance No. 64 of 2007).

2. Independent audit

The quarterly consolidated financial statements for the first quarter ended June 30, 2018 (from April 1, 2018 to June 30, 2018) and three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018) were reviewed by Ernst & Young ShinNihon LLC, in accordance with Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act.

1. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	571,911	444,337
Notes and accounts receivable - trade	176,020	125,217
Finance receivables	-	264,662
Merchandise and finished goods	143,332	167,911
Work in process	21,901	20,116
Raw materials and supplies	38,551	44,115
Other	96,348	116,119
Allowance for doubtful accounts	(1,229)	(1,058)
Total current assets	1,046,837	1,181,420
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	89,314	88,020
Machinery, equipment and vehicles, net	113,266	119,434
Tools, furniture and fixtures, net	46,237	50,840
Land	94,565	114,987
Construction in progress	33,698	30,628
Total property, plant and equipment	377,082	403,911
Intangible assets	29,022	32,435
Investments and other assets		
Investment securities	97,699	88,223
Other	101,520	109,024
Allowance for doubtful accounts	(5,921)	(6,502)
Total investments and other assets	193,298	190,745
Total non-current assets	599,402	627,092
Total assets	1,646,240	1,808,512

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	426,312	382,712
Electronically recorded obligations - operating	22,897	27,168
Short-term loans payable	10,589	22,820
Commercial papers	-	50,000
Current portion of long-term loans payable	15,893	67,612
Accounts payable - other and accrued expenses	165,963	148,013
Income taxes payable	11,272	3,388
Provision for product warranties	46,733	47,322
Provision for loss on fuel consumption test	15,478	13,383
Other	30,400	73,560
Total current liabilities	745,541	835,982
Non-current liabilities		
Long-term loans payable	90	78,691
Net defined benefit liability	42,596	43,923
Other	61,449	59,725
Total non-current liabilities	104,135	182,341
Total liabilities	849,677	1,018,323
Net assets		
Shareholders' equity		
Capital stock	284,382	284,382
Capital surplus	203,938	200,106
Retained earnings	363,382	374,281
Treasury shares	(220)	(1,728)
Total shareholders' equity	851,482	857,041
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,158	7,405
Deferred gains or losses on hedges	526	515
Foreign currency translation adjustment	(59,966)	(64,230)
Remeasurements of defined benefit plans	(18,232)	(18,079)
Total accumulated other comprehensive income	(70,514)	(74,389)
Share acquisition rights	106	142
Non-controlling interests	15,487	7,394
Total net assets	796,562	790,189
Total liabilities and net assets	1,646,240	1,808,512

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income
Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2017 (from April 1, 2016 to June 30, 2017)	Three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)
Net sales	440,902	560,045
Cost of sales	343,079	454,469
Gross profit	97,822	105,576
Selling, general and administrative expenses		
Advertising and promotion expenses	23,052	16,963
Freightage expenses	6,549	11,458
Provision of allowance for doubtful accounts	(199)	12
Directors' compensations, salaries and allowances	16,330	18,193
Retirement benefit expenses	826	931
Depreciation	2,888	3,222
Research and development expenses	11,979	13,997
Other	15,773	12,688
Total selling, general and administrative expenses	77,202	77,468
Operating profit (loss)	20,619	28,107
Non-operating income		
Interest income	783	1,070
Foreign exchange gains	2,715	1,031
Share of profit of entities accounted for using equity method	5,633	6,403
Other	729	299
Total non-operating income	9,861	8,804
Non-operating expenses		
Interest expenses	852	957
Litigation expenses	282	276
Foreign corporation tax and others	-	789
Other	329	1,519
Total non-operating expenses	1,465	3,542
Ordinary profit (loss)	29,015	33,369
Extraordinary income		
Gain on sales of non-current assets	62	115
Gain on sales of investment securities	342	-
Gain on step acquisitions	-	1,081
Other	6	190
Total extraordinary income	411	1,386
Extraordinary losses		
Loss on retirement of non-current assets	371	306
Loss on sales of non-current assets	9	20
Impairment loss	345	348
Other	41	32
Total extraordinary losses	768	706
Profit (loss) before income taxes	28,659	34,049
Income taxes	6,068	6,666
Income taxes for prior periods	-	(761)
Profit (loss)	22,590	28,144
Profit (loss) attributable to non-controlling interests	(378)	(41)
Profit (loss) attributable to owners of parent	22,969	28,186

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	FY2017 Three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)	FY2018 Three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)
Profit (loss)	22,590	28,144
Other comprehensive income		
Valuation difference on available-for-sale securities	397	247
Deferred gains or losses on hedges	(728)	(265)
Foreign currency translation adjustment	2,642	(3,044)
Remeasurements of defined benefit plans, net of tax	357	150
Share of other comprehensive income of entities accounted for using equity method	(406)	(1,054)
Total other comprehensive income	2,262	(3,966)
Comprehensive income	24,853	24,178
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,743	24,311
Comprehensive income attributable to non-controlling interests	(889)	(132)

Notes

Change in the scope of consolidation or application of equity method

MMC DIAMOND FINANCE Corp. has been included in the scope of consolidation since the first quarter ended June 30, 2018 after its conversion to a subsidiary through the acquisition of shares.

Application of specific accounting treatment for preparing the quarterly consolidated financial statements

Tax expense calculation

Tax expenses are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against profit (loss) before income taxes for the fiscal year including the first quarter ended June 30, 2018, and next by multiplying the quarterly profit (loss) before income taxes by such estimated effective tax rate. In case where the estimated effective tax rate is unavailable, statutory effective tax rate is used.

Changes in accounting policies

Overseas consolidated subsidiaries:

(1) IFRS 9 "Financial instruments"

IFRS 9 "Financial instruments" has been applied from the first quarter ended June 30, 2018, excluding subsidiaries in North America.

Due to this application, classifications and measurement methods for financial instruments have been revised and for financial assets, impairments have been recognized under the expected credit loss model. For its choice on what method to use for the transition approach in the application of these standards, the MMC Group chose to recognize the amount of the cumulative effect arising from the application of these standards on the starting date of the application of these standards, and the amount of the cumulative effect has been added or subtracted from the retained earnings at the beginning of the first three months of the fiscal year ending March 31, 2019.

The effect of this change in accounting policy on consolidated profit and loss in the three months ended June 30, 2018 is immaterial.

(2) IFRS 15 and ASC 606 "Revenue from Contracts with Customers"

IFRS 15 and ASC 606 "Revenue from Contracts with Customers" have been applied from the first quarter ended June 30, 2018.

In line with this adoption, revenue is recognized upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services. For its choice on what method to use for the transition approach in the application of these standards, the MMC Group chose to recognize the amount of the cumulative effect arising from the application of these standards on the starting date of the application of these standards, and the amount of the cumulative effect has been added or subtracted from the retained earnings at the beginning of the current first quarter.

As a result, the balance of retained earnings at the beginning of the current first quarter decreased by ¥2,386 million, and the effect of this change in accounting policy on consolidated profit and loss in the three months ended June 30, 2018 is immaterial.

Previously, for a part of payments to customers, the respective amounts were recorded as selling, general and administrative expenses. However, from the first quarter ended June 30, 2018, these amounts are deducted from net sales.

As a result, on the consolidated statements of income, net sales and selling, general and administrative expenses for the current first quarter, decreased by ¥12,565 million, compared with the amounts of the consolidated statements of income which were calculated in line with application of prior accounting standards.

Additional Information

Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" and relevant Guidances

The MMC Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter ended June 30, 2018. Accordingly, deferred tax assets were presented under "investments and other assets" and deferred tax liabilities were presented under "non-current liabilities."

Quarterly consolidated balance sheet

Guarantee obligation

(1) Guarantee recipients

For the fiscal year ended March 31, 2018 (As of March 31, 2018)			For the first quarter ended June 30, 2018 (As of June 30, 2018)		
Guarantee	Guaranteed amount (Millions of yen)	Description of guaranteed obligation	Guarantee	Guaranteed amount (Millions of yen)	Description of guaranteed obligation
PT. Mitsubishi Motors Krama Yudha Sales Indonesia	7,396	Bank loans	PT. Mitsubishi Motors Krama Yudha Sales Indonesia	7,438	Bank loans and others
PCMA Rus, LLC	1,334	Bank loans and others	PCMA Rus, LLC	1,037	Bank loans and others
-	-	-	MMD Automobile GmbH	1,964	Bank loans and others
-	-	-	Other two companies	481	Bank loans and others
Employees	461	(Note)	Employees	446	(Note)
Other	44	Lease obligations and others	Other	38	Lease obligations and others
Total	9,237		Total	11,406	

(Note) Bank loans for "Employees' property accumulation residence fund," etc.

(2) Retroactive obligation following liquidation of accounts receivable - trade

		(Millions of yen)
For the fiscal year ended March 31, 2018 (As of March 31, 2018)	For the first quarter ended June 30, 2018 (As of June 30, 2018)	
441	1,874	

Quarterly consolidated statement of cash flows

There is no Quarterly consolidated statement of cash flows for the three months ended June 30, 2018. In addition, depreciation cost at the end of the first quarter is as follows:

		(Millions of yen)
	For the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)	For the three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)
Depreciation	11,194	14,326

Shareholders' equity

I. For the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

1. Dividend payment

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on June 23, 2017	Common stock	7,450	5.0	March 31, 2017	June 26, 2017	Retained earnings

2. Dividends whose record dates are in three months ended June 30, 2017 but whose effective dates are after the end of the first quarter ended June 30, 2017.

Not applicable.

II. For the three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

1. Dividend payment

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on June 22, 2018	Common stock	14,900	10.0	March 31, 2018	June 25, 2018	Retained earnings

2. Dividends whose record dates are in the three months ended June 30, 2018, but whose effective dates are after the end of the first quarter ended June 30, 2018.

Not applicable.

Segment information, etc.

[Segment information]

I. For the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(Millions of yen)

	Automobile	Financial service	Total	Adjustment	Grand total (Note)
Net sales					
(1) External customers	440,902	-	440,902	-	440,902
(2) Intersegment sales	-	-	-	-	-
Total	440,902	-	440,902	-	-
Segment profit (loss)	20,619	-	20,619	-	20,619

(Note) The amount of segment profit (loss) matches the operating profit (loss) in the quarterly consolidated statement of income.

Supplementary information about geographic information

1. Change in geographic information

For information on geographic information, please refer to "change in geographic information" in FY2018 1st quarter.

2. 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							
Net sales to external customers	75,414	69,791	73,251	132,958	55,929	33,556	440,902

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

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

3. Net sales and operating profit (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	219,910	62,427	12,947	87,319	55,929	2,368	440,902	-	440,902
(2) Intersegment sales	124,298	2,159	1,401	83,424	10	-	211,294	(211,294)	-
Total	344,208	64,586	14,349	170,744	55,939	2,368	652,197	(211,294)	440,902
Operating profit (loss)	7,205	953	986	9,712	3,550	162	22,571	(1,951)	20,619

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

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

II. For the three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

Change in reportable segments

For the first quarter ended June 30, 2018, as a result of a review of the segmentation method after the conversion to a consolidated subsidiary of MMC DIAMOND FINANCE Corp., which operates a financial service business, the previous single reportable segment "automobile business" was changed to two segments, "automobile business" and "financial service business."

1. The amounts of net sales and profits or losses by reportable segments

(Millions of yen)

	Automobile	Financial service	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers	554,534	5,511	560,045	-	560,045
(2) Intersegment sales	421	162	583	(583)	-
Total	554,955	5,674	560,629	(583)	560,045
Segment profit (loss)	27,348	787	28,135	(27)	28,107

(Notes) 1. The adjustment resulted from eliminating transactions among segments.

2. The amount of segment profit (loss) matches the operating profit (loss) in the quarterly consolidated statement of income.

2. Information about impairment loss on non-current assets, goodwill, etc. by reportable segment

Material impairment losses on non-current assets

The MMC Group recognized an impairment loss in the automobile segment.

The amount of this impairment loss was 348 million yen.

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, Turkey and other 2 countries, which had been included in "Europe" until the previous fiscal year, India and other 5 countries, which had been included in "Asia" until the previous fiscal year, are reclassified in "Other" from the beginning of the previous fiscal year.

2. 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							
Net sales to external customers	90,229	94,339	104,694	153,261	59,596	57,925	560,045

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

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

3. Net sales and operating profit (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	266,291	89,009	31,284	111,635	59,594	2,230	560,045	-	560,045
(2) Intersegment sales	197,568	1,778	699	112,895	3	-	312,945	(312,945)	-
Total	463,859	90,788	31,984	224,531	59,597	2,230	872,991	(312,945)	560,045
Operating profit (loss)	4,346	953	2,348	18,881	4,441	110	31,082	(2,974)	28,107

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

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

Business combinations, etc.

Business combination through acquisition

1. Outline of the business combination

(1) Name of the acquired company and its business

Name of the acquired company	MMC Diamond Finance Corp. (hereinafter "MDF")
Description of business	Financing business, etc.

(2) Primary reason for the business combination

Shares were acquired to realize the strengthening of the domestic sales network by strengthening the value chain, including the provision of attractive financing products tied to new vehicle sales, improved post-sale support following vehicle purchases, and the promotion of new vehicle purchases, as well as by developing sales policies that integrate financing.

(3) Business combination date

April 2, 2018

(4) Legal form of the business combination

Acquisition of shares in exchange for cash

(5) Name of the company after the business combination

No change.

(6) Ratio of voting rights acquired

Ratio of voting rights owned just prior to the business combination	47%
Additional ratio of voting rights acquired on day of business combination	53%
Ratio of voting rights after the acquisition	100%

2. Period during which the financial results of the acquired company are included in the quarterly consolidated statement of income

From April 1, 2018 to June 30, 2018

3. Acquisition cost of the acquired company and breakdown thereof by type of consideration

Consideration for acquisition	Fair value of common stock of MDF owned before the business combination, on the date of the business combination	6,109 million yen
	Cash and deposits disbursed in the acquisition	6,889 million yen
Acquisition cost		12,998 million yen

4. Acquisition cost of the acquired company, total amount by transaction until acquisition, and differences thereof

Gain on step acquisitions	1,081 million yen
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5. Amount of goodwill recognized, reason for recognition of goodwill, and method and period for amortization of goodwill

(1) Amount of goodwill recognized 2,226 million yen

The amount above is calculated on a provisional basis.

(2) Reason for recognition of goodwill

The recognition of goodwill was mainly due to the excess earning capability expected from strengthening the domestic sales network in the development of sales policies that integrate financing.

(3) Method and period for amortization of goodwill

Undetermined at this point.

Per share information

The basis of calculation for basic earnings (loss) per share and the basis of calculation for diluted earnings per share are as follows:

	For the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)	For the three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)
(1) Basic earnings (loss) per share (Yen)	15.42	18.92
<i>Basis of calculation</i>		
Profit (loss) attributable to owners of parent (Millions of yen)	22,969	28,186
Amounts not applicable to shareholders of common stock (Millions of yen)	-	-
Profit (loss) attributable to owners of parent pertaining to common stock (Millions of yen)	22,969	28,186
Average number of shares of common stock outstanding during the period (Thousands of shares)	1,490,060	1,489,574
(2) Diluted earnings per share (Yen)	-	18.91
<i>Basis of calculation</i>		
Profit attributable to owners of parent (Millions of yen)	-	-
Increase in number of shares of common stock (Thousands of shares)	-	779
Outline of potential shares which were not included in the calculation of the diluted earnings per share due to no dilutive effects, and which had material changes after the end of the previous fiscal year	-	-

(Note) Diluted earnings per share for the three months ended June 30, 2017 is not shown above because there are no potential shares.

Subsequent events after reporting period

Not applicable.

2. Others

Not applicable.

B. Information on guarantors for the Company

Not applicable.

Independent Auditor's Quarterly Review Report

(English Translation)

August 3, 2018

The Board of Directors
Mitsubishi Motors Corporation

Ernst & Young ShinNihon LLC

Yoji Murohashi
Designated and Engagement Partner
Certified Public Accountant

Tomohiro Mizuno
Designated and Engagement Partner
Certified Public Accountant

Takeshi Saida
Designated and Engagement Partner
Certified Public Accountant

Taichi Muto
Designated and Engagement Partner
Certified Public Accountant

We have reviewed, pursuant to the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act of Japan, the quarterly consolidated financial statements included in "Financial Information," which consist of the quarterly consolidated balance sheet, quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income and notes thereto of Mitsubishi Motors Corporation ("MMC") for the first quarter ended June 30, 2018 (April 1, 2018 through June 30, 2018) and the three months ended June 30, 2018 (April 1, 2018 through June 30, 2018).

Management's Responsibility for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the quarterly consolidated financial statements in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these quarterly consolidated financial statements independently based on our review. We conducted our review in accordance with the quarterly review standards generally accepted in Japan.

A quarterly review consists principally of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical procedures and other quarterly review procedures. Quarterly review procedures are more limited in scope compared with an annual audit conducted in accordance with auditing standards generally accepted in Japan.

We believe that we have obtained evidence to form the basis for the statements of conclusion.

Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above do not present fairly, in all material respects, the financial position of MMC and its consolidated subsidiaries as of June 30, 2018, and the results of their operations for the three-month period then ended in conformity with accounting principles for quarterly consolidated financial statements generally accepted in Japan.

Conflict of Interest

We have no interest in or relationship with MMC which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Act of Japan.

(Notes) 1. The English translation has no legal force and is provided for convenience only.

2. The document presented above is a digitized copy of the original version of the Independent Auditor's Quarterly Review Report. The original report is kept separately by MMC (the filing company of the Quarterly Securities Report).

3. XBRL data is not included in the scope of the quarterly review.

[Cover page]

Document title: Confirmation Letter ("*Kakuninsho*")

Clause of stipulation: Article 24-4-8, paragraph 1 of the Financial Instruments and Exchange Act

Place of filing: Director-General of the Kanto Local Finance Bureau

Filing date: August 3, 2018

Company name: 三菱自動車工業株式会社 (*Mitsubishi Jidosha Kogyo Kabushiki Kaisha*)

Company name in English: MITSUBISHI MOTORS CORPORATION

Title and name of representative: Osamu Masuko, Member of the Board and CEO

Title and name of chief financial officer: Koji Ikeya, Executive Vice President, CFO

Address of registered headquarters: 5-33-8, Shiba, Minato-ku, Tokyo, Japan

Place for public inspection: Tokyo Stock Exchange, Inc.
2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo, Japan

1. Appropriateness of the descriptions in this Quarterly Securities Report

Osamu Masuko, Member of the Board and CEO, and Koji Ikeya, Chief Financial Officer of Mitsubishi Motors Corporation, have confirmed that this quarterly securities report for the first quarter of FY2018 (April 1, 2018 through June 30, 2018) is reasonably and fairly stated in accordance with the Financial Instruments and Exchange Act and related regulations.

2. Special notes

There are no noteworthy matters that are pertinent to this quarterly securities report.