

**Quarterly Securities Report**

First Quarter of FY2020

(From April 1, 2020 To June 30, 2020)

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

**MITSUBISHI MOTORS CORPORATION**

## Table of Contents

	page
<b>Cover</b>	
<b>A. Company Information</b>	
<b>I. Overview of the Company</b>	
1. Summary of business results .....	1
2. Description of business .....	1
<b>II. Overview of Business</b>	
1. Business-related risks .....	2
2. Management analysis of financial position, operating results and cash flows .....	2
3. Critical contracts for operation.....	4
<b>III. Information about Reporting Company</b>	
1. Information about shares, etc. ....	5
(1) Total number of shares, etc. ....	5
(2) Share acquisition rights.....	5
(3) Exercises, etc. of moving strike convertible bonds, etc. ....	5
(4) Changes in number of issued shares, share capital, etc.....	5
(5) Major shareholders .....	5
(6) Voting rights.....	5
2. Status of officers .....	6
<b>IV. Financial Information</b> .....	7
1. Quarterly consolidated financial statements	
(1) Quarterly consolidated balance sheet.....	8-9
(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income .....	10-11
Quarterly consolidated statement of income.....	10
Quarterly consolidated statement of comprehensive income.....	11
2. Others .....	21
<b>B. Information on Guarantors for the Company</b> .....	22
<b>Independent Auditor's Quarterly Review Report</b>	
<b>Confirmation Letter</b>	

## [Cover page]

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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, Accounting Dept.  
Keiko Sasaki, General Manager, IR Office

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, Accounting Dept.  
Keiko Sasaki, General Manager, IR Office

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		FY2019 For the three months ended June 30, 2019	FY2020 For the three months ended June 30, 2020	FY2019
Period		From April 1, 2019 to June 30, 2019	From April 1, 2020 to June 30, 2020	From April 1, 2019 to March 31, 2020
Net sales	Millions of yen	536,164	229,545	2,270,276
Ordinary profit (loss)	Millions of yen	(1,397)	(58,711)	(3,843)
Profit (loss) attributable to owners of parent	Millions of yen	9,312	(176,157)	(25,779)
Comprehensive income	Millions of yen	(1,133)	(167,993)	(67,458)
Net assets	Millions of yen	864,978	618,922	788,363
Total assets	Millions of yen	1,909,601	1,724,124	1,938,123
Basic earnings (loss) per share	Yen	6.26	(118.36)	(17.32)
Diluted earnings per share	Yen	6.25	–	–
Equity-to-asset ratio	%	44.84	35.04	39.87

- (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, 2020 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 three months ended June 30, 2020, there were no material changes in the business of the MMC Group.

And no changes were made to major subsidiaries and affiliates.

## II. Overview of Business

### 1. Business-related risks

During the three months ended June 30, 2020, 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

In the three months ended June 30, 2020, demand for automobiles receded with extraordinary speed and extent from the start of the period as a result of the massive restrictions on economic activity of countries across the globe aimed at preventing the spread of the novel coronavirus disease (COVID-19).

Amid such a business environment, in the ASEAN region the MMC Group expanded markets for Xpander Cross into Thailand and the Philippines, while in Japan launching JASPER, a special specification vehicle of the new model Delica D:5.

However, restrictions on economic activity including city lockdowns and stay-at-home orders have deeply impacted automobile demand, and even after the loosening of restrictions, a difficult situation has remained. As a result, global sales for the three months ended June 30, 2020 dropped significantly to 139,000 units (a decrease of 159,000 units year on year, or down 53% year on year).

The status of operations in each major region is as follows: Sales declined in all regions due to the impact of the restrictions on economic activity.

- ASEAN: 24,000 units (down 51,000 units year on year)
- Australia and New Zealand: 13,000 units (down 9,000 units year on year)
- Japan: 11,000 units (down 12,000 units year on year)
- China and Other: 25,000 units (down 17,000 units year on year)
- North America: 17,000 units (down 25,000 units year on year)
- Europe: 30,000 units (down 28,000 units year on year)
- Central America, Middle East, Africa and Other: 19,000 units (down 17,000 units year on year)

As a result, net sales of the MMC Group for the three months ended June 30, 2020 were 229.5 billion yen (a decrease of 306.7 billion yen year on year, or down 57% year on year).

Under those conditions, despite carrying out further cost reductions to improve the cash flow balance, MMC was unable to offset the decline in net sales and recorded an operating loss of 53.3 billion yen (compared with operating profit of 3.9 billion yen in the same period of the previous fiscal year). MMC recorded ordinary loss of 58.7 billion yen (compared with ordinary loss of 1.4 billion yen in same period of the previous fiscal year) and loss attributable to owners of parent of 176.2 billion yen (compared with profit attributable to owners of parent of 9.3 billion yen in the same period of the previous fiscal year).

(ii) Operating results per segment

i) Automobile business

Net sales for the three months ended June 30, 2020 was 223.4 billion yen, and operating loss was 55.2 billion yen. The year on year declines in sales and profit were mainly the result of the decline in unit sales due to the effect from the city lockdowns, movement restrictions and so forth in each country.

ii) Financial service business

Net sales for the three months ended June 30, 2020 was 7.9 billion yen, and operating profit was 1.2 billion yen.

(iii) Financial position

Total assets as of June 30, 2020 amounted to 1,724.1 billion yen (down 214.0 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 432.3 billion yen (up 32.7 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,105.2 billion yen (down 44.5 billion yen from the end of the previous fiscal year). Of total liabilities, the interest bearing debt balance, including lease obligations, was 538.1 billion yen (up 238.7 billion yen from the end of the previous fiscal year). Net assets as of June 30, 2020 amounted to 618.9 billion yen (down 169.5 billion yen from the end of the previous fiscal year).

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

MMC has announced the new mid-term business plan, Small but Beautiful, which will run through fiscal 2022 to concentrate management resources on core regions and products the Group has strengths in.

In order to achieve sustainable growth after the plan's period, MMC focuses on structural reforms to stabilize the management foundation, namely cost and profitability reforms. For that purpose, MMC will shift its policy from its current omnidirectional expansion strategy and further accelerate the selection and concentration process. MMC will then complete the structural reforms in order to further strengthen its competitive areas and transform its business structure to ensure that it can generate profits under the plan.

Specific measures include a review of its production capacity, sales structure and product lineup, and a significant reduction in fixed costs. In addition, MMC will concentrate management resources on the ASEAN region, where it has strengths. In order to increase its profitability, in addition to reinforcing environmental technologies such as its proprietary PHEV and HEV technologies as well as its characteristic 4WD technologies, by leveraging its alliance partner's technologies, MMC will offer the world's most advanced vehicles. By combining technologies, MMC will provide environmentally friendly vehicles that will help develop a society where people, cars and nature will coexist in harmony.

The main actions of this plan are as follows:

- Reducing fixed costs by 20 percent or more compared to FY2019, and concentrating investment to enhance profitability
- Focusing management resources on the ASEAN region, and increasing the market share there to more than 11 percent
- Developing businesses in Africa, Oceania and South America as the second pillar following ASEAN
- Strengthening eco-friendly model lineup such as of PHEV and EV by launching new models by FY2022, and introducing new models including SUV, pickup truck and MPV in ASEAN from FY2022 onwards

(3) Research and development activities

Research and development spending by the MMC Group in the three months ended June 30, 2020 (automobile business) totaled 26.8 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, 2020.

(4) Production, orders and sales

(i) Production

Production for the three months ended June 30, 2020 is as follows:

	For the three months ended June 30, 2020 Quantity (Units)	vs. for the three months ended June 30, 2019 (%)
Japan	48,525	32.7
Overseas	58,295	35.5
Total	106,820	34.2

(ii) Sales

Sales results for the three months ended June 30, 2020 are as follows:

	For the three months ended June 30, 2020		vs. for the three months ended June 30, 2019 (%)	
	Quantity (Units)	Amount (Millions of yen)	Quantity (Units)	Amount (Millions of yen)
Japan	40,738	78,366	59.1	69.9
Overseas	86,165	151,179	33.1	35.6
Total	126,903	229,545	38.6	42.8

- (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 first quarter ended June 30, 2020.

### 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, 2020) (Shares)	Number of issued shares (As of the filing date: August 4, 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

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, 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 April 1, 2020 to June 30, 2020	–	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, 2020.

##### (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, 2020, MMC presents information from the shareholders register of the directly preceding record date (March 31, 2020).



## (i) Issued shares

(As of March 31, 2020)

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 1,488,203,800	14,882,038	Same as above
Shares less than one unit	Common stock (Note) 2 108,896	–	Same as above
Total number of issued shares	1,490,282,496	–	–
Total number of voting rights	–	14,882,038	–

(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 2 treasury shares 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

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 “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 first quarter ended June 30, 2020 (from April 1, 2020 to June 30, 2020) and three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020) 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, 2020	As of June 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	399,614	432,276
Notes and accounts receivable - trade	137,519	93,288
Finance receivables	268,435	257,235
Merchandise and finished goods	214,083	163,629
Work in process	23,626	22,319
Raw materials and supplies	35,719	40,639
Other	125,665	98,024
Allowance for doubtful accounts	(1,802)	(1,123)
Total current assets	1,202,862	1,106,289
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	109,127	81,778
Machinery, equipment and vehicles, net	140,516	114,090
Tools, furniture and fixtures, net	56,983	39,781
Land	126,183	124,275
Construction in progress	46,813	31,266
Total property, plant and equipment	479,624	391,192
Intangible assets	49,486	29,264
Investments and other assets		
Investment securities	77,005	72,975
Other	134,227	129,576
Allowance for doubtful accounts	(5,083)	(5,174)
Total investments and other assets	206,149	197,377
Total non-current assets	735,260	617,834
Total assets	1,938,123	1,724,124

(Millions of yen)

As of March 31, 2020

As of June 30, 2020

Liabilities			
Current liabilities			
Notes and accounts payable - trade	308,378		102,130
Electronically recorded obligations - operating	76,276		52,900
Short-term borrowings	62,426		118,032
Commercial papers	58,300		51,300
Current portion of long-term borrowings	55,661		51,780
Accounts payable - other, and accrued expenses	221,140		173,299
Income taxes payable	11,301		5,243
Provision for product warranties	48,611		48,343
Provision for loss on fuel consumption test	2,304		1,893
Other	73,944		74,997
<b>Total current liabilities</b>	<b>918,344</b>		<b>679,921</b>
Non-current liabilities			
Long-term borrowings	99,388		291,256
Retirement benefit liability	48,252		48,602
Other	83,774		85,421
<b>Total non-current liabilities</b>	<b>231,415</b>		<b>425,280</b>
<b>Total liabilities</b>	<b>1,149,759</b>		<b>1,105,202</b>
Net assets			
Shareholders' equity			
Share capital	284,382		284,382
Capital surplus	200,072		200,061
Retained earnings	407,547		231,361
Treasury shares	(1,728)		(1,679)
<b>Total shareholders' equity</b>	<b>890,273</b>		<b>714,126</b>
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	(562)		(381)
Deferred gains or losses on hedges	(99)		(155)
Foreign currency translation adjustment	(82,731)		(75,839)
Remeasurements of defined benefit plans	(34,216)		(33,611)
<b>Total accumulated other comprehensive income</b>	<b>(117,610)</b>		<b>(109,988)</b>
Share acquisition rights	345		351
Non-controlling interests	15,354		14,432
<b>Total net assets</b>	<b>788,363</b>		<b>618,922</b>
<b>Total liabilities and net assets</b>	<b>1,938,123</b>		<b>1,724,124</b>

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

## Quarterly consolidated statement of income

(Millions of yen)

	FY2019 For the three months ended June 30, 2019	FY2020 For the three months ended June 30, 2020
Net sales	536,164	229,545
Cost of sales	455,904	226,390
Gross profit	80,259	3,154
Selling, general and administrative expenses		
Advertising and promotion expenses	11,947	4,792
Freight costs	10,976	4,801
Provision of allowance for doubtful accounts	(388)	(382)
Remuneration, salaries and allowances for directors (and other officers)	19,819	17,471
Retirement benefit expenses	929	1,180
Depreciation	4,211	4,632
Research and development expenses	16,009	14,591
Other	12,898	9,408
Total selling, general and administrative expenses	76,402	56,495
Operating profit (loss)	3,857	(53,341)
Non-operating income		
Interest income	1,595	448
Foreign exchange gains	–	626
Share of profit of entities accounted for using equity method	2,409	–
Other	237	434
Total non-operating income	4,243	1,510
Non-operating expenses		
Interest expenses	968	1,347
Foreign exchange losses	7,305	–
Litigation expenses	516	729
Share of loss of entities accounted for using equity method	–	2,723
Other	706	2,079
Total non-operating expenses	9,497	6,880
Ordinary profit (loss)	(1,397)	(58,711)
Extraordinary income		
Gain on sales of non-current assets	108	26
Gain on contribution of securities to retirement benefit trust	9,376	–
Other	76	1
Total extraordinary income	9,562	28
Extraordinary losses		
Loss on retirement of non-current assets	863	641
Loss on sales of non-current assets	33	1
Impairment loss	–	*1 107,488
COVID-19	–	*2 2,071
Business restructuring expenses	–	*3 9,592
Other	6	223
Total extraordinary losses	903	120,016
Profit (loss) before income taxes	7,261	(178,699)
Income taxes	(1,815)	(2,076)
Profit (loss)	9,077	(176,623)
Profit (loss) attributable to non-controlling interests	(235)	(465)
Profit (loss) attributable to owners of parent	9,312	(176,157)

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	FY2019 For the three months ended June 30, 2019	FY2020 For the three months ended June 30, 2020
Profit (loss)	9,077	(176,623)
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,510)	181
Deferred gains or losses on hedges	(100)	(97)
Foreign currency translation adjustment	(3,883)	11,833
Remeasurements of defined benefit plans, net of tax	(154)	687
Share of other comprehensive income of entities accounted for using equity method	1,438	(3,974)
Total other comprehensive income	(10,211)	8,629
Comprehensive income	(1,133)	(167,993)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(639)	(168,535)
Comprehensive income attributable to non- controlling interests	(494)	542

## Notes

### *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, 2020, 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.

### *Additional information*

#### *Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system*

As for items regarding the transition to the group tax sharing system introduced in the “Act Partially Amending the Income Tax Act” (Act No. 8 of 2020) and items revised on non-consolidated taxation system in connection with the transition to the group tax sharing system, MMC and some consolidated subsidiaries in Japan have not applied the provisions of paragraph 44 of the “Guidance on Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) as allowed by the provisions of paragraph 3 of the “Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ PITF No. 39, March 31, 2020). Accordingly, amounts of deferred tax assets and deferred tax liabilities are determined in accordance with the provisions of the tax law before revision.

#### *Impact of COVID-19*

Regarding the impact of COVID-19, there is currently no consensus on how infections will spread in the future, or when the spread of infections will be brought under control, etc. Given limited objective information from external sources, the MMC Group assumes demand will drop, especially in the first half of the fiscal year, with a gradual recovery in the second half of the fiscal year and the following fiscal years, based on the new mid-term business plan. Accordingly, accounting estimates such as impairment loss on noncurrent assets and recoverability of deferred tax assets, etc. are recognized based on these assumptions.

Quarterly consolidated balance sheet

Guarantee obligation

(1) Guarantee recipients

As of March 31, 2020			As of June 30, 2020		
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	5,556	Bank loans	PT. Mitsubishi Motors Krama Yudha Sales Indonesia	5,250	Bank loans
MMD Automobile GmbH	7,094	Liquidation of receivables	MMD Automobile GmbH	—	—
Employees	284	(Note)	Employees	241	(Note)
Other	—	—	Other	66	Trade payables to suppliers
Total	12,934		Total	5,557	

(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, 2020	As of June 30, 2020
1,403	740

Quarterly consolidated statement of income

\*1. Impairment loss

The MMC Group recognized impairment losses on the following asset groups:  
For the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(1) Outline of asset group on which an impairment loss was recognized

Location	Usage	Type	Amount (Millions of yen)
Okazaki, Aichi, Kyoto, Kyoto, Kurashiki, Okayama, etc. (5 locations)	Production assets	Machinery, equipment, buildings, structures, tools, furniture, fixtures, and others	107,403
Kamo, Gifu (1 location)	Production assets	Land, machinery, buildings, structures, and others	8,107
Ishioka, Ibaraki, etc. (10 locations)	Sales related assets	Buildings, structures, and others	321
Kyoto, Kyoto (2 locations)	Idle assets	Machinery, equipment, and others	84
Total			115,916

(Note) Impairment loss of 115,916 million yen comprises 107,488 million yen of “<sup>(\*)</sup> Impairment loss” and 8,428 million yen out of “<sup>(\*)</sup> Business restructuring expenses,” both of which were recorded in “Extraordinary losses.”

(2) Grouping methods of assets

Production assets are grouped by the business company and sales related assets are grouped mainly by business unit. In addition, idle assets are treated as individual asset groups.



(3) Circumstances leading to recognition of impairment losses

As a result of formulating the new mid-term business plan, Small but Beautiful, which is aimed at quickly reorganizing management through wide-ranging structural reform plans, the initially anticipated profitability ceased to be feasible with the change in the forecast number of vehicles. Consequently, the book values for production assets and sales related assets of MMC and its consolidated subsidiaries were reduced 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.

(4) Method of computing the recoverable amount

The recoverable amount is determined by the higher amount of the net selling value and the value in use. The net selling value is reasonably computed using the appraisal value based on the real estate appraisal standard, the assessed value of the inheritance tax based on the road rating, etc., and the value in use is computed based on the future cash flows (discount rate is mainly 10.9%). The recoverable amount of idle assets is computed using the net selling value and those idle assets which are substantially difficult to sell are assessed as net selling value of zero.

(5) Amount of impairment loss

Major components of 115,916 million yen of the impairment loss are as follows.

	(Millions of yen)
Buildings and structures	32,517
Machinery and equipment	37,455
Tools, furniture and fixtures	16,603
Land	3,331
Other	26,008
Total	115,916

\*2. COVID-19

MMC suspended factory operations in accordance with the directions issued by governments in the locations of key component manufacturing factories to suspend factory operations to prevent the spread of COVID-19. Similarly, our Philippine subsidiary suspended operations in accordance with government directions to suspend factory operations to prevent the spread of COVID-19. The deterioration in operating expenses such as fixed costs and direct additional expenses in the respective periods of suspension was recorded as 2,071 million yen.

\*3. Business restructuring expenses

Business restructuring expenses were 8,428 million yen of impairment loss on non-current assets at sales and manufacturing bases due to the restructuring and strengthening of the sales and manufacturing system in Japan and 1,164 million yen in payment of special retirement benefits at overseas subsidiaries.

*Quarterly consolidated statement of cash flows*

- \* There is no quarterly consolidated statement of cash flows for the three months ended June 30, 2020. In addition, depreciation cost for the three months ended June 30, 2020 is as follows:

	(Millions of yen)	
	FY2019 For the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	FY2020 For the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)
Depreciation	16,940	17,183

### *Shareholders' equity*

#### I. For the three months ended June 30, 2019 (from April 1, 2019 to June 30, 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

##### 2. Dividends whose record dates are in the three months ended June 30, 2019 but whose effective dates are after the end of the first quarter ended June 30, 2019.

Not applicable.

#### II. For the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

##### 1. Dividend payment

Not applicable.

##### 2. Dividends whose record dates are in the three months ended June 30, 2020, but whose effective dates are after the end of the first quarter ended June 30, 2020.

Not applicable.

##### 3. Significant changes in the amount of shareholders' equity

Shareholders' equity as of June 30, 2020 fell 176,147 million yen compared to March 31, 2020. This was mainly due to a loss of 176,157 million yen recorded for the quarter.

*Segment information, etc.*

[Segment information]

I. For the three months ended June 30, 2019 (from April 1, 2019 to June 30, 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	530,106	6,058	536,164	–	536,164
(2) Intersegment sales	2,550	453	3,003	(3,003)	–
Total	532,656	6,511	539,167	(3,003)	536,164
Segment profit (loss)	2,941	1,279	4,220	(363)	3,857

(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	111,970	73,412	108,947	154,456	45,888	41,490	536,164

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

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

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	208,806	70,560	94,499	114,296	45,888	2,113	536,164	–	536,164
(2) Intersegment sales	216,252	1,527	640	115,614	5	–	334,039	(334,039)	–
Total	425,058	72,088	95,139	229,911	45,893	2,113	870,203	(334,039)	536,164
Operating profit (loss)	(12,535)	(361)	3,103	8,236	3,762	95	2,301	1,555	3,857

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

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

II. For the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

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	222,812	6,732	229,545	–	229,545
(2) Intersegment sales	576	1,200	1,776	(1,776)	–
Total	223,389	7,932	231,322	(1,776)	229,545
Segment profit (loss)	(55,153)	1,186	(53,967)	625	(53,341)

- (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 reporting segment

*Material impairment losses on non-current assets*

In the automobile business, the book value of some assets such as production assets, for which the investment seems unlikely to be recovered due to the decline in profitability, were reduced to the recoverable amount, with such decreases recorded as impairment loss and business restructuring expenses.

The amount recorded for such impairment loss in the three months ended June 30, 2020 was 115,916 million yen.

*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	78,366	19,524	25,977	38,643	31,182	35,851	229,545

- (Note) Main countries and regions outside Japan are grouped as follows:  
 (1) North America.....The United States, Mexico, Puerto Rico  
 (2) Europe.....Russia, Germany, the United Kingdom, Spain, Italy  
 (3) Asia.....Thailand, Indonesia, the Philippines, Vietnam  
 (4) Oceania.....Australia, New Zealand  
 (5) Other.....U.A.E., Brazil

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	122,719	19,427	23,109	32,260	31,182	845	229,545	–	229,545
(2) Intersegment sales	55,028	857	463	43,150	–	–	99,499	(99,499)	–
Total	177,748	20,284	23,572	75,410	31,183	845	329,044	(99,499)	229,545
Operating profit (loss)	(50,073)	(4,179)	335	(2,022)	293	(2)	(55,648)	2,307	(53,341)

- (Note) Main countries and regions outside Japan are grouped as follows:  
 (1) North America.....The United States, Mexico, Puerto Rico  
 (2) Europe.....The Netherlands, Russia  
 (3) Asia.....Thailand, Indonesia, the Philippines, Vietnam  
 (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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)	For the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)
(1) Basic earnings (loss) per share (Yen)	6.26	(118.36)
<i>Basis of calculation</i>		
Profit (loss) attributable to owners of parent (Millions of yen)	9,312	(176,157)
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)	9,312	(176,157)
Average number of shares of common stock outstanding during the period (Thousands of shares)	1,488,312	1,488,330
(2) Diluted earnings per share (Yen)	6.25	–
<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)	1,473	–
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 three months ended June 30, 2020 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*

#### *Formulation of the mid-term business plan and implementation of structural reforms*

At the Board of Directors Meeting held on July 27, 2020, MMC resolved the new mid-term business plan, Small but Beautiful, focused on structural reforms, namely cost and profitability reforms, to stabilize the management base in order for MMC to achieve sustainable growth.

This plan is based on a review of production capacity, sales structure and product lineup as well as structural reforms to significantly reduce fixed costs. The main initiatives are outlined below. For the three months ended June 30, 2020 impairment loss and business restructuring expenses were recorded mainly related to restructuring and strengthening of the sales and manufacturing system in Japan. The details regarding the impact of other initiatives on FY2020 performance are currently being examined and are yet to be confirmed.

- Reducing fixed costs by 20 percent or more compared to FY2019, and concentrating investment on core regions and technologies to enhance profitability
- Focusing management resources on ASEAN and achieve the target market share in that market
- Developing businesses in Africa, Oceania and South America as the second pillar following ASEAN
- Restructuring and strengthening the sales and manufacturing system in Japan (Factory closure at Pajero Manufacturing Co., Ltd., etc.) and improving profitability by freezing the introduction of new models in Western Europe

- Strengthening eco-friendly model lineup such as of PHEV and EV by launching new models by FY2022, and introducing new models including SUV, pickup truck and MPV in ASEAN from FY2022 onwards

2. Others

Not applicable.



**B. Information on Guarantors for the Company**

Not applicable.

**Independent Auditor's Quarterly Review Report**  
(English Translation)

August 4, 2020

The Board of Directors

mitsubishi motors corporation

Ernst & Young ShinNihon LLC  
Tokyo, Japan

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 first quarter ended June 30, 2020 (April 1, 2020 through June 30, 2020).

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, 2020, 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.

*Basis for Auditor's Conclusion*

We conducted our review in accordance with the quarterly review standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Quarterly Review of the Quarterly Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained evidence to form the basis for the statements of conclusion.

*Responsibilities of Management and Audit Committee 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.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles for quarterly consolidated financial statements generally accepted in Japan, matters related to going concern.

Audit Committee is responsible for overseeing the performance of duties by Executive Officers and Directors regarding the development and operation of the Group's financial reporting process.

*Auditor's Responsibilities for the quarterly review of the Quarterly Consolidated Financial Statements*

Our responsibility is to express a conclusion on these quarterly consolidated financial statements in the Independent Auditor's Quarterly Review Report independently based on our review.

As part of a quarterly review in accordance with the quarterly review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the quarterly review. We also:

- 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.

- If a material uncertainty exists related to events or conditions that may cast significant doubt on the matters concerning the ability of the Group to continue as a going concern, we shall conclude, based on the evidence obtained, whether there are matters that cause us to believe the quarterly consolidated financial statements and disclosures have not been presented fairly in conformity with accounting principles for quarterly financial statements generally accepted in Japan. In addition, if we conclude that a material uncertainty exists concerning the ability of the Group to continue as a going concern, we are required to draw attention in our quarterly review report to the related disclosures in the quarterly consolidated financial statements, or if the relevant disclosures in the quarterly consolidated financial statements concerning material uncertainty are inadequate, provide a qualified conclusion or a negative conclusion in relation to the quarterly consolidated financial statements. Our conclusions are based on the evidence obtained up to the date of the quarterly review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether there are matters that cause us to believe the quarterly consolidated financial statements and disclosures have not been prepared in conformity with accounting principles for quarterly financial statements generally accepted in Japan and whether there are matters that cause us to believe the overall presentation, structure and content of the quarterly consolidated financial statements, including the disclosures, and the transactions and events that underlie the quarterly consolidated financial statements have not been presented fairly.
- Obtain evidence regarding the financial information of MMC and its consolidated subsidiaries to express a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and performance regarding the quarterly review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We report to the Audit Committee regarding the planned scope and timing of the quarterly review and significant findings that we identify during the quarterly review.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### *Conflict of Interest*

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

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(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 (“ <i>Kakuninsho</i> ”)
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 4, 2020
Company name:	三菱自動車工業株式会社 ( <i>Mitsubishi Jidosha Kogyo Kabushiki Kaisha</i> )
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, 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 first quarter of FY2020 (April 1, 2020 through June 30, 2020) 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.