

Quarterly Securities Report

Third Quarter of FY2019

(From October 1, 2019 To December 31, 2019)

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

Mitsubishi Motors Corporation

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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: February 7, 2020

Quarterly accounting period: Third quarter of FY2019 (October 1, 2019 through December 31, 2019)

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: Takao Kato, Representative Executive Officer, CEO

Address of registered headquarters: 3-1-21, Shibaura, Minato-ku, Tokyo, Japan

Telephone number: +81-3-3456-1111 (Main telephone number)

Name of contact person: Natsuji Okino, General Manager, Financial Accounting Dept.

Nearest place of contact: 3-1-21, Shibaura, Minato-ku, Tokyo, Japan

Telephone number: +81-3-3456-1111 (Main telephone number)

Name of contact person: Natsuji Okino, General Manager, Financial Accounting Dept.

Place for public inspection: 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		FY2018 For the nine months ended December 31, 2018	FY2019 For the nine months ended December 31, 2019	FY2018
Period		From April 1, 2018 to December 31, 2018	From April 1, 2019 to December 31, 2019	From April 1, 2018 to March 31, 2019
Net sales	Millions of yen	1,794,082	1,666,914	2,514,594
Ordinary profit (loss)	Millions of yen	92,363	(2,674)	119,850
Profit (loss) attributable to owners of parent	Millions of yen	69,164	(11,760)	132,871
Comprehensive income	Millions of yen	65,437	(13,343)	131,381
Net assets	Millions of yen	816,182	842,615	881,203
Total assets	Millions of yen	1,878,099	1,927,649	2,010,309
Basic earnings (loss) per share	Yen	46.46	(7.90)	89.26
Diluted earnings per share	Yen	46.42	-	89.18
Equity-to-asset ratio	%	42.99	42.89	43.37

Fiscal year		FY2018 Third quarter ended December 31, 2018	FY2019 Third quarter ended December 31, 2019
Period		From October 1, 2018 to December 31, 2018	From October 1, 2019 to December 31, 2019
Basic earnings (loss) per share	Yen	11.63	(9.65)

- (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 nine months ended December 31, 2019 is not noted even though MMC has issued dilutive securities, because the per share data is a loss per share.

2. Description of business

In the nine months ended December 31, 2019, there were no material changes in the business of the MMC Group. Mitsubishi Motors Vietnam Co., Ltd. which manufactures and sells vehicle in Vietnam, was converted to a consolidated subsidiary from an entity accounted for using equity method on October 1, 2019.

II. Overview of Business

1. Business-related risks

During the nine months ended December 31, 2019, 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

(1) Financial position and operating results

(i) Operating results

Global sales (retail) of the MMC Group for the nine months ended December 31, 2019 reached a total of 876,000 units (a decrease of 18,000 units year on year, or down 2% year on year).

i) Net sales

Net sales for the nine months ended December 31, 2019 was 1,666.9 billion yen (a decrease of 127.2 billion yen year on year, or down 7% year on year).

ii) Operating profit

Operating profit was 3.6 billion yen (a decrease of 81.4 billion yen year on year).

iii) Ordinary profit and profit attributable to owners of parent

Ordinary loss was 2.7 billion yen (a decrease of 95.1 billion yen year on year). Loss attributable to owners of parent was 11.8 billion yen (a decrease of 81.0 billion yen year on year).

Regarding the retail sales volume in the Chinese market, we changed the retail counting method effective from FY2019. With this change, a part of retail units that were recognized in or before FY2018 might be counted again in FY2019.

(ii) Operating results per segment

i) Automobile business

Net sales for the nine months ended December 31, 2019 was 1,665.1 billion yen, and operating loss was 0.2 billion yen.

ii) Financial service business

Net sales for the nine months ended December 31, 2019 was 27.8 billion yen, and operating profit was 4.3 billion yen.

(iii) Financial position

Total assets as of December 31, 2019 amounted to 1,927.6 billion yen (down 82.7 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 370.1 billion yen (down 130.8 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,085.0 billion yen (down 44.1 billion yen from the end of the previous fiscal year). Of total liabilities, the interest bearing debt balance, including lease obligations, was 274.3 billion yen (up 43.3 billion yen from the end of the previous fiscal year). Net assets as of December 31, 2019

amounted to 842.6 billion yen (down 38.6 billion yen from the end of the previous fiscal year).

- (2) Management policy and 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 nine months ended December 31, 2019.

- (3) Research and development activities
Research and development spending by the MMC Group in the nine months ended December 31, 2019 (automobile business) totaled 99.9 billion yen.

There were no material changes in the conditions of the MMC Group's research and development activities during the nine months ended December 31, 2019.

- (4) Production, orders and sales

- (i) Production

Production for the nine months ended December 31, 2019 is as follows:

	For the nine months ended December 31, 2019 Quantity (Units)	vs. for the nine months ended December 31, 2018 (%)
Japan	457,210	91.6
Overseas	546,637	94.5
Total	1,003,847	93.2

- (ii) Sales

Sales results for the nine months ended December 31, 2019 are as follows:

	For the nine months ended December 31, 2019		vs. for the nine months ended December 31, 2018 (%)	
	Quantity (Units)	Amount (Millions of yen)	Quantity	Amount
Japan	195,299	332,503	105.6	111.0
Overseas	802,632	1,334,411	90.1	89.2
Total	997,931	1,666,914	92.8	92.9

(Notes) 1. Sales results represent the sales quantity of built-up vehicles and knockdown kits produced by MMC and its consolidated subsidiaries, classified by the geographic location of the external customers.

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 third quarter ended December 31, 2019.

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 December 31, 2019) (Shares)	Number of issued shares (As of the filing date: February 7, 2020) (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

Share acquisition rights issued during the third quarter ended December 31, 2019, are as follows.

Resolution date	September 26, 2019
Number of share acquisition rights *	3,783
Category and number of participant	One Member of the Board (excluding Outside Director)
Type of shares that will be issued upon exercise of share acquisition rights *	Common stock
Number of shares to be issued upon the exercise of one share acquisition right *	107 shares (Note) 1
Total number of shares that will be issued upon exercise of share acquisition rights *	406,162 shares (Note) 1
Amount of contribution (issue price) per share acquisition right *	JPY 1 per share
Fair value for one share acquisition right	JPY 372.56 (Note) 1

Exercise period *	The exercise period will commence on the earliest of the following dates and end on April 30, 2052. i) May 1, 2022 ii) If a shareholders' meeting of MMC (or, where no shareholder approval is required, the Board of Directors of MMC or Executive Officers) approves a merger agreement that provides that MMC shall cease to exist, or a share exchange agreement for a statutory share exchange (<i>kabushiki koukan</i>) agreement or a plan for a statutory share-transfer (<i>kabushiki iten</i>) that will result in MMC becoming a wholly-owned subsidiary, the date of such approval. iii) If a shareholders' meeting of MMC (or, where no shareholder approval is required, the Board of Directors of MMC or Executive Officers) approves a transfer of all or substantially all of MMC's business, or a spin-off agreement or spin-off plan (<i>kaisha bunkatsu</i>) that results in all or substantially all of MMC's business being assumed by a successor company, the date of such approval.
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights *	Issue price: JPY 373.56 (Note) 2 Additional paid-in capital per share shall be the amount obtained by multiplying the maximum limit of capital increase (as calculated in accordance with the provisions of Article 17, paragraph 1 of the Regulation on Corporate Accounting) by 0.5, and any fraction of less than JPY 1 arising as a result of such calculation shall be rounded up to the nearest yen.
Conditions to exercise of share acquisition rights *	(Note) 3
Matters concerning transfer of share acquisition rights *	Any transfer of share acquisition rights must be approved by the Board of Directors of MMC.
Matters concerning treatment of the replacement share acquisition rights in a corporate reorganization by the successor *	(Note) 4

* These details are based on the date of issuance (October 15, 2019).

(Notes) 1. Number of shares to be issued upon the exercise of share acquisition right, the number of shares to be issued upon exercise of share acquisition rights, and fair value for one share acquisition right

Number of shares to be issued upon exercise of one Share Acquisition Right (the "Number of Issued Shares") shall be calculated by dividing JPY 40,000 (the "Issue Price") by the fair value of a Share Acquisition Right for one share. If a grantee simultaneously exercises his/her multiple share acquisition rights, the Number of Issued Shares shall be calculated by (i) multiplying the Issue Price by number of the Share Acquisition Rights that are exercised and (ii) dividing the multiplied number by the fair value of a Share Acquisition Right for one share. The fair value of a Share Acquisition Right for one share shall be calculated on the grant date by using the following Black-Scholes formula:

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Where:

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

(i) Option price per share: (C)

- (ii) Share price (S): Closing price of the regular trading of the shares of common stock (*futsū kabushiki*) of MMC on the Tokyo Stock Exchange on the day on which share acquisition rights are granted (if there is no such closing price, the base price of the immediately following trading day)
- (iii) Exercise price: (X): one (1) yen
- (iv) Expected time to maturity: (t): 8 years
- (v) Volatility (σ): Share price volatility calculated using the closing price of the regular trading of the shares of common stock (*futsū kabushiki*) of MMC on each trading day during the period of eight (8) years (the 8-year period leading up to the day on which share acquisition rights are granted)
- (vi) Risk-free interest rate (r): Interest rate of national government bonds whose remaining years to maturity corresponds to the expected time to maturity
- (vii) Dividend yield (λ): Dividend amount per share (average of the actual dividends per share paid on an annual basis over each of the past 3 years) ÷ Share price set forth in (ii) above
- (viii) Cumulative distribution function for the standard normal distribution ($N(\cdot)$)

After the issuance of the share acquisition rights, if MMC conducts a stock split (including a gratis allotment of MMC's common stock. The same applies for stock splits mentioned below), or a stock consolidation, the number of shares subject to unexercised Share Acquisition Rights shall be adjusted using the formula described below, and any fractional shares arising from the adjustment shall be rounded down.

(Adjusted number of shares) = (number of shares prior to adjustment) x (ratio of the stock split/consolidation)

In addition to the above, if it becomes necessary to adjust the number of shares subject to unexercised Share Acquisition Rights, MMC may adjust it within a rational range, and any fractional shares arising from the adjustment shall be rounded down.

2. Price of shares issued in the event of the issuance of shares as a result of the exercise of share acquisition rights

The total of the fair value per share of the share acquisition right and the issue price per share (1 yen) at the time the share acquisition right is exercised
3. Conditions for the exercise of share acquisition rights
 - (i) The exercise of fragments of share acquisition rights that fall short of one unit shall not be possible.
 - (ii) In the event that the share acquisition right grantee dies, the heir to the grantee shall be able to inherit the share acquisition rights, and to exercise the share acquisition rights, as prescribed by the terms of the share acquisition right grant agreement concluded between the grantee and MMC. However, in the event that said heir dies, the heir of said heir shall be unable to exercise the share acquisition rights.
 - (iii) Other conditions shall be as prescribed in the share acquisition right grant agreement concluded between MMC and the grantee.
4. Matters concerning the granting of share acquisition rights following a corporate reorganization

If MMC conducts a merger (in which MMC will cease to exist), a statutory share exchange (*kabushiki koukan*) or a statutory share-transfer (*kabushiki iten*) (in which MMC will become a wholly-owned subsidiary) or a spin-off (*kaisha bunkatsu*) (in which MMC will transfer its business) (each, a "Corporate Reorganization"), replacement share acquisition rights of the other party to the Corporate Reorganization (the "Replacement Share Acquisition Rights") as stipulated in Article 236, paragraph 1, item (viii) (a) through (e) of the Companies Act (the "Successor Company") shall be granted to any grantee that holds Share Acquisition Rights immediately before the effective date of the Corporate Reorganization in accordance with conditions pursuant to the issuance guidelines for share acquisition rights. In such event, the Share Acquisition Rights held by such grantee (the "Old Share Acquisition Rights") shall be terminated in exchange for the Replacement Share Acquisition Rights. However, such termination will not occur unless the relevant merger agreement, share exchange agreement, share transfer plan, spin-off agreement or spin-off plan provides that the Successor Company issues the Replacement Share Acquisition Rights in accordance with conditions pursuant to the issuance guidelines for share acquisition rights.

(a) Number of the Replacement Share Acquisition Rights that will be granted to a holder of the Old Share Acquisition Rights

- The same number as the number of the Old Share Acquisition Rights held by the relevant grantee
- (b) Type of shares that will be issued upon exercise of the Replacement Share Acquisition Rights
Common stock of the Successor Company
- (c) Number of shares to be issued upon exercise of one Replacement Share Acquisition Right
Such number shall be determined in accordance with total number of shares that will be issued upon exercise of share acquisition rights above (Formula to calculate number of shares to be issued upon exercise of one Share Acquisition Right) taking into consideration the terms of the Corporate Reorganization.
- (d) Amount of Contribution at exercise (exercise price)
The amount payable to the Successor Company upon exercising a Replacement Share Acquisition Right shall be determined by multiplying (a) the exercise price for one share of the Successor Company by (b) the number of shares of the Successor Company to be issued or transferred upon the exercise of the Replacement Share Acquisition Rights as determined in accordance with (c) above. The exercise price for one share is JPY 1.
- (e) Exercise Period
 - (a) The exercise period shall be from the later of the commencement of the exercise period described in the table ("Exercise period"), or (b) the effective date of the corporate reorganization, to the end of the exercise period described in the table ("Exercise period")
- (f) Amount of Share Capital and Capital Surplus to be increased by the issuance of shares upon exercise of the Replacement Share Acquisition Right
Such amounts shall be determined in accordance with Amount of Share Capital and Capital Surplus Increased by Issuance of Shares upon Exercise of Share Acquisition Right below.
The amount of share capital increased by the issuance of shares upon the exercise of a Share Acquisition Right shall be the amount obtained by multiplying the maximum limit of capital increase (as calculated in accordance with the provisions of Article 17, paragraph 1 of the Regulation on Corporate Accounting) by 0.5, and any fraction of less the one (1) yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen. The amount of capital surplus increased by the issuance of shares upon the exercise of share acquisition rights shall be the amount obtained by deducting the share capital to be increased from the maximum limit of capital increase.
- (g) Prohibition on Transfer of Replacement Share Acquisition Rights
The Successor Company and each of the grantees will enter into a share acquisition right grant agreement. Under such agreement, the grantees will be prohibited from transferring any Replacement Share Acquisition Rights to a third party.
- (h) Conditions to exercise of the Replacement Share Acquisition Rights
Such conditions shall be substantially equivalent to those applicable to exercise of the Old Share Acquisition Rights.
- (i) Treatment of the Replacement Share Acquisition Rights in a Corporate Reorganization by the Successor
Such treatment will be substantially equivalent to that of the Old Share Acquisition Rights as set forth in this section.

(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, share capital, etc.

Date	Change in total number of issued shares (Shares)	Balance of total number of issued shares (Shares)	Change in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Change in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
From October 1, 2019 to December 31, 2019	-	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 third quarter ended December 31, 2019.

(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 December 31, 2019, MMC presents information from the shareholders register of the directly preceding record date (September 30, 2019).

(i) Issued shares

(As of September 30, 2019)

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.)	<Treasury shares> Common stock 1,969,400	-	Number of shares for share unit: 100 shares
	<Reciprocal holding> Common stock 400		
Shares with complete voting rights (Other)	Common stock (Note) 1 1,488,212,000	14,882,120	Same as above
Shares less than one unit	Common stock (Note) 2 100,696	-	Same as above
Total number of issued shares	1,490,282,496	-	-
Total number of voting rights	-	14,882,120	-

(Notes) 1. The number of "Shares with complete voting rights (Other)" includes 5,700 shares (57 units of voting rights) in the name of Japan Securities Depository Center, Incorporated.

2. The number of "Shares less than one unit" includes 1 treasury share held by MMC.

(ii) Treasury shares, etc.

(As of September 30, 2019)

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 (%)
<Treasury shares> Mitsubishi Motors Corporation	3-1-21, Shibaura, Minato-ku, Tokyo, Japan	1,969,400	-	1,969,400	0.13
<Reciprocal holding> Nagano Mitsubishi Motor Sales Co., Ltd.	865-1, Aza-Imuraminamioki, Higashiwada, Nagano-shi, Nagano	400	-	400	0.00
Total	-	1,969,800	-	1,969,800	0.13

2. Status of officers

After filing of the previous fiscal year's Annual Securities Report, personnel changes of officers during the nine months ended December 31, 2019 are as follows.

(1) Status of Executive Officers

(i) Newly appointed Executive Officer

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)	Date of assumption of office
Executive Officer	Koji Yamada	February 28, 1958	Apr. 1982 Joined Nissan Motor Co., Ltd. Aug. 2003 General Manager of Commercial Vehicle Product Planning Office, Dongfeng Motor Co., Ltd. Apr. 2007 Project Manager of Interior and Exterior Engineering Development Dept., Nissan Motor Co., Ltd. Apr. 2010 General Manager of Customer Engineering Dept., Nissan Motor Co., Ltd. Apr. 2012 General Manager of Field Quality Improvement Dept., Nissan Motor Co., Ltd. Apr. 2013 General Manager of Field Quality Assurance Dept., Nissan Motor Co., Ltd. Apr. 2014 Deputy Division General Manager of TCS Dept., Dongfeng Motor Co., Ltd. Apr. 2017 Vice President, Corporate General Manager of TCS Div., MMC Apr. 2018 Corporate Vice President, Corporate General Manager of TCS Div., MMC Oct. 2019 Executive Officer, Corporate General Manager of TCS Div., MMC (to the present)	(Note)	3,508	October 1, 2019

(Note) From October 1, 2019 to March 31, 2020.

(ii) Retired Executive Officer

Title and occupation	Name	Date of retirement
Representative Executive Officer, COO	Ashwani Gupta	November 30, 2019

(iii) Changes in titles and occupation of officers

New title and occupation	Former title and occupation	Name	Date of change
Executive Officer, Senior Vice President (Assistant to COO, Engineering)	Executive Officer, Senior Vice President (Engineering)	Hiroshi Nagaoka	December 1, 2019
Executive Officer, Senior Vice President (Assistant to COO, ASEAN Div.)	Executive Officer, Senior Vice President (ASEAN Div.)	Yoichiro Yatabe	December 1, 2019

(2) The number of men and women and the percentage of women among officers after the personnel changes

Men: 21

Women: 4

(Percentage of female officers:
16.0%)

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 "Regulation on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Order No. 64 of 2007).

2. Independent audit

The quarterly consolidated financial statements for the third quarter ended December 31, 2019 (from October 1, 2019 to December 31, 2019) and nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019) 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, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	500,924	370,054
Notes and accounts receivable - trade	126,398	114,085
Finance receivables	294,423	263,442
Merchandise and finished goods	175,052	221,372
Work in process	18,553	25,609
Raw materials and supplies	40,803	47,383
Other	126,091	134,760
Allowance for doubtful accounts	(1,790)	(1,264)
Total current assets	1,280,457	1,175,444
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	106,095	112,484
Machinery, equipment and vehicles, net	131,431	144,992
Tools, furniture and fixtures, net	61,482	58,549
Land	116,201	132,936
Construction in progress	37,306	44,234
Total property, plant and equipment	452,517	493,196
Intangible assets	39,786	44,473
Investments and other assets		
Investment securities	93,328	79,490
Other	150,645	140,627
Allowance for doubtful accounts	(6,426)	(5,582)
Total investments and other assets	237,548	214,534
Total non-current assets	729,852	752,204
Total assets	2,010,309	1,927,649

(Millions of yen)

As of March 31, 2019

As of December 31, 2019

Liabilities		
Current liabilities		
Notes and accounts payable - trade	391,785	339,382
Electronically recorded obligations - operating	50,311	72,316
Short-term borrowings	44,419	43,344
Commercial papers	50,800	56,900
Current portion of long-term borrowings	50,377	53,083
Accounts payable - other, and accrued expenses	196,695	150,093
Income taxes payable	11,352	8,702
Provision for product warranties	48,915	52,970
Provision for loss on fuel consumption test	3,758	2,507
Other	74,850	90,135
Total current liabilities	923,267	869,436
Non-current liabilities		
Long-term borrowings	83,122	95,018
Retirement benefit liability	51,615	35,456
Other	71,100	85,123
Total non-current liabilities	205,838	215,597
Total liabilities	1,129,105	1,085,034
Net assets		
Shareholders' equity		
Share capital	284,382	284,382
Capital surplus	200,072	200,072
Retained earnings	463,092	421,566
Treasury shares	(1,728)	(1,728)
Total shareholders' equity	945,818	904,292
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,353	(57)
Deferred gains or losses on hedges	652	471
Foreign currency translation adjustment	(61,281)	(57,139)
Remeasurements of defined benefit plans	(20,758)	(20,704)
Total accumulated other comprehensive income	(74,033)	(77,429)
Share acquisition rights	356	296
Non-controlling interests	9,062	15,455
Total net assets	881,203	842,615
Total liabilities and net assets	2,010,309	1,927,649

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

Quarterly consolidated statement of income

(Millions of yen)

	FY2018 Nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)	FY2019 Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)
Net sales	1,794,082	1,666,914
Cost of sales	1,454,400	1,419,294
Gross profit	339,681	247,619
Selling, general and administrative expenses		
Advertising and promotion expenses	52,442	36,915
Freight costs	39,483	36,352
Provision of allowance for doubtful accounts	259	(361)
Remuneration, salaries and allowances for directors (and other officers)	55,848	57,821
Retirement benefit expenses	3,096	2,972
Depreciation	10,011	13,464
Research and development expenses	50,067	58,366
Other	43,446	38,454
Total selling, general and administrative expenses	254,655	243,984
Operating profit (loss)	85,026	3,634
Non-operating income		
Interest income	3,641	4,316
Share of profit of entities accounted for using equity method	13,605	3,625
Other	3,107	1,613
Total non-operating income	20,354	9,555
Non-operating expenses		
Interest expenses	2,800	2,886
Foreign exchange losses	4,840	9,425
Other	5,377	3,552
Total non-operating expenses	13,017	15,864
Ordinary profit (loss)	92,363	(2,674)
Extraordinary income		
Gain on sales of non-current assets	617	5,430
Gain on contribution of securities to retirement benefit trust	–	9,376
Gain on step acquisitions	1,081	–
Other	195	91
Total extraordinary income	1,894	14,899
Extraordinary losses		
Loss on retirement of non-current assets	1,187	2,564
Impairment loss	348	901
Loss on sales of facilities	–	2,275
Subsidiary transfer cost	–	* 1,367
Loss on disaster	2,012	–
Other	379	191
Total extraordinary losses	3,926	7,300
Profit (loss) before income taxes	90,331	4,924
Income taxes	20,181	14,381
Income taxes for prior periods	(766)	–
Profit (loss)	70,915	(9,456)
Profit (loss) attributable to non-controlling interests	1,751	2,304
Profit (loss) attributable to owners of parent	69,164	(11,760)

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	FY2018 Nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)	FY2019 Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)
Profit (loss)	70,915	(9,456)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,802)	(7,411)
Deferred gains or losses on hedges	(84)	(140)
Foreign currency translation adjustment	(1,229)	6,933
Remeasurements of defined benefit plans, net of tax	181	(123)
Share of other comprehensive income of entities accounted for using equity method	(2,542)	(3,144)
Total other comprehensive income	(5,478)	(3,886)
Comprehensive income	65,437	(13,343)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	63,728	(15,388)
Comprehensive income attributable to non- controlling interests	1,709	2,045

Notes

Changes in the scope of consolidation or application of equity method

Mitsubishi Motors Vietnam Co., Ltd. has been included in the scope of consolidation since the third quarter ended December 31, 2019 due to the increase of importance in the MMC group.

Changes in accounting policies

Overseas consolidated subsidiaries:

IFRS 16 and ASC 842 "Leases"

IFRS 16 and ASC 842 "Leases" have been applied from the first quarter ended June 30, 2019.

In line with this adoption, lessees generally recognize all leases as assets or liabilities on the consolidated balance sheet. 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 date of initial application of these standards.

With the application of these standards, as of the third quarter ended December 31, 2019, property, plant and equipment increased by 23,403 million yen, other in current liabilities by 1,959 million yen, and other in non-current liabilities by 21,737 million yen.

The effect of this change in accounting policy on consolidated profit and loss in the nine months ended December 31, 2019 is immaterial.

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 third quarter ended December 31, 2019, 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.

Quarterly consolidated balance sheet

Guarantee obligation

(1) Guarantee recipients

As of March 31, 2019			As of December 31, 2019		
Guaranteed	Guaranteed amount (Millions of yen)	Description of guaranteed obligation	Guaranteed	Guaranteed amount (Millions of yen)	Description of guaranteed obligation
PT. Mitsubishi Motors Krama Yudha Sales Indonesia	6,696	Bank loans	PT. Mitsubishi Motors Krama Yudha Sales Indonesia	7,122	Bank loans
MMD Automobile GmbH	3,469	Liquidation of receivables	MMD Automobile GmbH	1,841	Liquidation of receivables
M Motors Automobiles France S.A.S.	2,202	Liquidation of receivables	M Motors Automobiles France S.A.S.	-	-
MM Automobile Schweiz AG	1,066	Liquidation of receivables	MM Automobile Schweiz AG	-	-
PCMA Rus, LLC	252	Bank loans and others	PCMA Rus, LLC	-	-
Employees	376	(Note)	Employees	301	(Note)
Total	14,063		Total	9,265	

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

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

(Millions of yen)	
As of March 31, 2019	As of December 31, 2019
1,632	787

Quarterly consolidated statement of income

* Subsidiary transfer cost

For the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

It consists of expenses mainly due to transfer of headquarters by Mitsubishi Motors North America, Inc., (MMNA) a wholly owned subsidiary of MMC in the United States.

Quarterly consolidated statement of cash flows

* There is no quarterly consolidated statement of cash flows for the nine months ended December 31, 2019. In addition, depreciation cost for the nine months ended December 31, 2019 is as follows:

(Millions of yen)		
	FY2018 For the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)	FY2019 For the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)
Depreciation	44,675	55,108

Shareholders' equity

I. For the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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
Board of Directors Meeting held on November 6, 2018	Common stock	14,883	10.0	September 30, 2018	December 4, 2018	Retained earnings

2. Dividends whose record dates are in the nine months ended December 31, 2018 but whose effective dates are after the end of the third quarter ended December 31, 2018.

Not applicable.

II. For the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

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 21, 2019	Common stock	14,883	10.0	March 31, 2019	June 24, 2019	Retained earnings
Board of Directors Meeting held on November 6, 2019	Common stock	14,883	10.0	September 30, 2019	December 3, 2019	Retained earnings

2. Dividends whose record dates are in the nine months ended December 31, 2019, but whose effective dates are after the end of the third quarter ended December 31, 2019.

Not applicable.

Segment information, etc.

[Segment information]

I. For the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

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

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers	1,776,978	17,103	1,794,082	-	1,794,082
(2) Intersegment sales	2,197	431	2,628	(2,628)	-
Total	1,779,176	17,534	1,796,710	(2,628)	1,794,082
Segment profit (loss)	82,832	2,854	85,687	(660)	85,026

(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.

Supplementary information about geographic region

1. 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	299,541	264,072	368,355	479,987	166,543	215,583	1,794,082

(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.

2. 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	925,542	243,915	106,176	343,993	166,543	7,909	1,794,082	-	1,794,082
(2) Intersegment sales	604,737	5,258	2,028	397,473	23	-	1,009,521	(1,009,521)	-
Total	1,530,280	249,174	108,204	741,467	166,566	7,909	2,803,603	(1,009,521)	1,794,082
Operating profit (loss)	17,039	4,930	5,354	52,400	11,112	409	91,248	(6,222)	85,026

(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 nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

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

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers	1,642,341	24,572	1,666,914	-	1,666,914
(2) Intersegment sales	12,730	3,242	15,972	(15,972)	-
Total	1,655,071	27,815	1,682,886	(15,972)	1,666,914
Segment profit (loss)	(199)	4,267	4,067	(432)	3,634

(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.

Supplementary information about geographic region

1. 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	332,503	214,348	347,716	480,108	133,797	158,440	1,666,914

(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.

2. 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	641,694	208,146	303,383	372,399	133,797	7,493	1,666,914	-	1,666,914
(2) Intersegment sales	718,473	4,392	1,801	391,519	16	-	1,116,202	(1,116,202)	-
Total	1,360,167	212,538	305,184	763,918	133,813	7,493	2,783,116	(1,116,202)	1,666,914
Operating profit (loss)	(64,007)	1,802	11,348	45,996	6,419	361	1,920	1,714	3,634

(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.

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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)	For the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)
(1) Basic earnings (loss) per share (Yen)	46.46	(7.90)
<i>Basis of calculation</i>		
Profit (loss) attributable to owners of parent (Millions of yen)	69,164	(11,760)
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)	69,164	(11,760)
Average number of shares of common stock outstanding during the period (Thousands of shares)	1,488,730	1,488,312
(2) Diluted earnings per share (Yen)	46.42	-
<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)	1,270	-
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect with significant changes from the previous fiscal year	-	-

(Note) Diluted earnings per share for the nine months ended December 31, 2019 is not noted even though MMC has issued dilutive securities, because the per share data is a loss per share.

Subsequent events after reporting period

Not applicable.

B. Information on Guarantors for the Company

Not applicable.

Independent Auditor's Quarterly Review Report
(English Translation)

February 7, 2020

The Board of Directors
Mitsubishi Motors Corporation

Ernst & Young ShinNihon LLC

Yoji Murohashi
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 third quarter ended December 31, 2019 (October 1, 2019 through December 31, 2019) and the nine months ended December 31, 2019 (April 1, 2019 through December 31, 2019).

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 December 31, 2019, and the results of their operations for the nine-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: February 7, 2020

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: Takao Kato, Representative Executive Officer, CEO

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

Address of registered headquarters: 3-1-21, Shibaura, 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

Takao Kato, Representative Executive Officer, CEO, and Koji Ikeya, Chief Financial Officer of Mitsubishi Motors Corporation, have confirmed that this quarterly securities report for the third quarter of FY2019 (October 1, 2019 through December 31, 2019) 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.