

Quarterly Securities Report

Second Quarter of FY2021

(From July 1, 2021 To September 30, 2021)

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

MITSUBISHI MOTORS CORPORATION

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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
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Telephone number: +81-3-3456-1111 (Main telephone number)
Name of contact person: Natsuji Okino, General Manager, Accounting Dept.
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A. Company Information

I. Overview of the Company

1. Summary of business results

Fiscal year		FY2020 For the six months ended September 30, 2020	FY2021 For the six months ended September 30, 2021	FY2020
Period		From April 1, 2020 to September 30, 2020	From April 1, 2021 to September 30, 2021	From April 1, 2020 to March 31, 2021
Net sales	Millions of yen	574,874	890,567	1,455,476
Ordinary profit (loss)	Millions of yen	(87,011)	27,073	(105,203)
Profit (loss) attributable to owners of parent	Millions of yen	(209,884)	21,670	(312,317)
Comprehensive income	Millions of yen	(207,932)	12,928	(259,691)
Net assets	Millions of yen	579,040	537,606	525,251
Total assets	Millions of yen	1,732,316	1,739,226	1,856,279
Basic earnings (loss) per share	Yen	(141.02)	14.57	(209.88)
Diluted earnings per share	Yen	–	14.56	–
Equity-to-asset ratio	%	32.59	29.75	27.36
Net cash provided by (used in) operating activities	Millions of yen	(123,889)	(39,789)	(41,537)
Net cash provided by (used in) investing activities	Millions of yen	(68,205)	(24,358)	(101,323)
Net cash provided by (used in) financing activities	Millions of yen	257,778	(2,379)	168,291
Cash and cash equivalents at end of period	Millions of yen	465,916	372,227	444,619

Fiscal year		FY2020 Second quarter ended September 30, 2020	FY2021 Second quarter ended September 30, 2021
Period		From July 1, 2020 to September 30, 2020	From July 1, 2021 to September 30, 2021
Basic earnings (loss) per share	Yen	(22.66)	10.48

- (Notes)
1. Mitsubishi Motors Corporation (“MMC”) prepares quarterly consolidated financial statements. Therefore, summary of business results of reporting company is not noted.
 2. When calculating “basic earnings (loss) per share” for FY2020 and the six months ended September 30, 2021, shares of MMC held by the Board Incentive Plan (BIP) Trust have been included in treasury shares excluded from the calculation of the average number of shares during the periods.
 3. “Diluted earnings per share” for the six months ended September 30, 2020 and FY2020 are not shown even though there are potential shares, because basic loss per share is reported for each of the periods.
 4. MMC has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter of FY2021, and the key management indices for the six months ended September 30, 2021, are those after applying the accounting standard and relevant revised ASBJ regulations.

2. Description of business

In the six months ended September 30, 2021, there were no material changes in the business of the MMC Group.

And no changes were made to major subsidiaries and affiliates.

Pajero Manufacturing Co., Ltd. suspended production as planned in the six months ended September 30, 2021.

II. Overview of Business

1. Business-related risks

During the six months ended September 30, 2021, 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

Although there was a certain degree of recovery from the significant drop in sales volume caused by the spread of the novel coronavirus disease (COVID-19) in the previous fiscal year, the severe external environment continued during the six months ended September 30, 2021, including the intermittently repeating lockdowns, mainly in various ASEAN countries, due to the resurgence of COVID-19, and the tightening of the balance of supply and demand due to the semiconductor supply shortage, and other factors also affected the Company's sales.

On the other hand, due to the effects of cost reductions and other factors that have continued since the beginning of the fiscal year, as well as the favorable trend in foreign exchange rates, the Group's business results showed a significant improvement compared to the same period of the previous year.

As a result, net sales of the MMC Group for the six months ended September 30, 2021 were 890.6 billion yen (an increase of 315.7 billion yen year on year, or up 55% year on year). Operating profit improved significantly to 25.2 billion yen (compared with operating loss of 82.6 billion yen in the same period of the previous fiscal year) due to higher sales and improvements in the sales mix, as well as effects of curtailing selling expenses, etc. Ordinary profit was 27.1 billion yen (compared with ordinary loss of 87.0 billion yen in the same period of the previous fiscal year), and profit attributable to owners of parent was 21.7 billion yen (compared with loss attributable to owners of parent of 209.9 billion yen in the same period of the previous fiscal year).

Furthermore, global sales for the six months ended September 30, 2021 were 442,000 units. The status of operations in each major region is as follows:

- ASEAN: 107,000 units (up 36,000 units year on year)
- Australia and New Zealand: 45,000 units (up 15,000 units year on year)
- Japan: 34,000 units (up 7,000 units year on year)
- China and Other: 42,000 units (down 8,000 units year on year)
- North America: 76,000 units (up 25,000 units year on year)
- Europe: 67,000 units (down 8,000 units year on year)
- Central America, Middle East, Africa and Other: 71,000 units (up 24,000 units year on year)

The status of operations in each major region is as follows.

First, the key ASEAN region, although once showing signs of recovery, suffered repeated lockdowns in the six months ended September 30, 2021 in various countries due to the resurgence of COVID-19, and the Company's sales were also affected. On the other hand, in Indonesia, sales were strong due to the decision to extend the extravagance tax exemption program.

The automobile markets in the core regions of Australia and New Zealand, as well as ASEAN countries, have suffered lockdowns again this summer due to the resurgence of COVID-19. However, the automobile markets have all remained strong, and the Company has steadily increased its sales share.

In North America, demand was strong due to the progress of vaccination in the United States and government subsidy payments, and the new Outlander, which was launched in April, drove sales, with dealer retail sales recovering to the level of the first half of fiscal 2019.

Automobile demand in Japan was on a recovery trend compared with the previous fiscal year. However, recovery to levels prior to the spread of COVID-19 was not seen due to a supply shortage of vehicles because of the effect of semiconductor shortage. MMC was affected by the semiconductor supply shortage, primarily for its core model range, but sales increased year on year as a result of measures to expand sales, such as proactively executing campaigns.

(ii) Operating results per segment

i) Automobile business

Net sales for the six months ended September 30, 2021 was 877.5 billion yen (an increase of 313.7 billion yen year on year), and operating profit was 23.6 billion yen (compared with operating loss of 86.2 billion yen in the same period of the previous fiscal year). The increase in operating profit compared with the same period of the previous fiscal year was due to factors such as the recovery after the significant decrease in sales because of the spread of COVID-19 in the previous fiscal year, the effect of suppressing expenses due to structural reforms, as well as the favorable effect of foreign exchange due to the accelerated overall trend of yen depreciation.

ii) Financial service business

Net sales for the six months ended September 30, 2021 was 20.6 billion yen (an increase of 5.0 billion yen year on year), and operating profit was 2.4 billion yen (compared with operating profit of 2.5 billion yen in the same period of the previous fiscal year).

(iii) Financial position

Total assets as of September 30, 2021 amounted to 1,739.2 billion yen (down 117.1 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 372.3 billion yen (down 83.4 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,201.6 billion yen (down 129.4 billion yen from the end of the previous fiscal year). Of total liabilities, the interest bearing debt balance was 480.0 billion yen (down 3.3 billion yen from the end of the previous fiscal year). Net assets as of September 30, 2021 amounted to 537.6 billion yen (up 12.3 billion yen from the end of the previous fiscal year).

(2) Cash flow

Cash flows for the six months ended September 30, 2021 came to a net outflow of 39.8 billion yen from operating activities, a net outflow of 24.4 billion yen from investing activities, and a net outflow of 2.4 billion yen from financing activities. In addition, partially due to such factors as a decrease of 5.8 billion yen in effect of exchange rate change on cash and cash equivalents, the balance of cash and cash equivalents as of September 30, 2021 decreased by 72.4 billion yen from the end of the previous fiscal year to 372.2 billion yen. Free cash flow for the six months ended September 30, 2021 was a negative 64.2 billion yen.

Cash flows from operating activities

Net cash used in operating activities was 39.8 billion yen, a decrease of 84.1 billion yen compared to cash used in operating activities of 123.9 billion yen in the same period of the previous fiscal year. This was mainly due to the fact that profit before income taxes was positive.

Cash flows from investing activities

Net cash used in investing activities was 24.4 billion yen, a decrease of 43.8 billion yen compared to cash used in investing activities of 68.2 billion yen in the same period of the previous fiscal year.

Cash flows from financing activities

Net cash used in financing activities was 2.4 billion yen, a difference of 260.2 billion yen compared to cash provided by financing activities of 257.8 billion yen in the same period of the previous fiscal year. This was primarily due to a decrease in proceeds from long-term borrowings.

(Note) Free cash flow is calculated as the sum of cash flows from operating activities and cash flows from investing activities.

(3) 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 six months ended September 30, 2021.

(4) Research and development activities

Research and development spending by the MMC Group in the six months ended September 30, 2021 (automobile business) totaled 42,129 million yen.

There were no material changes in the conditions of the MMC Group's research and development activities during the six months ended September 30, 2021.

(5) Production, orders and sales

(i) Production

Production for the six months ended September 30, 2021 is as follows:

	For the six months ended September 30, 2021 Quantity (Units)	vs. for the six months ended September 30, 2020 (%)
Japan	195,531	157.1
Overseas	270,980	178.0
Total	466,511	168.6

(ii) Sales

Sales results for the six months ended September 30, 2021 are as follows:

	For the six months ended September 30, 2021		vs. for the six months ended September 30, 2020 (%)	
	Quantity (Units)	Amount (Millions of yen)	Quantity	Amount
Japan	84,293	176,418	88.9	98.1
Overseas	378,541	714,148	162.9	180.7
Total	462,834	890,567	141.5	154.9

(Note) 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.

3. Critical contracts for operation

No critical contracts for operation were decided or entered into during the second quarter ended September 30, 2021.

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 September 30, 2021) (Shares)	Number of issued shares (As of the filing date: November 10, 2021) (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 July 1, 2021 to September 30, 2021	—	1,490,282,496	—	284,382	—	118,680

(5) Major shareholders

(As of September 30, 2021)

Name	Address	Number of shares held (Shares)	Percentage of total number of shares issued (excluding treasury shares) (%)
Nissan Motor Co., Ltd.	2, Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	506,620,577	34.02
Mitsubishi Corporation	2-3-1, Marunouchi, Chiyoda-ku, Tokyo	298,012,214	20.01
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	80,767,900	5.42
Mitsubishi Heavy Industries, Ltd.	3-2-3, Marunouchi, Chiyoda-ku, Tokyo	21,572,455	1.44
MUFG Bank, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	14,877,512	0.99
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1 (Standing proxy: MUFG Bank, Ltd.)	VERTIGO BUILDING - POLARIS 2-4 RUE EUGENE RUPPERT L-2453 LUXEMBOURG GRAND DUCHY OF LUXEMBOURG (2-7-1, Marunouchi, Chiyoda-ku, Tokyo, Transaction Services Division)	12,418,000	0.83
Custody Bank of Japan, Ltd. (Trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	9,627,100	0.64
SIX SIS LTD. (Standing proxy: MUFG Bank, Ltd.)	BASLERSTRASSE 100, CH-4600 OLTEN SWITZERLAND (2-7-1, Marunouchi, Chiyoda-ku, Tokyo, Transaction Services Division)	9,503,817	0.63
Custody Bank of Japan, Ltd. (Trust account 7)	1-8-12, Harumi, Chuo-ku, Tokyo	9,039,500	0.60
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo)	8,000,814	0.53
Total	—	970,439,889	65.17

(6) Voting rights

(i) Issued shares

(As of September 30, 2021)

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 1,292,500	–	Number of shares for share unit: 100 shares
	<Reciprocal holding> Common stock 400		
Shares with complete voting rights (Other)	Common stock (Note) 1 1,488,845,300	14,888,453	Same as above
Shares less than one unit	Common stock (Note) 2 144,296	–	Same as above
Total number of issued shares	1,490,282,496	–	–
Total number of voting rights	–	14,888,453	–

- (Notes) 1. The number of “Shares with complete voting rights (Other)” includes 1,137,600 shares (11,376 units of voting rights) of MMC held by Board Incentive Plan (BIP) Trust and 5,700 shares (57 units of voting rights) in the name of Japan Securities Depository Center, Incorporated.
The 11,376 units of voting rights in the officer compensation BIP Trust are not to be exercised.
2. The number of “Shares less than one unit” includes 12 treasury shares held by MMC and 50 shares of MMC held by Board Incentive Plan (BIP) Trust.

(ii) Treasury shares, etc.

(As of September 30, 2021)

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	1,292,500	–	1,292,500	0.08
<Reciprocal holding> Nagano Mitsubishi Motor Sales Co., Ltd.	865-1, Aza- Imuraminamioki, Higashiwada, Nagano-shi, Nagano	400	–	400	0.00
Total	–	1,292,900	–	1,292,900	0.08

(Note) The number of “Treasury shares” does not include shares of MMC held by Board Incentive Plan (BIP) Trust.

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 second quarter ended September 30, 2021 (from July 1, 2021 to September 30, 2021) and six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021) 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, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	455,716	372,254
Notes and accounts receivable - trade	154,253	–
Notes and accounts receivable - trade, and contract assets	–	104,373
Finance receivables	247,331	226,911
Merchandise and finished goods	182,713	169,567
Work in process	26,657	62,929
Raw materials and supplies	40,585	56,787
Other	118,603	120,119
Allowance for doubtful accounts	(1,921)	(1,701)
Total current assets	1,223,940	1,111,241
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	83,486	79,377
Machinery, equipment and vehicles, net	120,136	116,250
Tools, furniture and fixtures, net	57,167	52,363
Land	124,963	121,138
Construction in progress	25,227	30,496
Total property, plant and equipment	410,982	399,626
Intangible assets	33,918	34,877
Investments and other assets		
Investment securities	81,895	90,229
Other	109,468	106,831
Allowance for doubtful accounts	(3,925)	(3,581)
Total investments and other assets	187,437	193,480
Total non-current assets	632,338	627,984
Total assets	1,856,279	1,739,226

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	307,704	284,361
Electronically recorded obligations - operating	77,222	50,017
Short-term borrowings	16,085	26,299
Commercial papers	32,500	55,600
Current portion of long-term borrowings	57,702	267,213
Accounts payable - other, and accrued expenses	249,231	168,505
Income taxes payable	6,747	4,924
Provision for product warranties	48,308	45,970
Provision for loss on fuel consumption test	1,066	699
Other	71,378	79,129
Total current liabilities	867,947	982,723
Non-current liabilities		
Long-term borrowings	347,978	105,440
Retirement benefit liability	28,593	29,758
Other	86,508	83,697
Total non-current liabilities	463,080	218,896
Total liabilities	1,331,027	1,201,619
Net assets		
Shareholders' equity		
Share capital	284,382	284,382
Capital surplus	199,950	199,837
Retained earnings	95,928	117,325
Treasury shares	(1,659)	(1,382)
Total shareholders' equity	578,602	600,162
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	511	817
Deferred gains or losses on hedges	(554)	(1,875)
Foreign currency translation adjustment	(63,035)	(68,631)
Remeasurements of defined benefit plans	(7,617)	(13,008)
Total accumulated other comprehensive income	(70,696)	(82,697)
Share acquisition rights	352	194
Non-controlling interests	16,993	19,947
Total net assets	525,251	537,606
Total liabilities and net assets	1,856,279	1,739,226

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

(Millions of yen)

	FY2020 For the six months ended September 30, 2020	FY2021 For the six months ended September 30, 2021
Net sales	574,874	890,567
Cost of sales	545,292	742,185
Gross profit	29,582	148,381
Selling, general and administrative expenses		
Advertising and promotion expenses	12,258	15,547
Freight costs	10,338	20,350
Provision of allowance for doubtful accounts	(346)	(1)
Remuneration, salaries and allowances for directors (and other officers)	34,095	32,709
Retirement benefit expenses	2,369	1,840
Depreciation	7,970	6,324
Research and development expenses	25,820	26,613
Other	19,701	19,810
Total selling, general and administrative expenses	112,209	123,195
Operating profit (loss)	(82,626)	25,186
Non-operating income		
Interest income	925	671
Dividend income	444	565
Share of profit of entities accounted for using equity method	-	5,813
Subsidies for employment adjustment	2,495	368
Other	1,195	1,279
Total non-operating income	5,060	8,698
Non-operating expenses		
Interest expenses	2,888	2,451
Foreign exchange losses	1,259	2,083
Share of loss of entities accounted for using equity method	1,486	-
Other	3,809	2,276
Total non-operating expenses	9,444	6,811
Ordinary profit (loss)	(87,011)	27,073
Extraordinary income		
Gain on sale of non-current assets	295	2,732
Gain on sale of investments in capital of subsidiaries and associates	-	2,791
Other	12	391
Total extraordinary income	308	5,916
Extraordinary losses		
Loss on retirement of non-current assets	1,122	644
Impairment losses	*1 107,495	*1 50
Loss on COVID-19	*2 2,065	-
Business restructuring expenses	*1, *3 12,563	-
Other	395	331
Total extraordinary losses	123,642	1,026
Profit (loss) before income taxes	(210,345)	31,962
Income taxes	61	7,588
Profit (loss)	(210,407)	24,373
Profit (loss) attributable to non-controlling interests	(522)	2,703
Profit (loss) attributable to owners of parent	(209,884)	21,670

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	FY2020 For the six months ended September 30, 2020	FY2021 For the six months ended September 30, 2021
Profit (loss)	(210,407)	24,373
Other comprehensive income		
Valuation difference on available-for-sale securities	582	305
Deferred gains or losses on hedges	(11)	(1,330)
Foreign currency translation adjustment	4,365	(8,025)
Remeasurements of defined benefit plans, net of tax	1,610	(5,396)
Share of other comprehensive income of entities accounted for using equity method	(4,073)	3,002
Total other comprehensive income	2,474	(11,445)
Comprehensive income	(207,932)	12,928
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(208,037)	9,669
Comprehensive income attributable to non-controlling interests	105	3,258

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	FY2020 For the six months ended September 30, 2020	FY2021 For the six months ended September 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(210,345)	31,962
Depreciation	31,502	26,394
Impairment losses	107,495	50
Loss on COVID-19	2,065	-
Business restructuring expenses	12,563	-
Gain on sale of investments in capital of subsidiaries and associates	-	(2,791)
Increase (decrease) in allowance for doubtful accounts	(875)	(279)
Increase (decrease) in retirement benefit liability	(1,357)	(3,557)
Interest and dividend income	(1,369)	(1,237)
Interest expenses	2,888	2,451
Foreign exchange losses (gains)	4,336	(877)
Share of loss (profit) of entities accounted for using equity method	1,486	(5,813)
Loss (gain) on sale and retirement of non-current assets	837	(2,076)
Decrease (increase) in trade receivables	26,476	43,221
Decrease (increase) in finance receivables	17,867	20,407
Decrease (increase) in inventories	104,408	(22,877)
Increase (decrease) in trade payables	(191,744)	(62,404)
Increase (decrease) in accounts payable - other, and accrued expenses	(37,550)	(65,663)
Other, net	18,182	9,772
Subtotal	(113,131)	(33,316)
Interest and dividends received	1,596	1,699
Interest paid	(2,639)	(2,434)
Income taxes paid	(9,714)	(5,736)
Net cash provided by (used in) operating activities	(123,889)	(39,789)
Cash flows from investing activities		
Decrease (increase) in time deposits	(21,725)	11,071
Purchase of property, plant and equipment	(40,331)	(36,711)
Proceeds from sale of property, plant and equipment	871	4,716
Other, net	(7,020)	(3,434)
Net cash provided by (used in) investing activities	(68,205)	(24,358)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	11,173	9,846
Increase (decrease) in commercial papers	8,200	23,100
Proceeds from long-term borrowings	273,982	-
Repayments of long-term borrowings	(32,022)	(33,001)
Dividends paid	(20)	(12)
Dividends paid to non-controlling interests	(1,356)	(255)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(329)	-
Other, net	(1,848)	(2,056)
Net cash provided by (used in) financing activities	257,778	(2,379)
Effect of exchange rate change on cash and cash equivalents	517	(5,864)
Net increase (decrease) in cash and cash equivalents	66,201	(72,391)
Cash and cash equivalents at beginning of period	399,588	444,619
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	126	-
Cash and cash equivalents at end of period	* 465,916	* 372,227

Notes

Changes in accounting policies

Application of Accounting Standard for Revenue Recognition, etc.

MMC has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations effective from the beginning of the first quarter ended June 30, 2021, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

As a result of this application, for some transactions where revenue was previously recognized at the time of vehicle registration for contracts with the customers of MMC and its domestic subsidiaries, revenue has been recognized at the time the distributor transferred the control of the goods or services to the customer.

Furthermore, the payment of sales incentives to distributors takes into consideration variable consideration for the calculation of transaction prices, and in the fiscal year in which the control of goods or services is transferred to the distributor, the sales incentive estimate, which is expected to be paid in the future, is deducted from net sales.

The application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter ended June 30, 2021, was added to or deducted from the opening balance of retained earnings of the first quarter ended June 30, 2021, and thus the new accounting policy was applied from such opening balance.

As a result, for the six months ended September 30, 2021, operating profit increased by 175 million yen and ordinary profit and profit before income taxes both increased by 96 million yen due to net sales decreasing by 1,779 million yen, cost of sales increasing by 1,205 million yen, selling, general and administrative expenses decreasing by 3,159 million yen and non-operating expenses increasing by 79 million yen. In addition, the opening balance of retained earnings decreased by 271 million yen.

Due to the application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, “Notes and accounts receivable - trade” under current assets of the consolidated balance sheet as of the end of the previous fiscal year has been included in “Notes and accounts receivable - trade, and contract assets” under current assets from the first quarter ended June 30, 2021. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation. Furthermore, the information on disaggregation of revenue from contracts with customers during the six months ended September 30, 2020 has not been disclosed as allowed by the transitional treatment provided for in paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020).

Application of Accounting Standard for Fair Value Measurement and its implementation guidance

MMC has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019), etc. effective from the beginning of the first quarter ended June 30, 2021. The prospective application of the new accounting policy set forth in Accounting Standard for Fair Value Measurement, etc. is in line with the transitional treatment provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There are no impacts on the quarterly consolidated financial statements.

Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates

Change in depreciation method for property, plant and equipment

Previously, MMC and its consolidated subsidiaries in Japan used the declining balance method for certain property, plant and equipment, but from the first quarter ended June 30, 2021, they have changed to the straight line method.

The MMC Group has entered into a strategic alliance with Renault S.A. and Nissan Motor Co., Ltd. to strengthen and optimize its production system on a global level. The MMC Group is also promoting the sharing of development of new technologies, common vehicle platforms, and the sharing of purchasing functions and production bases under the alliance.

Under such circumstances, MMC has consolidated production at domestic plants for structural reforms from FY2021, taking the opportunity of the formulation of the new mid-term business plan in July 2020. As a result of examining the actual use of the MMC Group's property, plant and equipment and the nature of the capital investment, and considering that property, plant and equipment are expected to operate on a level basis due to stable production, MMC has determined that the straight line method, which allocates expenses evenly over the useful life of the assets, is a more appropriate method for calculating periodic income.

In addition, as a result of re-examining the estimated period of use of property, plant and equipment in conjunction with the change in the depreciation method, MMC has changed the useful lives of some machinery and equipment to be more consistent with actual conditions and based on economically usable estimates. Furthermore, as a result of examining the value of property, plant and equipment at the time of retirement after the end of their useful lives, the residual value of some property, plant and equipment has been changed to one yen, the memorandum value.

As a result of the above changes, operating profit, ordinary profit and profit before income taxes for the six months ended September 30, 2021 increased by 5,824 million yen, respectively, compared with those based on the previous method.

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 second quarter ended September 30, 2021, 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 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.

Quarterly consolidated balance sheet

Guarantee obligation

(1) Guarantee recipients

As of March 31, 2021			As of September 30, 2021		
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	4,624	Bank loans	PT. Mitsubishi Motors Krama Yudha Sales Indonesia	4,155	Bank loans
MMD Automobile GmbH	2,491	Liquidation of receivables	MMD Automobile GmbH	3,965	Liquidation of receivables
Employees	178	(Note)	Employees	163	(Note)
Total	7,295		Total	8,285	

(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, 2021	As of September 30, 2021	
–	1,086	

Quarterly consolidated statement of income

*1. Impairment losses

The MMC Group recognized impairment losses on the following asset groups:

I. For the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

(1) Outline of asset group on which impairment losses were 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	107,411
Kamo, Gifu, etc. (2 locations)	Production assets	Land, machinery, buildings, structures, and others	8,485
Ishioka, Ibaraki, etc. (11 locations)	Sales related assets	Buildings, structures, and others	321
Kyoto, Kyoto, etc. (2 locations)	Idle assets	Machinery, equipment, and others	84
Total			116,302

(Note) Impairment losses of 116,302 million yen comprise 107,495 million yen of "(*) Impairment losses" and 8,807 million yen out of "(*) 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, lease assets and 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 value of MMC's production assets was reduced to the recoverable amount.

Regarding consolidated subsidiaries' sales related assets, decisions were made to close some of their dealer stores in line with the reorganization of the sales structure based on the plan, and accordingly, the book value of such assets was reduced to the recoverable amount.

Furthermore, as decisions were made to reorganize the production structure and downsize the business according to the plan, consolidated subsidiaries' production assets were classified as a distinctive asset group separate from other production assets, and the book value of such asset groups was reduced to the recoverable amount.

The impairment losses on consolidated subsidiaries' production assets and sales related assets were recorded as 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 losses

Major components of 116,302 million yen of the impairment losses are as follows.

	(Millions of yen)
Buildings and structures	32,714
Machinery and equipment	37,636
Tools, furniture and fixtures	16,609
Land	3,331
Other	26,010
Total	116,302

II. For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

The information on impairment losses is omitted because it is immaterial.

*2. Loss on COVID-19

For the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

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 2,065 million yen.

*3. Business restructuring expenses

For the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

Business restructuring expenses included 8,925 million yen, which was mainly for impairment losses on non-current assets at sales and manufacturing bases due to the restructuring and strengthening of the sales and manufacturing system in Japan; 2,413 million yen, which was mainly for expenses in relation to the suspension of the launch of new products for Europe; and 1,226 million yen in payment of special retirement benefits at overseas subsidiaries.

Quarterly consolidated statement of cash flows

- * Reconciliation of cash and cash equivalents at the end of the second quarter and the amount recorded in quarterly consolidated balance sheet is as follows:

	(Millions of yen)	
	FY2020	FY2021
	For the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)
Cash and deposits	487,667	372,254
Time deposits with maturity over three months	(21,750)	(26)
Cash and cash equivalents	465,916	372,227

Shareholders' equity

- I. For the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)
1. Dividend payment
Not applicable.
 2. Dividends whose record dates are in the six months ended September 30, 2020 but whose effective dates are after the end of the second quarter ended September 30, 2020.
Not applicable.
 3. Significant changes in the amount of shareholders' equity
Shareholders' equity as of September 30, 2020 fell 209,147 million yen compared to March 31, 2020. This was mainly due to a loss of 209,884 million yen recorded for the quarter.
- II. For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)
1. Dividend payment
Not applicable.
 2. Dividends whose record dates are in the six months ended September 30, 2021, but whose effective dates are after the end of the second quarter ended September 30, 2021.
Not applicable.
 3. Significant changes in the amount of shareholders' equity
Not applicable.

Segment information, etc.

[Segment information]

I. For the six months ended September 30, 2020 (from April 1, 2020 to September 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	561,236	13,638	574,874	–	574,874
(2) Intersegment sales	2,566	1,992	4,558	(4,558)	–
Total	563,803	15,630	579,433	(4,558)	574,874
Segment profit (loss)	(86,247)	2,457	(83,789)	1,162	(82,626)

(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 losses 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 losses and business restructuring expenses.

The amount recorded for such impairment losses in the six months ended September 30, 2020 was 116,302 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	179,762	65,664	80,505	121,144	68,420	59,377	574,874

(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	261,707	64,931	73,829	103,365	68,420	2,619	574,874	–	574,874
(2) Intersegment sales	150,134	1,856	960	104,394	1	–	257,347	(257,347)	–
Total	411,842	66,788	74,789	207,759	68,422	2,619	832,222	(257,347)	574,874
Operating profit (loss)	(94,604)	(5,172)	2,235	3,551	1,877	77	(92,035)	9,408	(82,626)

(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.

II. For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

1. The amounts of net sales and profits or losses by reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers					
Revenue from Contracts with Customers	870,721	10,585	881,306	–	881,306
Other revenue	254	9,007	9,261	–	9,261
Subtotal	870,975	19,592	890,567	–	890,567
(2) Intersegment sales	6,525	1,014	7,539	(7,539)	–
Total	877,500	20,607	898,107	(7,539)	890,567
Segment profit (loss)	23,620	2,398	26,019	(833)	25,186

(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. Change in reportable segments

Application of Accounting Standard for Revenue Recognition, etc.

As described in “Changes in accounting policies,” MMC has applied the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations from the beginning of the first quarter ended June 30, 2021, and changed the accounting treatment for revenue recognition. Accordingly, MCC has changed the method of measuring segment profit (loss).

For the six months ended September 30, 2021, as a result of this change, and compared with the figures obtained by the previous method, net sales decreased by 2,949 million yen and segment profit increased by 108 million yen for the automobile business, and net sales and segment profit increased 1,169 million yen and 65 million yen, respectively, for the financial service business.

Change in depreciation method for property, plant and equipment

As described in “Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates,” MMC and its consolidated subsidiaries in Japan changed the depreciation method for some property, plant and equipment from the first quarter ended June 30, 2021.

For the six months ended September 30, 2021, as a result of this change, and compared with the figure obtained by the previous method, segment profit for the automobile business increased by 5,824 million yen.

Supplementary information about geographic region

1. Net sales to external customers classified by the geographic location of the external customers, and information on disaggregation of revenue

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers							
Revenue from Contracts with Customers	167,349	171,600	120,439	202,661	106,723	112,532	881,306
Other revenue	9,069	137	–	–	54	–	9,261
Total	176,418	171,737	120,439	202,661	106,777	112,532	890,567

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

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

2. Net sales and operating profit (loss) classified by the geographic location of MMC and its consolidated subsidiaries, and information on disaggregation of revenue

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total	Adjustment	Grand total
Net sales									
(1) External customers									
Revenue from Contracts with Customers	334,785	169,296	97,461	168,385	106,723	4,653	881,306	–	881,306
Other revenue	9,069	137	–	–	54	–	9,261	–	9,261
Subtotal	343,854	169,433	97,461	168,385	106,777	4,653	890,567	–	890,567
(2) Intersegment sales	382,988	2,192	613	225,147	3	–	610,946	(610,946)	–
Total	726,843	171,626	98,075	393,532	106,781	4,653	1,501,513	(610,946)	890,567
Operating profit (loss)	(1,492)	12,105	4,606	11,730	5,643	291	32,885	(7,699)	25,186

(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, Vietnam, the Philippines
- (4) Oceania.....Australia, New Zealand
- (5) Other.....U.A.E.

Revenue recognition

Information on disaggregation of revenue from contracts with customers is as described in “Notes - Segment information, etc.”

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 six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)
(1) Basic earnings (loss) per share (Yen)	(141.02)	14.57
<i>Basis of calculation</i>		
Profit (loss) attributable to owners of parent (Millions of yen)	(209,884)	21,670
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)	(209,884)	21,670
Average number of shares of common stock outstanding during the period (Thousands of shares)	1,488,349	1,487,733
(2) Diluted earnings per share (Yen)	–	14.56
<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)	–	671
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	–	–

- (Notes)
1. When calculating “basic earnings (loss) per share,” shares of MMC held by the Board Incentive Plan (BIP) Trust have been included in treasury shares excluded from the calculation of the average number of shares during the period (– thousand shares in the six months ended September 30, 2020; 1,142 thousand shares in the six months ended September 30, 2021).
 2. “Diluted earnings per share” for the six months ended September 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

Not applicable.

2. Others

Not applicable.

B. Information on Guarantors for the Company

Not applicable.

Independent Auditor's Quarterly Review Report
(English Translation)

November 10, 2021

The Board of Directors

MITSUBISHI MOTORS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo, Japan

Hirohisa Fukuda
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

Auditor's Conclusion

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, quarterly consolidated statement of cash flows and notes thereto of MITSUBISHI MOTORS CORPORATION ("MMC") for the second quarter ended September 30, 2021 (July 1, 2021 through September 30, 2021) and the six months ended September 30, 2021 (April 1, 2021 through September 30, 2021).

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 September 30, 2021, and the operating results and cash flows for the six-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.

Emphasis of Matter

As described in "Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates," MMC and its consolidated subsidiaries in Japan have changed the depreciation method for property, plant and equipment from the declining balance method to the straight line method and reviewed the useful lives of machinery and equipment, effective from the first quarter ended June 30, 2021. In addition, the residual value of property, plant and equipment has been changed to the memorandum value.

Our opinion is not qualified in respect of these matters.

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.

(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: November 10, 2021
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, President & 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, President & CEO, and Koji Ikeya, Chief Financial Officer of MITSUBISHI MOTORS CORPORATION, have confirmed that this quarterly securities report for the second quarter of FY2021 (July 1, 2021 through September 30, 2021) 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.