

## **Quarterly Securities Report**

Third Quarter of FY2022

(From October 1, 2022 to December 31, 2022)

(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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## A. Company Information

### I. Overview of the Company

#### 1. Summary of business results

Fiscal year		FY2021 For the nine months ended December 31, 2021	FY2022 For the nine months ended December 31, 2022	FY2021
Period		From April 1, 2021 to December 31, 2021	From April 1, 2022 to December 31, 2022	From April 1, 2021 to March 31, 2022
Net sales	Millions of yen	1,416,131	1,805,320	2,038,909
Ordinary profit (loss)	Millions of yen	61,080	154,737	100,969
Profit (loss) attributable to owners of parent	Millions of yen	44,737	130,754	74,037
Comprehensive income	Millions of yen	49,959	163,652	106,757
Net assets	Millions of yen	574,651	791,873	630,301
Total assets	Millions of yen	1,862,292	2,056,491	1,928,443
Basic earnings (loss) per share	Yen	30.07	87.86	49.76
Diluted earnings per share	Yen	30.06	87.85	49.74
Equity-to-asset ratio	%	29.68	37.16	31.46

Fiscal year		FY2021 Third quarter ended December 31, 2021	FY2022 Third quarter ended December 31, 2022
Period		From October 1, 2021 to December 31, 2021	From October 1, 2022 to December 31, 2022
Basic earnings (loss) per share	Yen	15.50	32.26

- (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” and “diluted earnings 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 periods.

#### 2. Description of business

In the nine months ended December 31, 2022, there were no material changes in the business of the MITSUBISHI MOTORS CORPORATION group (the “MMC group”).

And no changes were made to major subsidiaries and affiliates.

## II. Overview of Business

### 1. Business-related risks

During the nine months ended December 31, 2022, 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

The business environment surrounding MMC intensified its uncertainty mainly due to the lingering, bleak Russia-Ukraine situation, disruption in logistics caused by the said situation, unprecedented inflation during the past decades, sharp rise in interest rates to contain the said inflation, and concerns about a global recession. In this business environment, however, MMC's operating results significantly improved year on year due to continuous promotion of strategies to improve the quality of sales or net proceeds, despite the appreciating yen toward the year-end.

As a result, net sales of the MMC group were 1,805.3 billion yen (an increase of 389.2 billion yen year on year, or up 27% year on year) and operating profit of 153.7 billion yen (an increase of 97.8 billion yen year on year, or up 175% year on year), mainly due to improved regional mix and selling prices. Ordinary profit was 154.7 billion yen (an increase of 93.6 billion yen year on year, or up 153% year on year), and profit attributable to owners of parent was 130.8 billion yen (an increase of 86.1 billion yen year on year, or up 193% year on year).

Furthermore, global sales for the nine months ended December 31, 2022 were 630,000 units. The sales status by major region was as follows:

- ASEAN: 196,000 units (up 17,000 units year on year)
- Australia and New Zealand: 68,000 units (up 3,000 units year on year)
- Japan: 64,000 units (up 15,000 units year on year)
- China and Other: 39,000 units (down 26,000 units year on year)
- North America: 97,000 units (down 19,000 units year on year)
- Europe: 52,000 units (down 42,000 units year on year)
- Central America, Middle East, Africa and Other: 114,000 units (down 5,000 units year on year)

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

In Thailand, a market recovery is expected due to the complete lifting of entry restrictions to the country from October 2022 and further acceptance of tourists. Meanwhile, the overall demand failed to completely recover mainly due to floods in certain regions and declining purchasing power under the inflation. Sales volume of MMC's core models such as *XPANDER* and *Pajero Sport* increased year on year, and MMC secured roughly the same level of market share as in the previous year amid a competitive environment in which other companies launched new models. MMC will continue to focus on improving the quality of sales, and proceed with the preparation for the new model offensive starting from the new fiscal year by proactively introducing digital tools and strengthening its sales foundation.

In Indonesia, intermittent interest rate hikes from September and rising prices of goods, along with fuel price increases due to reduced fuel subsidies and other factors seemed to put a dent in consumer sentiment and demand weakened, particularly in the segment of passenger vehicles. However, demand in the segment of commercial vehicles proceeded firmly as coal prices and

resource prices remained high. MMC avoided partaking in the intensifying price competition and instead focused on event marketing, which is one of MMC's strong points, paying careful attention to its communications with customers, which resulted in gradually increasing the sales volume with the assistance of the new *XPANDER CROSS*. On the other hand, although orders were firm in the segment of commercial vehicles, the constraints on vehicle supply in conjunction with delays in TPT import licensing led to a decline in retail sales. However, the problems regarding import limits are already being eliminated, which is expected to lead to improved retail sales for January to March 2023. While maintaining close attention on the uncertain macroenvironment, MMC will continue to cautiously maintain the right balance between sales volume, profit/loss, and market share while implementing appropriate sales strategies.

In the Philippines, the central bank engaged in monetary tightening by continuously increasing its policy interest rates to contain the highest inflation in the past 14 years. Under this situation, consumer sentiment recovered due to increasing remittance amounts from overseas workers and decreasing unemployment rates, thereby underpinning the willingness to purchase automobiles. The order for the new *XPANDER*, which went on sale in May, remained strong, and the sales of *Mirage* and *Mirage G4* significantly exceeded the planned figures due to the easing of screening for bank loans. Under the soaring demand, MMC will continue to face the sensitive situation in which the presence or absence of inventories impacts sales performance due to unstable supply conditions. However, MMC will capitalize on the gradually recovering face-to-face sales and other opportunities to expand its sales.

In Vietnam, demand remained slightly weak due to the rebound from the last-minute demand from April to May 2022. MMC enjoyed strong performance from the new *XPANDER*, which was launched in July, and expanded both sales volume and market share. Continuing to set the new *XPANDER* as its core model, MMC aims to achieve its sales plan by expanding sales of *Triton*, the model showing strong sales under relatively stable supply and inventory levels, and *Outlander*, the model having started to show strong sales after changing its model year.

In Malaysia, the market remained firm, and MMC continued to record strong sales. Order backlogs were also in the course to be solved.

Overall demand in Australia improved to the FY2019 level, when the impact of the COVID-19 infection cases was minimal. MMC, like competitors, was greatly affected by supply constraints, but increased its sales year on year by picking up vehicle supplies through negotiations with vehicle carrier companies and also changes in equipment specifications to avoid parts supply restrictions, in addition to the high popularity of its new *Outlander*. Meanwhile, vehicle supply issues remain, and MMC still carries a large backlog of orders. MMC will take measures to minimize order cancellations by carefully supporting customers waiting for a long period or facing a significant delay in delivery.

Overall demand in New Zealand was driven by PHEV/EV models, backed by the Clean Car Discount scheme. Meanwhile, the overall demand fell short of the previous year's level due to the cooling down of consumer sentiment following increased inflation rates, as well as declining demand in the segment of commercial vehicles with high CO<sub>2</sub> emissions caused by the introduction of the CCD Fee system. From the beginning of the current fiscal year, MMC strengthened sales of the *Eclipse Cross* PHEV model and *Outlander* PHEV model, both of which are eligible for subsidies under the CCD scheme, thereby increasing its market share year on year. MMC will drive the market expansion as the "PHEV leader" by continuously focusing on supplying high-demand PHEV series and promoting PHEV-related campaigns.

In North America, MMC has yet to recover from the decline in demand due to a supply shortage of vehicles stemming from the continued supply issues in semiconductors from the previous fiscal year, and decreased its sales in total year on year. Meanwhile, the total demand during the September-December period exceeded the previous year's level and showed a sign of recovery from the decline in sales caused by inventory shortages.

MMC preferentially supplied its inventories, the amount of which was limited in the first half of this fiscal year, to dealers' retail sales, and thus the ratio of fleet sales significantly decreased, resulting in smaller retail sales year on year. The primary sales model *Outlander* also showed a sluggish number of vehicles sold due to inventory shortages, but the inventory level started

improving from the third quarter. MMC will strengthen its sales by engaging in the marketing activities for the gasoline and PHEV model sets.

The competitive environment has gradually intensified mainly due to concerns about the effect of the Fed's rapid monetary tightening on the economy and the observation of added incentives among certain manufacturers following the normalization of inventory levels. MMC will maintain its quality of sales that began improving driven by the new model *Outlander*, and make efforts to ensure the number of vehicles sold in line with its corporate size.

Total automobile demand in Japan exceeded 100% of the previous year for four straight months in and after September, and showed a sign of recovery, though little by little.

MMC expanded its electric vehicle lineups, in which it excels, consisting of the new *Outlander* PHEV model, *Eclipse Cross* PHEV model and minicar *eK XEV*, as well as *MINICAB-MiEV* that resumed its general sales in November 2022. Accordingly, each model received strong orders. Meanwhile, MMC kept its customers waiting due to vehicle supply shortages resulting from semiconductor shortages.

Moving forward, soaring material costs and semiconductor shortages do not show a sign of returning to normal in the short term, and are expected to continuously impact the number of vehicles produced and sold. Under this environment, MMC aims to expand its sales further and focus on improving the quality of service and interactions with customers, endeavoring to enhance the quality of overall sales. To the end, MMC makes its electric vehicle series, such as PHEV and BEV, long-time sellers and rolls out the products embodying the appeal of Mitsubishi Motors' uniqueness.

Three years have passed since the spread of the COVID-19, and the COVID-19 seems to be coming under control partly due to the increased vaccination rate. Restrictions on people's movement have been successively relaxed in each country including Japan. Meanwhile, MMC faces an increased uncertain macroenvironment such as the Russia-Ukrainian situation with no prospect of solution, rapidly increasing energy prices caused by the said situation, soaring raw material prices, unprecedented inflation, sharp interest rate hikes to contain the said inflation, and concerns about future recession.

The environment surrounding the automotive industry is constantly changing. Although MMC is still unable to paint an optimistic outlook, steady progress is being made to improve the semiconductor supply system. Nevertheless, the global shortage of vessels does not look like it will improve anytime soon, and it is expected to take some time before the vehicle supply shortage will be resolved.

Under this environment, the effect of the strategy to improve net proceeds, which started last year, has become tangible, and MMC's operating results are undergoing a long-term improvement phase. The business environment surrounding MMC changes from day to day and requires tough management decisions, but MMC will pursue enhancing its profitability further and continue to put all its strength into achieving its target profitability plan for this fiscal year, or the final fiscal year of its mid-term business plan.

## (ii) Operating results per segment

### i) Automobile business

Net sales for the nine months ended December 31, 2022 were 1,791.6 billion yen (an increase of 392.6 billion yen year on year), and operating profit was 150.3 billion yen (an increase of 97.2 billion yen year on year). The favorable turnaround from the same period of the previous year was mainly due to promoting activities to improve the quality of sales or net proceeds.

### ii) Financial service business

Net sales for the nine months ended December 31, 2022 were 26.0 billion yen (a decrease of 3.1 billion yen year on year), and operating profit was 3.7 billion yen (a decrease of 0.1 billion yen year on year).

(iii) Financial position

Total assets as of December 31, 2022 amounted to 2,056.5 billion yen (up 128.1 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 576.8 billion yen (up 65.3 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,264.6 billion yen (down 33.5 billion yen from the end of the previous fiscal year). Of total liabilities, the interest bearing debt balance was 431.3 billion yen (down 49.2 billion yen from the end of the previous fiscal year). Net assets as of December 31, 2022 amounted to 791.9 billion yen (up 161.6 billion yen from the end of the previous fiscal year).

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

There were no material changes in the MMC group's management policy and strategy, and issues to be addressed during the nine months ended December 31, 2022.

(3) Research and development activities

Research and development spending by the MMC group in the nine months ended December 31, 2022 (automobile business) totaled 75,893 million yen.

There were no material changes in the conditions of the MMC group's research and development activities during the nine months ended December 31, 2022.

(4) Production, orders and sales

(i) Production

Production for the nine months ended December 31, 2022 was as follows:

	For the nine months ended December 31, 2022 Quantity (Units)	vs. for the nine months ended December 31, 2021 (%)
Japan	326,520	106.5
Overseas	416,884	92.7
Total	743,404	98.3

(ii) Sales

Sales results for the nine months ended December 31, 2022 were as follows:

	For the nine months ended December 31, 2022		vs. for the nine months ended December 31, 2021 (%)	
	Quantity (Units)	Amount (Millions of yen)	Quantity	Amount
Japan	172,846	390,088	133.4	148.1
Overseas	571,783	1,415,232	95.6	122.7
Total	744,629	1,805,320	102.3	127.4

(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 third quarter ended December 31, 2022.



### III. Information about Reporting Company

#### 1. Information about shares, etc.

##### (1) Total number of shares, etc.

###### (i) Total number of shares

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

###### (ii) Issued shares

Class	Number of issued shares (As of December 31, 2022) (Shares)	Number of issued shares (As of the filing date: February 9, 2023) (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 (Prime Market)	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 October 1, 2022 to December 31, 2022	—	1,490,282,496	—	284,382	—	118,680

(5) Major shareholders

The major shareholders are not required to be presented on account of the current quarterly accounting period being the third quarter ended December 31, 2022.

(6) Voting rights

As MMC is unable to confirm at this time the information stated in the shareholders register concerning the information on voting rights as of December 31, 2022, MMC presents information from the shareholders register of the latest preceding record date (September 30, 2022).

(i) Issued shares

(As of September 30, 2022)

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 886,400	–	Number of shares for share unit: 100 shares
	<Reciprocal holding> Common stock 400		
Shares with complete voting rights (Other)	Common stock (Note) 1 1,489,225,500	14,892,255	Same as above
Shares less than one unit	Common stock (Note) 2 170,196	–	Same as above
Total number of issued shares	1,490,282,496	–	–
Total number of voting rights	–	14,892,255	–

- (Notes) 1. The number of “Shares with complete voting rights (Other)” includes 1,103,400 shares (11,034 units of voting rights) of MMC held by the Board Incentive Plan (BIP) Trust and 5,700 shares (57 units of voting rights) in the name of Japan Securities Depository Center, Incorporated.  
The 11,034 units of voting rights in the Board Incentive Plan (BIP) Trust are not to be exercised.
2. The number of “Shares less than one unit” includes 26 treasury shares held by MMC and 50 shares of MMC held by the Board Incentive Plan (BIP) Trust.

(ii) Treasury shares, etc.

(As of September 30, 2022)

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	886,400	–	886,400	0.05
<Reciprocal holding> Nagano Mitsubishi Motor Sales Co., Ltd.	865-1, Aza- Imuraminamioki, Higashiwada, Nagano-shi, Nagano	400	–	400	0.00
Total	–	886,800	–	886,800	0.05

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

## 2. Status of officers

After filing of the previous fiscal year's annual securities report, personnel changes of officers during the nine months ended December 31, 2022 are as follows.

### Changes in titles and occupation of officers

New title and occupation	Former title and occupation	Name	Date of change
Senior Executive Officer (responsible for Corporate Governance) and Division General Manager, Internal Audit Div.	Senior Executive Officer (responsible for Corporate Governance)	Noboru Tsuji	July 1, 2022
Senior Executive Officer (responsible for Corporate Governance)	Senior Executive Officer (responsible for Corporate Governance) and Division General Manager, Internal Audit Div.	Noboru Tsuji	November 1, 2022

#### **IV. Financial Information**

1. Basis of preparation of the quarterly consolidated financial statements

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

2. Independent audit

The quarterly consolidated financial statements for the third quarter ended December 31, 2022 (from October 1, 2022 to December 31, 2022) and the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022) 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, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	511,502	576,788
Notes and accounts receivable - trade, and contract assets	119,829	163,246
Finance receivables	222,463	222,839
Merchandise and finished goods	192,292	211,602
Work in process	43,293	31,776
Raw materials and supplies	64,006	70,102
Other	111,992	122,278
Allowance for doubtful accounts	(9,459)	(5,838)
Total current assets	1,255,920	1,392,794
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,110	82,056
Machinery, equipment and vehicles, net	132,116	128,550
Tools, furniture and fixtures, net	64,638	56,718
Land	123,068	119,331
Construction in progress	24,521	30,027
Total property, plant and equipment	429,455	416,685
Intangible assets	38,273	37,160
Investments and other assets		
Investment securities	98,433	99,983
Other	110,081	113,698
Allowance for doubtful accounts	(3,720)	(3,831)
Total investments and other assets	204,794	209,850
Total non-current assets	672,523	663,696
Total assets	1,928,443	2,056,491

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	324,091	326,046
Electronically recorded obligations - operating	56,612	81,086
Short-term borrowings	21,778	42,636
Commercial papers	43,000	60,500
Current portion of long-term borrowings	292,134	68,902
Accounts payable - other, and accrued expenses	204,894	178,512
Income taxes payable	8,487	14,064
Provision for product warranties	50,029	52,689
Other	83,144	83,676
Total current liabilities	1,084,173	908,113
Non-current liabilities		
Long-term borrowings	95,768	232,046
Retirement benefit liability	32,240	34,763
Other	85,960	89,694
Total non-current liabilities	213,968	356,503
Total liabilities	1,298,142	1,264,617
<b>Net assets</b>		
Shareholders' equity		
Share capital	284,382	284,382
Capital surplus	199,837	199,632
Retained earnings	169,694	300,448
Treasury shares	(1,382)	(1,018)
Total shareholders' equity	652,531	783,445
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,111	1,009
Deferred gains or losses on hedges	(31)	3,276
Foreign currency translation adjustment	(32,571)	(9,443)
Remeasurements of defined benefit plans	(14,267)	(14,061)
Total accumulated other comprehensive income	(45,759)	(19,219)
Share acquisition rights	195	45
Non-controlling interests	23,334	27,601
Total net assets	630,301	791,873
Total liabilities and net assets	1,928,443	2,056,491

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

(Millions of yen)

	FY2021 For the nine months ended December 31, 2021	FY2022 For the nine months ended December 31, 2022
Net sales	1,416,131	1,805,320
Cost of sales	1,166,005	1,408,674
Gross profit	250,125	396,645
Selling, general and administrative expenses		
Advertising and promotion expenses	25,839	36,395
Freight costs	36,112	56,062
Provision of allowance for doubtful accounts	123	(1,031)
Remuneration, salaries and allowances for directors (and other officers)	49,411	55,200
Retirement benefit expenses	2,698	3,096
Depreciation	9,481	10,710
Research and development expenses	40,126	44,271
Other	30,388	38,241
Total selling, general and administrative expenses	194,181	242,946
Operating profit (loss)	55,944	153,699
Non-operating income		
Interest income	1,101	4,913
Foreign exchange gains	–	1,329
Share of profit of entities accounted for using equity method	8,246	–
Other	3,492	2,272
Total non-operating income	12,839	8,515
Non-operating expenses		
Interest expenses	3,818	2,603
Foreign exchange losses	680	–
Share of loss of entities accounted for using equity method	–	1,708
Other	3,205	3,165
Total non-operating expenses	7,703	7,477
Ordinary profit (loss)	61,080	154,737
Extraordinary income		
Gain on sale of non-current assets	2,753	*1 24,238
Gain on sale of investments in capital of subsidiaries and associates	2,791	–
Other	702	117
Total extraordinary income	6,247	24,355
Extraordinary losses		
Loss on retirement of non-current assets	1,397	955
Impairment losses	91	4,130
Loss related to Russian operations	–	*2 9,194
Other	488	1,956
Total extraordinary losses	1,977	16,236
Profit (loss) before income taxes	65,350	162,857
Income taxes	16,643	25,739
Profit (loss)	48,707	137,117
Profit (loss) attributable to non-controlling interests	3,969	6,362
Profit (loss) attributable to owners of parent	44,737	130,754



Quarterly consolidated statement of comprehensive income

(Millions of yen)

	FY2021 For the nine months ended December 31, 2021	FY2022 For the nine months ended December 31, 2022
Profit (loss)	48,707	137,117
Other comprehensive income		
Valuation difference on available-for-sale securities	450	(102)
Deferred gains or losses on hedges	477	3,383
Foreign currency translation adjustment	2,059	12,809
Remeasurements of defined benefit plans, net of tax	(5,467)	90
Share of other comprehensive income of entities accounted for using equity method	3,731	10,354
Total other comprehensive income	1,252	26,535
Comprehensive income	49,959	163,652
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	44,974	157,294
Comprehensive income attributable to non-controlling interests	4,984	6,358

## Notes

### *Changes in the scope of consolidation or application of equity method*

In the nine months ended December 31, 2022, there were no material changes in scope of consolidation or application of equity method.

### *Changes in accounting policies*

#### *Application of accounting standards, etc. related to the calculation of fair value*

The “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021, hereafter referred to as the “Implementation Guidance on Accounting Standard for Fair Value Measurement”) is applied from the beginning of the first quarter of the current fiscal year, and new accounting policies prescribed by the Guidance will be applied prospectively in accordance with the transitional treatment provided in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. This change has no impact on the quarterly consolidated financial statements.

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

#### *Tax expense calculation*

Tax expenses are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against profit (loss) before income taxes for the fiscal year including the third quarter ended December 31, 2022, 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 Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System*

Effective from the first quarter of the current fiscal year, MMC and its domestic consolidated subsidiaries have shifted from a consolidated taxation system to a group tax sharing system. In conjunction with this change, MMC and its domestic consolidated subsidiaries have adopted the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021; hereinafter referred to as “PITF No. 42”) for accounting treatment and disclosure of income tax, local income tax, and tax effect accounting. In accordance with paragraph 32 (1) of PITF No. 42, there is no effect of the change in accounting policy due to the adoption of PITF No. 42.

### *Change in presentation*

#### *Quarterly consolidated balance sheet*

In conjunction with the full-scale launch of the new core system, the definition of inventories was revised from the first quarter of the current fiscal year to allow for more precise control of inventories. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this revision.

As a result, “Work in process” of 53,266 million yen and “Raw materials and supplies” of 54,033 million yen presented in the consolidated balance sheet for the previous fiscal year have been reclassified as “Work in process” of 43,293 million yen and “Raw materials and supplies” of 64,006 million yen.

*Accounting estimates related to Russian operations*

MMC has revised the period of time of production stoppage resulting from the impact of geopolitical issues originating from Russia's military invasion of Ukraine, which was stated as the main assumption in the securities report of the previous fiscal year (Significant accounting estimates).

As a result, MMC has made the assumption that the affiliate in Russia is not expected to resume production in the future, and it has stated estimates for the claim amount with credit risk and inventories experiencing a decline in profitability in relation to Russian operations.

*Quarterly consolidated balance sheet*

1. Guarantee obligation

(1) Guarantee recipients

Guaranteed	As of March 31, 2022		Guaranteed	As of December 31, 2022	
	Guaranteed amount (Millions of yen)	Description of guaranteed obligation		Guaranteed amount (Millions of yen)	Description of guaranteed obligation
MMD Automobile GmbH	2,911	Liquidation of receivables	MMD Automobile GmbH	–	–
Mitsubishi Corporation	875	Liquidation of receivables	Mitsubishi Corporation	–	–
MM Automobile Schweiz AG	109	Liquidation of receivables	MM Automobile Schweiz AG	–	–
M Motors Automobiles France S.A.S.	19	Liquidation of receivables	M Motors Automobiles France S.A.S.	–	–
Employees	160	(Note)	Employees	181	(Note)
Total	4,076		Total	181	

(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, 2022	As of December 31, 2022	
1,162	976	

2. Contingent liabilities

While the MMC group has been developing its business in various countries around the world, it has been cooperating with regard to various lawsuits, tax inquiries by tax authorities, administrative researches by regulatory agencies, etc. Although among such factors, there is a certain degree of likelihood that loss would occur going forward, it is not possible to make a reasonable estimation of such loss for the future at this point in time. MMC has not recorded any provisions with regard to these factors.

3. Commitment line agreement

In order to prepare for increases in demand for funds and to secure funding liquidity, MMC has concluded commitment line agreements with 20 correspondent financial institutions, in addition to overdraft agreements.

The outstanding balance of unused commitment line as of December 31, 2022 based on this agreement is as follows.

	(Millions of yen)	
	As of March 31, 2022	As of December 31, 2022
Total of commitment line	152,000	152,000
Outstanding balance of used commitment line	–	–
Unused amount	152,000	152,000

*Quarterly consolidated statement of income*

\*1 Gain on sale of non-current assets

For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

The gain on sale of non-current assets was primarily from the sale of land owned by MMC that was conducted in conjunction with the transfer of Takatsuki Auto Square.

\*2 Loss related to Russian operations

For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

Although the MMC group is currently carrying out assembly production and sale of completed cars in Russia through its consolidated subsidiaries and associates accounted for using the equity method located inside the country, production continues to be stopped as logistical networks are disrupted and parts supply is stagnating due to Russia's military invasion of Ukraine. Moreover, in light of the protraction and increasing turmoil of the situation, it is now unlikely that production will be restarted.

As a result, the MMC group has incurred costs such as loss on disposal and valuation loss concerning components used for production, excess charges for storage of components used for production and arrears for the return of containers, etc., and has recorded extraordinary losses of 9,194 million yen.

*Quarterly consolidated statement of cash flows*

There is no quarterly consolidated statement of cash flows for the nine months ended December 31, 2022. In addition, depreciation for the nine months ended December 31, 2022 is as follows:

(Millions of yen)

	FY2021 For the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)	FY2022 For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)
Depreciation	39,582	45,061

*Shareholders' equity*

- I. For the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)
  1. Dividend payment  
Not applicable.
  2. Dividends whose record dates are in the nine months ended December 31, 2021 but whose effective dates are after the end of the third quarter ended December 31, 2021.  
Not applicable.
  3. Significant changes in the amount of shareholders' equity  
Not applicable.
- II. For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)
  1. Dividend payment  
Not applicable.
  2. Dividends whose record dates are in the nine months ended December 31, 2022 but whose effective dates are after the end of the third quarter ended December 31, 2022.  
Not applicable.
  3. Significant changes in the amount of shareholders' equity  
Shareholders' equity as of December 31, 2022 increased 130,913 million yen compared to the end of the previous fiscal year. This was mainly due to a profit of 130,754 million yen recorded for the quarter.

*Segment information, etc.*

[Segment information]

I. For the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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) Net sales to external customers					
Revenue from contracts with customers	1,388,224	14,030	1,402,255	–	1,402,255
Other revenue	375	13,500	13,875	–	13,875
Subtotal	1,388,599	27,531	1,416,131	–	1,416,131
(2) Intersegment sales	10,446	1,605	12,051	(12,051)	–
Total	1,399,046	29,136	1,428,182	(12,051)	1,416,131
Segment profit (loss)	53,102	3,750	56,853	(909)	55,944

(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. Matters relating to changes in the classification of countries or regions

For information about geographic information, please refer to “II. For the nine months ended December 31, 2022, Supplementary information about geographic region, 1. Matters relating to changes in the classification of countries or regions.”

2. 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	249,643	269,509	178,782	335,901	169,314	199,104	1,402,255
Other revenue	13,592	214	–	–	68	–	13,875
Total	263,236	269,723	178,782	335,901	169,383	199,104	1,416,131

(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

3. 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) Net sales to external customers									
Revenue from contracts with customers	511,625	266,597	158,378	288,495	169,314	7,844	1,402,255	–	1,402,255
Other revenue	13,592	214	–	–	68	–	13,875	–	13,875
Subtotal	525,217	266,812	158,378	288,495	169,383	7,844	1,416,131	–	1,416,131
(2) Intersegment sales	670,642	3,144	750	395,970	13	–	1,070,521	(1,070,521)	–
Total	1,195,859	269,956	159,129	684,466	169,396	7,844	2,486,652	(1,070,521)	1,416,131
Operating profit (loss)	(430)	22,408	7,229	22,726	12,688	532	65,154	(9,209)	55,944

(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.

II. For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

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) Net sales to external customers					
Revenue from contracts with customers	1,781,634	8,484	1,790,119	–	1,790,119
Other revenue	435	14,765	15,201	–	15,201
Subtotal	1,782,070	23,250	1,805,320	–	1,805,320
(2) Intersegment sales	9,548	2,741	12,289	(12,289)	–
Total	1,791,618	25,991	1,817,610	(12,289)	1,805,320
Segment profit (loss)	150,260	3,691	153,951	(251)	153,699

(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 reportable segment

*Material impairment losses on non-current assets*

In the automobile business, impairment losses of 4,130 million yen was recorded.



*Supplementary information about geographic region*

1. Matters relating to changes in the classification of countries or regions

Countries and regions are classified based on “geographic proximity and interrelationship of business activities.” However, in order to be consistent with internal management, Israel and Palestine, which were included in “Europe” until the previous fiscal year, are included in “Other” from the first quarter of the current fiscal year.

In accordance with this change, the figures for the nine months ended December 31, 2021 have been reclassified to conform to the new classification.

2. 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	375,235	392,602	106,634	444,297	218,376	252,973	1,790,119
Other revenue	14,852	290	–	–	58	–	15,201
Total	390,088	392,892	106,634	444,297	218,434	252,973	1,805,320

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

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

3. 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) Net sales to external customers									
Revenue from contracts with customers	683,724	388,907	105,475	380,609	218,372	13,030	1,790,119	–	1,790,119
Other revenue	14,852	290	–	–	58	–	15,201	–	15,201
Subtotal	698,577	389,197	105,475	380,609	218,430	13,030	1,805,320	–	1,805,320
(2) Intersegment sales	798,853	1,996	763	481,147	2	–	1,282,764	(1,282,764)	–
Total	1,497,431	391,193	106,238	861,757	218,433	13,030	3,088,085	(1,282,764)	1,805,320
Operating profit (loss)	66,768	28,523	6,609	44,608	14,879	1,228	162,619	(8,919)	153,699

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

- (1) North America ..... The United States, Mexico, Puerto Rico
- (2) Europe ..... The Netherlands
- (3) Asia..... Thailand, Indonesia, the Philippines, Vietnam
- (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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)	For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)
(1) Basic earnings (loss) per share (Yen)	30.07	87.86
<i>Basis of calculation</i>		
Profit (loss) attributable to owners of parent (Millions of yen)	44,737	130,754
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)	44,737	130,754
Average number of shares of common stock outstanding during the period (Thousands of shares)	1,487,773	1,488,187
(2) Diluted earnings per share (Yen)	30.06	87.85
<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)	636	260
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect with significant changes from the end of the previous fiscal year	–	–

(Note) When calculating “basic earnings (loss) per share” and “diluted earnings 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 (1,140 thousand shares in the nine months ended December 31, 2021; 1,109 thousand shares in the nine months ended December 31, 2022).

*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)

February 9, 2023

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 and notes thereto of MITSUBISHI MOTORS CORPORATION ("MMC") for the third quarter ended December 31, 2022 (October 1, 2022 through December 31, 2022) and the nine months ended December 31, 2022 (April 1, 2022 through December 31, 2022).

Based on our review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above do not present fairly, in all material respects, the financial position of MMC and its consolidated subsidiaries as of December 31, 2022, and the operating results for the nine-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 to 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 original of the Independent Auditor's Quarterly Review Report above is kept separately by MMC (the filing company of the Quarterly Securities Report).

2. 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:	February 9, 2023
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, 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, Nihombashi 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 third quarter of FY2022 (October 1, 2022 through December 31, 2022) 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.