

Financial Information as of March 31, 2023

(The English translation of the
“Yukashoken-Houkokusho” for
the year ended March 31, 2023)

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

(1) Transition of summary of business results for the five most recent fiscal years

Fiscal year		FY2018	FY2019	FY2020	FY2021	FY2022
Fiscal year ended		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Net sales	Millions of yen	2,514,594	2,270,276	1,455,476	2,038,909	2,458,141
Ordinary profit (loss)	Millions of yen	119,850	(3,843)	(105,203)	100,969	182,022
Profit (loss) attributable to owners of parent	Millions of yen	132,871	(25,779)	(312,317)	74,037	168,730
Comprehensive income	Millions of yen	131,381	(67,458)	(259,691)	106,757	202,703
Net assets	Millions of yen	881,203	788,363	525,251	630,301	830,376
Total assets	Millions of yen	2,010,309	1,938,123	1,856,279	1,928,443	2,201,524
Net assets per share	Yen	585.75	519.15	341.44	407.82	538.28
Basic earnings (loss) per share	Yen	89.26	(17.32)	(209.88)	49.76	113.38
Diluted earnings per share	Yen	89.18	–	–	49.74	113.36
Equity-to-asset ratio	%	43.37	39.87	27.36	31.46	36.39
Return-on-equity ratio	%	16.08	(3.14)	(48.78)	13.28	23.97
Price/earnings ratio	Times	6.59	–	–	6.65	4.60
Net cash provided by (used in) operating activities	Millions of yen	146,053	18,786	(41,537)	118,114	173,576
Net cash provided by (used in) investing activities	Millions of yen	(144,906)	(105,712)	(101,323)	(69,123)	(53,145)
Net cash provided by (used in) financing activities	Millions of yen	(74,966)	9,624	168,291	(10,234)	(61,865)
Cash and cash equivalents at end of period	Millions of yen	489,456	399,588	444,619	511,473	595,930
Number of employees (at the end of the fiscal year) [Number of temporary employees not included in the above figures]	Number	31,314 [8,682]	32,171 [7,558]	30,091 [6,434]	28,796 [7,948]	28,428 [8,123]

- (Notes)
1. The number of employees is the number of employees currently on duty.
 2. Diluted earnings per share for FY2019 and FY2020 are not shown even though there are potential shares, because basic loss per share is reported for each of the fiscal years.
 3. Price/earnings ratios for FY2019 and FY2020 are not shown because basic loss per share is reported for each of the fiscal years.
 4. Since FY2020, for the calculation of the “net assets per share,” the shares of Mitsubishi Motors Corporation (“MMC”) held by the “Board Incentive Plan (BIP) Trust Account,” which are included in treasury shares, have been excluded from the total number of issued shares at the end of the period. Furthermore, when calculating the “basic earnings (loss) per share,” and “diluted earnings per share” these same shares, which are included in treasury shares, have been excluded from the calculation of the average number of shares during the period.
 5. 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 FY2021, and the key management indices for FY2021 onward are those after applying the accounting standard and relevant revised ASBJ regulations.

(2) Transition of significant non-consolidated business indicators for the five most recent fiscal years

Fiscal year		FY2018	FY2019	FY2020	FY2021	FY2022
Fiscal year ended		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Net sales	Millions of yen	1,999,428	1,802,415	1,092,242	1,614,787	2,045,567
Ordinary profit (loss)	Millions of yen	64,312	6,456	(145,996)	52,093	196,864
Profit (loss)	Millions of yen	54,750	(7,037)	(273,405)	40,149	189,066
Common stock	Millions of yen	284,382	284,382	284,382	284,382	284,382
Total number of issued shares	Thousands of shares	1,490,282	1,490,282	1,490,282	1,490,282	1,490,282
Total net assets	Millions of yen	594,867	550,106	277,260	318,125	506,999
Total assets	Millions of yen	1,114,419	1,093,709	985,314	985,999	1,226,610
Net assets per share	Yen	399.45	369.39	186.15	213.68	340.63
Dividend per share [Interim dividend per share included in the above amount]	Yen [Yen]	20.00 [10.00]	10.00 [10.00]	– [–]	– [–]	5.00 [–]
Basic earnings (loss) per share	Yen	36.78	(4.73)	(183.73)	26.99	127.04
Diluted earnings per share	Yen	36.75	–	–	26.97	127.02
Equity-to-asset ratio	%	53.35	50.27	28.10	32.24	41.33
Return-on-equity ratio	%	9.40	(1.23)	(66.15)	13.50	45.84
Price/earnings ratio	Times	15.99	–	–	12.26	4.11
Dividend payout ratio	%	54.38	–	–	–	3.94
Number of employees (at the end of the fiscal year) [Number of temporary employees not included in the above figures]	Number	14,171 [3,689]	14,407 [3,276]	13,951 [2,574]	13,829 [3,441]	13,671 [3,530]
Total shareholder return [Comparative indicator: TOPIX (Dividend-Included)]	% [%]	79.89 [94.96]	44.15 [85.94]	45.34 [122.15]	47.44 [124.57]	73.19 [131.82]
Highest share price	Yen	934	649	352	426	665
Lowest share price	Yen	557	268	187	253	301

- (Notes)
1. Diluted earnings per share for FY2019 and FY2020 are not shown even though there are potential shares, because basic loss per share is reported for each of the fiscal years.
 2. Price/earnings ratios and dividend payout ratios for FY2019 and FY2020 are not shown because basic loss per share is reported for each of the fiscal years. In addition, the dividend payout ratio for FY2021 is not shown as there is no dividend.
 3. From April 4, 2022, the highest share price and lowest share price are those recorded on the Tokyo Stock Exchange Prime Market, and before that date, the prices are those recorded on the first section of the Tokyo Stock Exchange.
 4. Since FY2020, for the calculation of the “net assets per share,” the shares of MMC held by the “Board Incentive Plan (BIP) Trust Account,” which are included in treasury shares, have been excluded from the total number of issued shares at the end of the period. Furthermore, when calculating the “basic earnings (loss) per share” and “diluted earnings per share,” these same shares, which are included in treasury shares, have been excluded from the calculation of the average number of shares during the period.
 5. 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 FY2021, and the key management indices for FY2021 onward are those after applying the accounting standard and relevant revised ASBJ regulations.

2. Company history

Date	Outline
April 1970	MMC incorporated as wholly-owned subsidiary of Mitsubishi Heavy Industries, Ltd. (MHI)
June 1970	MMC started business taking over MHI motor vehicle division operations. MHI's certain facilities of Kyoto Works (presently Kyoto Works Kyoto Plant), Nagoya Motor Vehicle Works (presently Okazaki Plant; the same shall apply hereinafter), Mizushima Motor Vehicle Works (presently Mizushima Plant) and one other Vehicle Works transferred from MHI to MMC
August 1977	MMC commissioned Nagoya Motor Vehicle Works Okazaki Plant
December 1979	MMC commissioned Kyoto Works - Shiga Plant
October 1980	MMC and Mitsubishi Corporation jointly established Mitsubishi Motors Australia Ltd. (MMAL) (MMC subsequently acquired all MMAL shares in December 2001)
December 1981	MMC and Mitsubishi Corporation jointly established Mitsubishi Motors Sales of America, Inc. (MMSA)
October 1984	MMC took over management of Mitsubishi Motor Sales Co., Ltd. (established in October 1964)
October 1985	MMC established Diamond-Star Motors Corporation (DSM) as a joint venture company with Chrysler Corporation (MMC subsequently acquired all DSM shares in October 1991 and renamed "Mitsubishi Motor Manufacturing of America, Inc." (MMMA) in July 1995)
December 1988	MMC shares listed on First Section of Tokyo, Osaka and Nagoya stock exchanges (MMC shares delisted from Nagoya Stock Exchange in November 2003 and delisted from Osaka Stock Exchange in November 2009)
March 1995	MMC acquired the majority of shares in Toyo Koki Co. Ltd. (renamed "Pajero Manufacturing Co., Ltd." (PMC) in July 1995 and MMC subsequently acquired all PMC shares in March 2003. PMC's production ended in August 2021 and factories were closed down.)
November 1996	MMC commissioned Tokachi Proving Ground in Hokkaido.
August 1997	MMC acquired the majority of shares in MMC Sittipol Co., Ltd. (renamed "Mitsubishi Motors (Thailand) Co., Ltd." (MMTh) in November 2003 and MMC subsequently acquired all MMTh shares in August 2008)
February 1999	MMC acquired shares in Netherlands Car B.V. bringing its equity interest up to 50% (15% stake held by MMC associates included) (MMC additionally acquired shares in Netherlands Car B.V. in March 2001, thereby increasing its equity interest to 100% (15% stake held by MMC associates included))
March 2000	MMC signed basic agreement on business alliance for overall passenger vehicle operations including capital participation with DaimlerChrysler AG (DaimlerChrysler AG acquired 34% of shares in MMC in October 2000 and subsequently sold all shares in November 2005)
December 2002	Mitsubishi Motors Europe B.V. (MME) (established in January 1977) implemented an absorption-type merger with Mitsubishi Motors Sales Europe B.V. (established in March 1993)
January 2003	MMSA, MMMA and one other company merged to form Mitsubishi Motors North America, Inc. (MMNA)
January 2003	MMC spun off truck and bus operations into a separate company, incorporating them as Mitsubishi Fuso Truck and Bus Corporation (MFTBC).
March 2003	MMC transferred a 43% stake in MFTBC to DaimlerChrysler AG and a collective 15% stake to 10 Mitsubishi group firms, leaving it with a shareholding of 42% in MFTBC (MMC transferred all remaining MFTBC shares to DaimlerChrysler AG in March 2005)
May 2003	MMC moved its head office to 2-16-4, Konan, Minato-ku, Tokyo
January 2007	MMC moved its head office to 5-33-8, Shiba, Minato-ku, Tokyo
March 2008	Car production terminated at MMAL
April 2010	Established a new plant in Russia under the agreement between MMC and France's PSA Peugeot Citroen
December 2012	MMC and MME transferred all shares in Netherlands Car B.V. to VDL Groep B.V. in the Netherlands
March 2015	MMC and Mitsubishi Corporation jointly established PT Mitsubishi Motors Krama Yudha Indonesia (MMKI)
November 2015	Car production terminated at MMNA
May 2016	MMC and Nissan Motor Co., Ltd. signed Strategic Alliance Agreement regarding Capital and Business Alliance (Nissan Motor Co., Ltd. acquired 34% of shares in MMC in October 2016)
January 2019	MMC moved its head office to 3-1-21, Shibaura, Minato-ku, Tokyo
June 2019	MMC made the transition to a company with three committees
August 2021	Production ended at PMC and factories closed down
April 2022	MMC shares that had been listed on the first section were transferred to the Prime Market due to a restructuring of the market segments of the Tokyo Stock Exchange.

3. Description of business

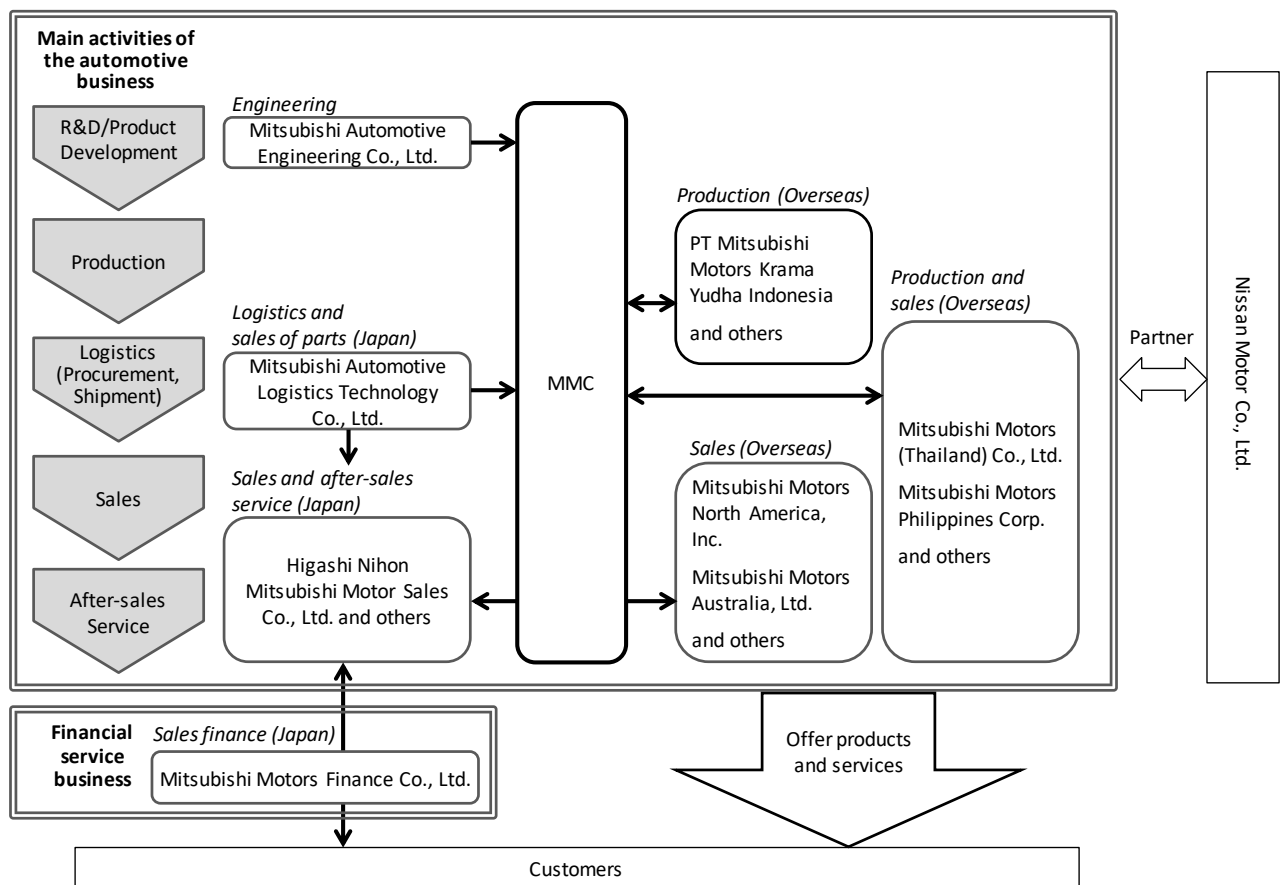
The MITSUBISHI MOTORS CORPORATION group (the “MMC group”) comprises MMC, 35 consolidated subsidiaries and 17 equity-method associates (as at March 31, 2023). The MMC group is engaged in the development, production and sales of passenger vehicles and their parts and components, as well as in auto financing operations. MMC conducts most of the development work.

In Japan, MMC produces standard and small passenger vehicles and Kei-cars and Mitsubishi-brand vehicles are sold in Japan by Higashi Nihon Mitsubishi Motor Sales Co., Ltd. Mitsubishi Automotive Engineering Co., Ltd. undertakes some of the development of MMC products. Mitsubishi Automotive Logistics Technology Co., Ltd. is responsible for the sales of MMC genuine parts and other products, some pre-delivery inspection and maintenance work, and logistics operations, etc. for parts and other products.

Outside Japan, Mitsubishi-brand cars are produced and sold in Thailand by Mitsubishi Motors (Thailand) Co., Ltd., etc. and produced in Indonesia by PT. Mitsubishi Motors Krama Yudha Indonesia, etc. Auto lease and sales financing services, etc. are provided by Mitsubishi Motors Finance Co., Ltd.

In addition to the above, MMC and Nissan Motor Co., Ltd. have forged strategic alliance to cooperate in areas including purchasing, common vehicle platforms, technology-sharing, joint plant utilization and growth markets in May 2016.

The MMC group structure and constituent company products and services outlined above are shown in the diagram below. (only main companies are shown).



→ : Flow of products and services

(Major products)

(i) EVs, PHEVs

Outlander PHEV, MINICAB-MiEV, Eclipse Cross (PHEV), eK X EV

(ii) SUVs and pickup trucks

RVR/Outlander Sport/ASX, Eclipse Cross, Outlander,⁽¹⁾ Triton/L200/L200 Sportero/Strada,⁽¹⁾
Pajero/Montero,⁽¹⁾ Pajero Sport/Montero Sport⁽¹⁾

(iii) Passenger vehicles and minivans

Mirage/Space Star, Delica D:2,⁽²⁾ Delica D:5, Attrage/Mirage G4,⁽¹⁾ XPANDER,⁽¹⁾ XPANDER CROSS⁽¹⁾

(iv) Kei-cars

eK X, eK Wagon, eK X space, eK space, Townbox,⁽²⁾ Minicab Truck,⁽²⁾ Minicab Van⁽²⁾

Notes (1) Vehicle models that are exclusively available outside Japan

(2) Vehicle models provided by OEM

4. Status of subsidiaries and associates

(1) Parent company

Not applicable.

(2) Consolidated subsidiaries

(As of March 31, 2023)

Company name	Location	Capital stock (Millions of yen)	Business lines	Percentage of voting stock holding (%)	Relationship
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.	Meguro-ku, Tokyo	100	Automobile sales	100.0	Sales of MMC products Concurrent positions of corporate officers: Yes Leasing of equipment: Yes
Nishi Nihon Mitsubishi Motor Sales Co., Ltd.	Yodogawa-ku, Osaka	100	Automobile sales	100.0	Sales of MMC products Concurrent positions of corporate officers: Yes Leasing of equipment: Yes
Mitsubishi Automotive Logistics Technology Co., Ltd.	Takatsu-ku, Kawasaki-shi	436	Automobile transport and maintenance Sales of automobile parts	100.0	Transport and maintenance of MMC products Sales of parts of MMC products Concurrent positions of corporate officers: Yes Leasing of equipment: Yes
Mitsubishi Automotive Engineering Co., Ltd.	Okazaki-shi, Aichi	350	Automobile development	100.0	Development of some MMC products Concurrent positions of corporate officers: Yes Leasing of equipment: Yes
Suiryo Plastics Co., Ltd.	Kurashiki-shi, Okayama	100	Manufacture of automobile parts	100.0	Manufacturing of parts of some MMC products Concurrent positions of corporate officers: Yes Leasing of equipment: Yes
Mitsubishi Motors Finance Co., Ltd.	Minato-ku, Tokyo	3,000	Auto sales financing, leasing, rentals and sales, etc.	100.0	Sales financing services for MMC products, leasing, rentals and sales, etc. Concurrent positions of corporate officers: Yes Leasing of equipment: Yes Loans: Yes

Company name	Location	Capital stock	Business lines	Percentage of voting stock holding (%)	Relationship
Mitsubishi Motors North America, Inc.*2*3	Franklin, Tennessee, the United States	398,812 thousand USD	Automobile sales	100.0	Sales of the MMC group products Concurrent positions of corporate officers: Yes
Mitsubishi Motors R&D of America, Inc.	Ann Arbor, Michigan, the United States	2,000 thousand USD	Investigation, testing and research related to automobiles	100.0 (100.0)	Development base of the MMC group automobile in the United States Concurrent positions of corporate officers: Yes
Mitsubishi Motor Sales of Canada, Inc.	Mississauga, Ontario, Canada	2,000 thousand CAD	Automobile sales	100.0	Sales of the MMC group products Concurrent positions of corporate officers: Yes
Mitsubishi Motor Sales of Caribbean, Inc.	Toa Baja, Puerto Rico	47,500 thousand USD	Automobile sales	100.0	Sales of the MMC group products Concurrent positions of corporate officers: Yes
Mitsubishi Motors de México S.A. de C.V.	Mexico City, Mexico	92,001 thousand MXN	Automobile sales	100.0	Sales of the MMC group products Concurrent positions of corporate officers: Yes
Mitsubishi Motors Europe B.V.*2	Born, the Netherlands	237,165 thousand EUR	Automobile sales	100.0	Sales of the MMC group products Concurrent positions of corporate officers: Yes
Mitsubishi Motor R&D Europe GmbH	Trebur, Germany	767 thousand EUR	Investigation, testing and research related to automobiles	100.0	Development base of the MMC group automobile in Europe Concurrent positions of corporate officers: Yes
Mitsubishi Motor Sales Netherlands B.V.	Amstelveen, the Netherlands	6,807 thousand EUR	Automobile sales	100.0	Sales of the MMC group products Concurrent positions of corporate officers: Yes

Company name	Location	Capital stock	Business lines	Percentage of voting stock holding (%)	Relationship
Mitsubishi Motors Australia, Ltd. *2	Adelaide Airport, Australia	1,789,934 thousand AUD	Automobile sales	100.0	Sales of the MMC group products Concurrent positions of corporate officers: Yes
Mitsubishi Motors New Zealand Ltd.	Porirua, New Zealand	48,000 thousand NZD	Automobile sales	100.0	Sales of the MMC group products Concurrent positions of corporate officers: Yes
Mitsubishi Motors (Thailand) Co., Ltd. *2	Bangkok, Thailand	7,000,000 thousand THB	Automobile assembly, sales	100.0	Assembly, sales of the MMC group products Concurrent positions of corporate officers: Yes
MMTh Engine Co., Ltd.	Chonburi, Thailand	20,000 thousand THB	Manufacturing of automobile engines and press parts	100.0 (100.0)	Manufacturing of automobile engines and press parts for MMTh products Concurrent positions of corporate officers: Yes
Mitsubishi Motors Philippines Corp.	Santa Rosa, Philippines	1,640,000 thousand PHP	Automobile assembly, sales	100.0	Assembly, sales of the MMC group products Concurrent positions of corporate officers: Yes
Asian Transmission Corp.	Calamba, Philippines	770,000 thousand PHP	Manufacturing of automobile transmissions	100.0	Manufacturing of automobile transmissions for the MMC group products Concurrent positions of corporate officers: Yes
Mitsubishi Motors Middle East and Africa FZE	Dubai, U.A.E.	10,000 thousand AED	Automobile parts sales	100.0	Sales of parts of MMC products Concurrent positions of corporate officers: Yes
MMC Manufacturing Malaysia Sdn. Bhd.	Pekan, Malaysia	20,000 thousand MYR	Automobile parts sales	60.0	Sales of parts of MMC products Concurrent positions of corporate officers: Yes
PT Mitsubishi Motors Krama Yudha Indonesia	Bekasi, Indonesia	2,200,000,000 thousand IDR	Automobile assembly	51.0	Assembly of the MMC group products Concurrent positions of corporate officers: Yes
Mitsubishi Motors Vietnam Co., Ltd.	Ho Chi Minh City, Vietnam	410,812,000 thousand VND	Automobile assembly, sales	41.2	Assembly, sales of the MMC group products Concurrent positions of corporate officers: Yes
11 other subsidiaries in addition to the above					

(3) Equity-method associates

(As of March 31, 2023)

Company name	Location	Capital stock	Business lines	Percentage of voting stock holding (%)	Relationship
Tokachi Mitsubishi Motor Sales Co., Ltd.	Obihiro-shi, Hokkaido	60 million JPY	Automobile sales	40.0	Sales of MMC products Concurrent positions of corporate officers: Yes
Nagano Mitsubishi Motor Sales Co., Ltd.	Nagano-shi, Nagano	40 million JPY	Automobile sales	49.86	Sales of MMC products
Mie Mitsubishi Motor Sales Co., Ltd.	Yokkaichi-shi, Mie	58 million JPY	Automobile sales	24.8	Sales of MMC products Concurrent positions of corporate officers: Yes Leasing of equipment: Yes
Kagawa Mitsubishi Motor Sales Co., Ltd.	Takamatsu-shi, Kagawa	50 million JPY	Automobile sales	23.0	Sales of MMC products Concurrent positions of corporate officers: Yes
Miyazaki Mitsubishi Motor Sales Co., Ltd.	Miyazaki-shi, Miyazaki	60 million JPY	Automobile sales	38.8	Sales of MMC products Concurrent positions of corporate officers: Yes
Higashi Kanto MMC Parts Sales Co., Ltd.	Mihama-ku, Chiba	100 million JPY	Automobile parts sales	33.0 (10.0)	Sales of parts of MMC products Concurrent positions of corporate officers: Yes
NMKV Co., Ltd.	Minato-ku, Tokyo	10 million JPY	Automobile planning and development	50.0	Development of some of MMC products Concurrent positions of corporate officers: Yes Leasing of equipment: Yes
MMD Automobile GmbH	Friedberg, Germany	30,000 thousand EUR	Automobile sales	24.99	Sales of the MMC group products Concurrent positions of corporate officers: Yes
GAC Mitsubishi Motors Co., Ltd.	Changsha, China	1,947,000 thousand CNY	Automobile assembly, sales	30.0	Assembly, sales of the MMC group products Concurrent positions of corporate officers: Yes Loans: Yes
PT Mitsubishi Motors Krama Yudha Sales Indonesia	Jakarta, Indonesia	1,300,000,000 thousand IDR	Automobile sales	30.0	Sales of the MMC group products Concurrent positions of corporate officers: Yes
7 other associates in addition to the above					

(4) Other related companies

(As of March 31, 2023)

Company name	Location	Capital stock (Millions of yen)	Business lines	Percentage of voting stock held (%)	Relationship
Nissan Motor Co., Ltd.*4	Kanagawa-ku Yokohama-shi	605,814	Automobile assembly, sales and related business	34.0	Mutual sale of products, etc. and sharing technology Concurrent positions of corporate officers: Yes Leasing of equipment: Yes
Mitsubishi Corporation*4	Chiyoda-ku, Tokyo	204,447	Wholesale trade	20.0	Sales of products, etc. and purchase of raw materials Concurrent positions of corporate officers: Yes

(Notes) 1. Figures in parentheses in the “Percentage of voting stock holding/held” column represents the percentage of indirect holding/indirect held.

*2. These companies are classified as “Specified subsidiaries.”

*3. Net sales (excluding intercompany sales within the MMC group) of Mitsubishi Motors North America, Inc. exceeded 10% of consolidated net sales. Key profit and loss information for the company is shown below.

Mitsubishi Motors North America, Inc. (Consolidated)

(1) Net sales	449,084	million yen
(2) Ordinary profit (loss)	13,821	
(3) Profit (loss)	9,577	
(4) Net assets	104,847	
(5) Total assets	183,716	

*4. These companies are obliged to file annual securities reports.

5. “Concurrent positions of corporate officers” shown in the “Relationship” column includes concurrent positions of corporate officers of the respective companies held by corporate officers or employees dispatched from MMC or other consolidated subsidiaries, as well as secondments and work transfers.

5. Employees

(1) Number of employees at consolidated companies

(As of March 31, 2023)

Name of business segment	Number of employees	
Automobile	28,255	(8,054)
Financial service	173	(69)
Total	28,428	(8,123)

- (Notes) 1. The number of employees is the number of employees currently on duty (excluding corporate officers).
 2. The number of temporary employees (part-time employees, fixed-term employees, dispatched employees, etc.) as of March 31, 2023 is presented in parentheses and not included in the figures on the left.

(2) Number of employees at reporting company

(As of March 31, 2023)

Name of business segment	Number of employees			Average age (Year-old)	Average number of years employed (Years)	Average annual salary (Yen)
	Administrative/engineering employees	Shop floor employees	Total			
Automobile	9,494 (1,624)	4,177 (1,906)	13,671 (3,530)	41.9	15.3	7,437,000

- (Notes) 1. The number of employees is the number of employees currently on duty (excluding corporate officers).
 2. “Shop floor employees” refer to employees directly involved in production activities, employees that assist production activities and employees that provide instruction and supervision related to production activities. “Administrative/engineering employees” refer to employees other than shop floor employees.
 3. The number of temporary employees (part-time employees, fixed-term employees, dispatched employees, etc.) as of March 31, 2023 is presented in parentheses and not included in the figures on the above.
 4. Average annual salary (including tax) includes bonuses and surplus wages.

(3) Workers Unions

Workers’ unions associated with MMC and its domestic consolidated subsidiaries are affiliated with Japan Automobile Workers’ Unions through the Federation of All Mitsubishi Motors and Mitsubishi Fuso Workers Unions.

(4) Percentage of female workers to managers, the ratio for male employees taking childcare leave, gender wage gap

(i) Reporting company

Fiscal year under review				
Percentage of female workers to managers (%) (Note) 1 (Note) 2	Ratio for male employees taking childcare leave (%) (Note) 3	Workers’ gender wage gap (%) (Note) 1		
		All workers	(of which full-time employees) (Note) 4	(of which part-time employees and fixed-term employees) (Note) 5
6.1	68.4	78.0	78.9	73.8

- (Notes) 1. It is calculated based on the provisions of the Act on the Promotion of Women’s Active Engagement in Professional Life (Act No. 64 of 2015).
 2. “Percentage of female workers to managers,” includes workers seconded from other companies to the reporting company, but does not include those seconded from the reporting company to other companies.
 3. It calculated the acquisition rate of childcare leave and leave taken for childcare as prescribed in Article 71-4, Paragraph 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Health, Labour and Welfare No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). Workers include those seconded from the reporting company to other companies, but do not include those seconded from other companies to the reporting company.
 4. Full-time employees include full-time workers and full-time non-regular workers without a fixed term.
 5. Part-time employees and fixed-term employees include part-time workers and fixed-term contract workers but not dispatched employees.

(ii) Consolidated subsidiaries

Company name	Fiscal year under review							
	Percentage of female workers to managers (%) (Note) 2	Ratio for male employees taking childcare leave (%)				Workers' gender wage gap (%) (Note) 2		
		All workers	(of which full-time employees)	(of which part-time employees and fixed-term employees)		All workers	(of which full-time employees)	(of which part-time employees and fixed-term employees)
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.	6.9	50.0	–	–	(Note) 4	80.6	79.6	81.4
Nishi Nihon Mitsubishi Motor Sales Co., Ltd.	2.7	35.7	–	–	(Note) 3	75.1	72.3	103.7
Mitsubishi Automotive Logistics Technology Co., Ltd.	4.6	–	–	–	–	76.8	76.1	83.9
Mitsubishi Automotive Engineering Co., Ltd.	0.9	53.3	–	–	(Note) 3	69.3	66.3	137.0
Suiryo Plastics Co., Ltd.	3.1	–	–	(Note) 5	(Note) 2	74.4	78.7	68.5

- (Notes)
1. Consolidated subsidiaries that are subject to obligations to disclose information under acts such as the Act on the Promotion of Women's Active Engagement in Professional life (Act No. 64 of 2015) are noted.
 2. It is calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life.
 3. It calculated the acquisition rate of childcare leave as prescribed in Article 71-4, Paragraph 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Health, Labour and Welfare No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
 4. It calculated the acquisition rate of childcare leave and leave taken for childcare as prescribed in Article 71-4, Paragraph 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Health, Labour and Welfare No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
 5. No employees were eligible for childcare leave.

II. Overview of Business

1. Management policy, business environment and issues to be addressed

The MMC group's recognition of management issues based on recent changes to the business environment and approach to our corporate strategies are as below. Any future forecasts included in the following descriptions are based on the best estimates or judgment of the MMC group as of March 31, 2023.

In the automotive industry, the concept of an automobile as a means of mobility for people and transportation for goods is changing largely with electrification as a countermeasure against global warming and with the development of technologies such as AI and IoT. We believe that we are welcoming a period of immense change that happens only once every hundred years.

In the three years through the fiscal year under review, the MMC group implemented various actions in line with the mid-term business plan, "Small but Beautiful." The main actions are as follows:

- In our fixed cost reductions and cost structure reforms, we achieved our goal of a 20% reduction in fixed costs one year ahead of schedule.
- We concentrated management resources in our core region of ASEAN and promoted the development of new products to be launched with the new mid-term business plan and thereafter. At the same time, we are restructuring the business in Europe to generate revenue.
- To achieve carbon neutrality, we enhanced our electric vehicle lineup and promoted electric technology development and the creation of next-generation EVs.

To improve profitability without falling into a contracted equilibrium, starting in FY2021, we have promoted profitability improvement activities named the "take-home proceeds improvement activities." This activity works to evaluate and improve transaction conditions in every process from the point that the vehicle is shipped from the factory to the distributor and then to the dealer, through the final delivery to the customers, to maximize the MMC group's revenue per vehicle. At the same time, this activity is linked to sales that highlight the value and contributes to boosting the value of the Mitsubishi Motors brand.

Amid these circumstances, in March this year, the MMC group unveiled "Challenge 2025," the new mid-term business plan for FY2023 through FY2025. On the basis of the lean and agile business structure put in place through structural reforms enacted thus far, we will establish a stable revenue base through selection and concentration in our regional strategy and the continuation of company-wide revenue improvement activities. Challenge 2025 is the business plan that leads to further growth and tackle challenges heading into the next generation by more consistent investment in research, development, and physical capital, and the MMC group will specifically strive to achieve the following key goals.

1. Sales of 1.1 million units, operating profit of 220 billion yen (operating profit margin of 7%)
2. Introduce 16 models (including nine EV models) in the next five years
3. Achieve further growth in the ASEAN and Oceania regions and enhance earning power in other regions using ASEAN-targeted products
4. Using our alliances, respond to regions promoting advanced technologies starting with Japan
5. Reduce greenhouse gas emissions in an effort to achieve carbon neutrality
6. Promote digitalization and expand into new business fields
7. Further strengthen alliances (e.g. mutual complementation with OEM parts)

In the process of implementing these initiatives, the MMC group will strive to be even more considerate of the society and natural environment with the sincerity of a corporate group that prioritizes compliance and cherishes the trust placed in it by customers and society.

By continuing to provide products and experiences bearing the distinct hallmarks of Mitsubishi Motors, we aim to build long-term trust that allows customers to choose MMC group products with confidence, while steadily carrying out individual efforts to tackle the challenges brought by unprecedented shifts in the automotive industry.

2. Approach to and initiatives for sustainability

The Group's approach to and initiatives on sustainability are as follows.

Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of March 31, 2023.

(1) Governance and risk management

i) Governance

We recognized the importance of the United Nations Sustainable Development Goals (SDGs) and identified material issues as the important issue that we should wrestle from various problems in the fields of each environment, society, and governance in FY2018. Since that time, MMC has been flexibly reviewing its materiality as required, giving consideration to our significant impact on society and stakeholders in terms of the economy, environment and human rights, etc. By carrying out the initiatives on materiality, we would like to satisfy the needs and expectations of society and stakeholders.

MMC has established a Sustainability Committee, chaired by the Representative Executive Officer, President & CEO, to promote sustainability related initiatives throughout the MMC group. The Sustainability Committee identifies material issues related to the environment, society and governance on which MMC shall work, and deliberates the goals of efforts to deal with such issues. Then, MMC implements a plan-do-check-act (PDCA) cycle by confirming the progress of corresponding. Structures are in place to deliberate particularly important matters, such as the policy for sustainability, and report them to the Board of Directors to be monitored.

Particularly regarding "Responding to Climate Change and Energy Issues," we have established a study group consisting of the heads of the departments in charge of management strategy, products, production, logistics, etc., under the Sustainability Committee, which proposes medium- and long-term response policies and goals based on climate change risks and opportunities. We have a structure in which proposed policies and goals are deliberated by the Sustainability Committee.

Example of climate change-related matters deliberated on and reported by the Board of Directors

- Support for the TCFD^(Note) Recommendations
- Information disclosure in line with the TCFD Recommendations
- 2050 governmental declarations of carbon neutrality and the revision of the Environmental Vision 2050
- Revision of the Environmental Vision 2030

(Note) TCFD is an abbreviation for "Task Force on Climate-related Financial Disclosures"

ii) Risk management

Upon expressing our support for the TCFD Recommendations in July 2021, we formed a company-wide, cross-functional team under the Sustainability Committee to conduct a scenario analysis based on the TCFD Recommendations. We identified and evaluated risks and opportunities that could affect MITSUBISHI MOTORS' business activities, based on the timing of occurrence and degree of impact. To respond to high-impact climate change risks and opportunities that have a particularly high degree of impact, we incorporate them into goals and the action plan for the Sustainability Committee to check the progress.

(2) Important strategies, indices and goals

i) Strategies

We have defined "responding to climate change and energy issues" as one of our materiality issues, we consider climate change risks and opportunities to be an important perspective in the formulation of our business strategy. MMC identified and evaluated short-, medium- and long-term risks and opportunities. As the items with a significant impact, we identified "Strengthening of fuel efficiency/CO₂ and ZEV^(Note 1) regulations, etc.,"

“Introduction and expansion of carbon pricing,” “Frequent occurrences and intensification of climatic disasters” and “Expansion of the demand for electric vehicles (EVs).” For these items, we analyze the impact on our business and consider the countermeasures by referring to multiple scenarios announced by the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC), etc.

By reflecting the countermeasures for climate change risks and opportunities in the Environmental Plan Package^(Note 2), which defines the direction and goals of our environmental initiatives, as well as the business strategy, MMC promotes efforts to improve resilience as a company by achieving sustainable business growth and reducing future risks.

In September 2022, we declared that we aim to become carbon neutral through our entire supply chain by 2050, and also revised our “Environmental Vision 2050.” In addition, we revised targets for “Environmental Targets 2030” in March 2023 as a milestone for the realization of becoming carbon neutral by 2050.

We are promoting the electrification while leveraging the technologies of our Alliance partners, and actively bringing to market electrified vehicles^(Note 3) optimally suited to the energy circumstances and level of infrastructural development of each country and region, as well as the needs of customers, with a product focus on MMC’s original plug-in hybrid electric vehicles (PHEVs) and Kei-car commercial EVs. As part of our business activities, we are promoting energy minimization and the transition to renewable energy with the aim of reducing CO₂ emissions. At the overall supply chain level, we are cooperating with suppliers, related companies and organizations, governments and municipalities to not only reduce CO₂ emissions in the production phase of raw material and components and in the logistics domain for items including finished vehicles, but also promote the wider use of renewable energy and the expansion of charging infrastructure, including the use of carbon-neutral fuels, and the promotion of V2X, among other initiatives.

In new medium-term business plan “Challenge 2025,” unveiled in March 2023, the Group highlights carbon neutrality as one of the major challenges. We will work on the development of EVs and strengthening of alliances for the second EV reinforcement phase (FY2026 to FY2028) and plan to introduce nine models in the next five years.

- (Notes) 1. ZEV is an abbreviation for “Zero Emission Vehicle.” These include electric and fuel cell vehicles that do not emit any emissions
2. For details about the Environmental Plan Package, see our website below.
<https://www.mitsubishi-motors.com/en/sustainability/environment/initiatives/>
3. Battery electric vehicles, plug-in hybrid electric vehicles (PHEVs), and hybrid electric vehicles (HEVs)

ii) Indices and Targets

• Indices

To manage risk and opportunities, the MMC group has introduced “CO₂ emissions from business activities” as a major indicator for Scope 1 and 2^(Note 1), and “CO₂ emissions from new vehicles” and “Ratio of electric vehicles sold” for greenhouse gas emissions related to category 11 (Use of Sold Products) of Scope 3^(Note 1), which consists of about 70% of the emissions of the entire supply chain. From FY2022, based on the recognition that the response to sustainability is one of the crucial issues of the MMC group, we added ESG-related items such as “CO₂ emissions from business activities” as the index to determine the Medium-and Long-term Performance-linked Compensation for Executive Officers.

• Targets

The MMC group aims to achieve carbon neutrality of the entire supply chain by 2050 and set a target by FY2030 as its milestone.

<Major FY2030 targets and progress>

Indicators	FY2030 targets	Results (FY2021) (Note 2)
CO ₂ emissions from new vehicles (Tank to Wheel)	-40% (compared with FY2010)	-14%
Ratio of electric vehicles sales	50% (100% by FY2035)	7%
CO ₂ emissions from business activities (Scope 1 and 2 total emissions)	-50% (compared with FY2018)	-31%

<Amount of actual Scope 1 and 2 CO₂ emissions>

(Unit: 1,000t-CO₂)

	FY2018	FY2019	FY2020	FY2021 (Note 2)
Scope 1	119	110	80	92
Scope 2	469	416	285	319
Total	588	526	365	411

- (Notes) 1. For Scope 1, 2 and 3, the MMC group adhered to the GHG Protocol.
 Scope 1: A company's direct emissions (such as from burning fuel)
 Scope 2: Indirect emissions, resulting from electricity, heat or steam provided by another company
 Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions from other companies and other sources related to the company's activities)
2. For actual results of FY2022, please refer to the Sustainability Report to be issued in the fall of 2023.

(3) Strategy on human capital (including diversity of human resources), indices and goals

i) Strategies

(Policy on human resources development)

- The MMC group has established the Company's behavior guidelines, the "MMC WAY," for the realization of the MMC group's common philosophy and the Company's vision and mission. We consider that the foundation of human resources development is to have the employees practice the MMC WAY. MMC reviewed the existing MMC Way established in 2017 by adding new value to achieve sustainable growth while providing customers and society with value in a period of immense change.

MMC WAY

1. Think of Our Customers, Strengthen Trust
2. Enrich Society
3. Welcome All Facts, Share Difficult News First
4. Conduct and Challenge Yourself Professionally
5. Respect All, Work as a Broader Team

- To ensure the achievement of the business strategy in an environment that is changing rapidly, MMC reviews the core human resources system to arrange a setting that allows employees to comfortably take on the challenge of high-level goals and promote obtaining and using high-level specialties and skills.

(Work environment improvement policy)

- The MMC group is proceeding with initiatives in the belief that achieving a work environment where the diversity of employees is respected, where each and every person can perform meaningful work, and where people can work enthusiastically and in good health, both physically and mentally, playing an active role, is important to creating sustainable growth and increasing corporate value. As such, we are promoting measures to promote diversity and engagement, etc.
- In addition, based on the idea that each employee's maintenance and enhancement of health is an important foundation, MMC has appointed the Representative Executive Officer, President & CEO as the person in charge of promoting the management of health and formulated "The Health Declaration" described below. The Human Resource Division, which is the secretariat, is promoting such efforts while working with the health insurance association, the labor union, industrial physicians, etc.

"The Health Declaration"

- The foundation for our employees having fulfilling work and personal lives is the mental and physical health of all employees and their families as well as the creation of an environment that allows them to work enthusiastically. MMC will actively promote each employee's health.

ii) Index and Target

• Index

As indices in line with the policy above, MMC set out action guidelines (the MMC WAY) and the core human resources system for the human resources development policy (grade, assessment and remuneration) and the utilization of female employees, the use of parental leave, the promotion of mid-career recruitments, employee engagement and the Excellent Health Company Certificate for the internal environment improvement policy.

• Target and actual results

For the action guidelines (the MMC WAY), MMC set their renewal and promotion as the target for FY2022, announced new action guidelines internally and to affiliates in July 2022, and implemented promotional measures such as workshops at each workplace. For the core human resources system (grade, assessment and remuneration), MMC set the introduction and operation of a new system as the target for FY2022, and revised the human resources system for executives in October 2022 and partially amended those for non-executives in April 2023.

As for the utilization of female employees, we have set the improvement of the female manager ratio as the FY2022 target. As of March 2023, it reached 6.1%, 1 point up from FY2021. For the use of parenting leave, MMC set the improvement of the use rate of parenting leave by male employees and leave for parenting purposes as the target for FY2022; the rate for FY2022 was 68.4%. For the promotion of mid-career recruitment, MMC set 300 hires as the target of FY2022, and hired 304 people during FY2022. For employee engagement, MMC set the improvement of the employment engagement score as the target for FY2022, and improved the survey results by 2 points in 2022 compared to those in 2021. For the Excellent Health Company Certificate, MMC set the acquisition of the Excellent Health Company Certificate in 2023 as the target, and obtained the certificate in March 2023.

In addition, each of our consolidated subsidiaries is also implementing various measures based on the measures taken by the Company.

3. Business-related risks

Important risks that may significantly affect the business results, financial position, cash flow position, etc. of the MMC group include those listed below. The following matters, however, are not an exhaustive list of all risks, and the MMC group is also potentially exposed to risk other than those listed below. Any of the risks listed below might impact the business results, etc. of the MMC group.

Moreover, please note that the following matters concerning the future may differ from actual results in the future since the matters concerning the future were assessed by the MMC group as of the filing date of the securities report and contains uncertainties.

(1) Risks related to the market and business (operational risks)

(i) Impacts of parts and raw material procurement

The MMC group globally sources raw materials and parts, etc., from the perspective of enhancing product quality and cost competitiveness. Depending on the parts and materials, we make it a rule to place optimal orders, such as through centralized ordering or multiple ordering. In addition, we also use rare metals such as palladium and rhodium, which are not only produced in low quantities but are also produced only in specific countries and regions.

Therefore, if supplies from those suppliers are stopped, or if it is not possible to procure in a timely way and at competitive prices due to such unexpected reasons as rapid changes in the supply and demand of raw materials, parts, etc., changes in the political situation of the country of procurement, tightening of import/export regulations related to economic security, and occurrence of natural disasters, or other reasons, production of our products will be delayed or stopped, and costs may increase.

Furthermore, if human rights violations at a supplier occur and/or are discovered in spite of the MMC group's human rights initiatives, they will damage the reputation of the MMC group.

These risks would significantly impact the MMC group's medium- and long-term business plans, and the importance of measures is increasing. The MMC group continues to review and reinforce the supply chain to minimize such an impact on our business and performance. Due to heightened geopolitical risks, a company-wide cross-sectional team was established having the participation of concerned departments in the fiscal year under review to consider and implement further strengthening measures. Nevertheless, events associated with such risks may still occur.

(ii) Impact of product quality and safety

In order to improve product quality, the MMC group works to promptly clarify the causes of failures and execute countermeasures through collaboration with related departments based on market information, and appropriately examine potential risks.

If recalls, improvement measures, etc. due to product defects or failures become large scale, or if there is a large-scale liability claim from customers due to product defects or failures in spite of the Group's efforts to improve the quality of products and services and ensure safety, the operating results and/or financial position of the MMC group may be affected due to the incurring of substantial costs, evaluation of the Company's products, damage to its brand image, decline in sales, etc.

(iii) Impact of laws and regulations, etc.

The MMC group is subject to various laws and government regulations concerning the environment, such as gas emissions, fuel efficiency, noise, chemical substances, recycling, water resources, etc. related to automotive industry, in the countries where the Group operates.

Moreover, it is also subject to a wide range of laws and regulations in Japan and overseas, such as consumer protection regulations, certificates and permission related to business and investment, labor regulations, regulations on foreign exchange, trade control including that for security purposes, various tax laws (including tariffs), antimonopoly laws and anti-bribery laws.

In order to deal with these laws and regulations, the MMC group has put in place a system to ensure that the Group complies with laws and regulations; each department in charge has implemented measures to prevent potential non-compliance with laws and regulations, etc., and the MMC group has also enhanced a structure to respond promptly to any compliance-related matters detected by the Group. However, the possibility that a law violation may be committed in the future is not zero. It might be pointed out to the Group that there is a law violation, or the content, effect, promptness or other part of its response is insufficient. In such a case,

we might become a subject of administrative investigation by a regulatory authority or receive punishment, or a party involved in a suit party in a lawsuit. If such an event occurs, it could have a negative impact on the MMC group's compliance reputation, and consequently, on the operating results and/or financial position of the MMC group.

(iv) Impacts of lawsuits and other legal procedures

As the MMC group conducts its business activities, we may become a party involved in various lawsuits and other legal procedures with users, business partners and third parties. In such a legal procedure or an ongoing legal procedure, if a judgement that is unfavorable to us is made, the operating results and/or financial position of the MMC group may be affected.

Moreover, although the MMC group holds product liability insurance that would fully cover compensation for damages and legal costs arising from claims for damages and lawsuits in relation to product liability where the courts ruled in favor of plaintiffs, the ruling requiring the Group to pay the amount of compensation larger than anticipated may impact the operating results and/or financial position of the MMC group.

(v) Impact of infringement of intellectual property rights

The MMC group endeavors to protect its own technologies, know-how and other intellectual property as well as to prevent the infringement of third-party intellectual property rights. However, in the event that a third party unlawfully uses the MMC group's intellectual property results in a fall in legal costs, or in the event that an unexpected infringement of a third-party intellectual property right by the MMC group requires a halt in manufacturing or sales or the unforeseen payment of license fees or compensation, or causes damage to the reputation of the MMC group's products and a consequent drop in demand, the operating results and/or financial position of the MMC group may be impacted.

(vi) Impact of IT and information security

The information that the MMC group uses in its operations, products, services, etc. and the information technology such as networks and systems where such information is stored come in a wide variety, including those managed by subcontractors. Given the advancement of connected services and IoT technologies, the MMC group implements safety management measures for hardware and software, including measures to protect personal information, as well as information security training for Group employees. Nevertheless, due to hacking and cyberattacks on the infrastructure, products, services, etc., of the MMC group or our business partners, inadequate management or human error within the Group or at contractors, or occurrence of natural disasters, there may be leakage of confidential, personal, and other information including information concerning our technologies, suspension of our important operations and services, improper paperwork or destruction/falsification of important data resulting in an impairment of the Group's brand image and social credibility causing sales to decline, legal claims, lawsuits or liability for damages, obligation to pay penalties or fines, or operational problems such as production suspension. If such a possibility realizes, it could have a negative impact on the operating results and/or financial position of the MMC group.

(2) Risks related to business strategy and the maintenance of competitiveness (strategic risks)

(i) Impact on the sales strategy and response to competitor trends

In the auto industry, there is fierce competition on a global scale. Furthermore, the concept of an automobile as a means of mobility for people and transportation for goods is changing due to electrification and the development of certain technologies. We believe that we are welcoming a period of immense change that happens only once every hundred years. By promoting the medium-term business plan "Challenge 2025," which poses "regional strategy to establish a stable revenue base," "promotion of efforts to achieve carbon neutrality" and "digital transformation and initiatives towards new business" as its main challenges, and providing customers with products and services bearing the distinct hallmarks of Mitsubishi Motors, the MMC group aims to maintain and expand the sales volume and market share and improve profitability. Nevertheless, if such strategy does not progress as planned and we are unable to implement measures that surpass our competitors, it may impact the operating results and/or financial position of the MMC group.

(ii) Impact of product and technology development

To provide customers with a rich mobility lifestyle that awakens a sense of adventure through reliability backed by "Environment x Safety, Security and Comfort" in the midst of rapid changes in technology and

postures required of automobile manufacturers, such as various demands in certain areas and the efforts to achieve carbon neutrality, the MMC group works on development every day considering that it is important to arrange timely introduction of new products and technologies, which are useful, practical and easy-to-use, satisfying customers' values and needs and manifesting "MITSUBISHI MOTORS' uniqueness." However, when we cannot sufficiently capture the values and needs of customers even with our research and development based on detailed study and/or when we cannot provide customers with new technologies and products in a timely manner because of internal and external factors, our sales market share, sales and profitability could decline.

(iii) Impacts of alliances with other companies

Our Group has entered into business alliances and partnerships with other companies, including joint ventures, in the areas of research and development, production, and sales, with the expectation of greater efficiency in management resources and synergistic effects. However, there is a possibility that alliances or joint ventures may change or cannot be maintained or may not produce the expected results due to changes in the business strategy of the other party, disagreements in alliance policy between the parties, changes in the investment ratio, or other factors. If the results do not meet expectations, the financial condition of the partner deteriorates, or there is a change in the investment relationship, a significant change in the alliance, or the dissolution of the alliance, our Group's management performance and financial condition may be affected.

(iv) Impact of the personnel and labor strategy

The MMC group believes it is extremely important to secure highly-specialized personnel and to provide them with opportunities, and it promotes the creation of a corporate culture that supports diverse working-styles through appropriate assignment of personnel based on having the correct key members and the establishment of a role-based compensation system in addition to the creation of schemes that encourage individual growth.

However, if recruitment and retention do not proceed as planned due to hiring difficulties and increased liquidity in the labor market, our Group's competitiveness may decline over the long term.

Moreover, the MMC group recognizes that efforts to respect human rights are an indispensable element in fulfilling our social responsibilities in order to expand our business globally and grow sustainably, and works on prohibiting discrimination and eliminating unfair labor practices set out in the "Human Rights Policy." However, if our Group or related parties take actions that are problematic in terms of human rights, our business foundation may be affected by a loss of trust and confidence from customers or damage to our brand image due to a decline in social credibility, etc.

(v) Influence of climate change

In anticipation of tighter fuel efficiency/CO₂ emission regulations and ZEV regulations, as well as the increased introduction of carbon pricing, etc., our Group is promoting electrification, energy conservation activities at all our bases and the introduction of renewable energy, based on our "Environmental Plan Package" which sets forth the policies and targets of our Group's environmental initiatives. However, in the event that cost of sales rises to address the further strengthening of fuel economy/CO₂ emissions regulations and other regulations due to climate change countermeasures proceeding more than expected, or if costs of production and procurement rise due to expanding the introduction of carbon pricing, etc., the operating results and/or financial condition of the MMC group may be affected.

We are also striving to promote adaptation measures, such as formulating Business Continuity Plans, in preparation for the possibility that global CO₂ emissions will not be reduced, temperatures will continue to rise, and natural disasters such as typhoons and torrential rains will become more frequent and catastrophic in a wider area than at present. However, if parts procurement, product manufacturing, sales, distribution, etc., are delayed or halted due to more frequent or severe natural disasters such as floods than expected in the countries or regions where our Group or our transaction partners' production bases are located, our Group's management performance or financial position may be affected.

(3) Risks related to finance and the economy (financial risks)

(i) Impact of foreign exchange rate fluctuations

As overseas sales account for around 80 percent of the MMC group's overall sales, the Group holds receivables denominated in foreign currencies, including US dollars, Euros and Australian dollars. Further, as the MMC group manufactures products to export globally at a Thai subsidiary, it also holds liabilities denominated in foreign currencies, primarily the baht.

As the values of foreign currency denominated assets (accounts receivable - trade, etc.) and foreign currency denominated liabilities (accounts payable - trade, etc.) change when foreign exchange markets for Japanese yen and foreign currencies fluctuate, the MMC group's yen-based profit or loss may be affected.

At present, the MMC group has worked on measures to reduce the impact of exchange rates, such as the export of the vehicles manufactured in Indonesia, and sales expansion in Thailand of the vehicles manufactured in the country, to contain the impact of foreign exchange rates over the medium- to long-term. However, if there are significant fluctuations in foreign currencies, the operating results and/or financial condition of the MMC group may be affected.

(ii) Impacts of changes in the market environment

The MMC group operates business around the world, and engages in production and sales activities in various countries and regions.

These business activities may be affected by an economic downturn, financial crisis, etc. in an individual country and region, and if transportation costs rise, it is difficult to secure ships for transportation, or ship arrangements are delayed, our production and sales activities may be adversely affected, affecting the operating results and/or financial condition of the MMC group.

(iii) Credit risk of business partners

As the MMC group conducts its business activities, we are exposed to credit risks in its dealings with dealers and with customers and other trading partners and in its automobile financing business.

Regarding credit risk related to business partners, such as distributors, we strive to control risk by maintaining appropriate credit protection, while continuously evaluating country risk and the financial status of business partners. Moreover, we carry out strict credit screening and collection management for risks arising from the sales finance business to control the occurrence of bankruptcies and uncollectible receivables. However, if a loss stemming from such risk exceeds the MMC group's expectations due to a deterioration of the external environment, etc., the operating results and/or financial condition of the MMC group may be affected.

(iv) Impact of the liquidity of funds

In addition to borrowing from financial institutions, the MMC group issues commercial paper, etc. for financing. In order to prepare for increased demand for funds due to deterioration of the business environment, MMC secures sufficient liquidity by setting up commitment lines at overseas subsidiaries in addition to commitment lines of credit worth about 150.0 billion yen, and strives to maintain good relationships with our main bank and other relevant financial institutions. However, if unable to finance the required funding at appropriate terms in the financial markets due to an economic or financial crisis, etc. or due to a lowering of the MMC group's credit ratings, this may seriously impact the operating results and/or financial position of the MMC group.

(4) Risks related to business continuity (hazard risks)

(i) Impacts of war, terrorism, political instability, and deteriorating security

The MMC group has facilities for development, manufacturing, sales, etc. in Japan and other parts of the world, and the occurrence of terrorism, war, civil war, political instability, security concerns, etc. in these regions may cause serious disruptions, such as interruption of operations of the MMC group or its business partners.

In anticipation of such a situation, the cross-functional economic security team prepares and executes measures to mitigate any possible obstacles, and if such an event should occur, a countermeasures meeting

is established with the participation of the relevant divisions to address the situation from a company-wide, cross-functional perspective.

However, if terrorism, war, civil war, political instability, security instability, or the like occurs on a larger scale than is expected, and when parts procurement, production and sales of products, logistics, etc. are delayed or stopped or costs increase, the operating results and/or financial condition of the MMC group may be affected.

(ii) Impact of natural disasters, accidents and outbreak of infectious diseases

The MMC group has facilities for development, manufacturing, sales, and other bases in Japan and other parts of the world. Natural disasters such as large-scale earthquakes, typhoons, torrential rains, and floods, fires and other accidents, and outbreaks of infectious diseases in such regions may cause serious disruptions, including interruption of the MMC group's operations or those of its suppliers.

The BCM* Committee has formulated a business continuity plan, while also verifying the effectiveness through regular training and preparing for any emerging threats based on a scenario that would have a serious impact on the MMC group's operations.

However, if facilities, such as manufacturing bases, are damaged due to a natural disaster, accident or spread of infectious disease on a scale larger than anticipated, or if the procurement of components, manufacture, sale and distribution of products, etc. are delayed or suspended, this may affect the operating results and/or financial condition of the MMC group.

*: BCM is an abbreviation for "Business Continuity Management"

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

An overview of the financial position, operating results and cash flows (“operating results, etc.”) of the MMC group (MMC, its consolidated subsidiaries and its entities accounted for using equity method) during the fiscal year under review follows.

Any forward-looking statements expressed below are based on the judgment of the MMC group as of March 31, 2023.

(1) Financial position and operating results

(i) Operating results

Although COVID-19 was prevalent throughout the year, the risk of serious illnesses has been controlled thanks to improved vaccination rates and the development of therapeutic drugs. Under these circumstances, countries around the world are relaxing measures against infection, and socioeconomic activities are gradually beginning to normalize. On the other hand, there is still no end in sight for the situation in Russia and Ukraine, and with logistical disruptions showing no signs of easing, energy prices soaring, inflation reaching levels not seen in decades, and sharply rising interest rates to curb that inflation, it has been difficult to take control of the business environment.

Amid this business environment, the MMC group’s results improved significantly year on year, thanks to the achievements of improving sales quality in all regions and promoting the “revenue improvement activities,” as well as the effect of yen depreciation.

As a result, full-year global sales volume was 834,000 units, down 11% from the previous fiscal year, and full-year net sales were 2,458.1 billion yen, up 21% from the previous fiscal year. Despite this severe environment, including material cost hikes and semiconductor and vessel shortages, improved revenue effects driven by improved quality of sales and the effect of favorable exchange rates helped to increase operating profit to 190.5 billion yen for the full fiscal year (up 103.2 billion yen year on year). Ordinary profit was 182.0 billion yen (up 81.0 billion yen year on year), and net income (profit attributable to owners of parent) was 168.7 billion yen (up 94.7 billion yen year on year), achieving a new record for all the profit categories.

The sales status by major region is as follows:

- ASEAN: 262 thousand units (up 12 thousand units year on year)
- Australia and New Zealand: 88 thousand units (down 9 thousand units year on year)
- Japan: 92 thousand units (up 17 thousand units year on year)
- China and Other: 48 thousand units (down 33 thousand units year on year)
- North America: 133 thousand units (down 23 thousand units year on year)
- Europe: 61 thousand units (down 58 thousand units year on year)
- Central America, Middle East, Africa and Other: 150 thousand units (down 9 thousand units year on year).

(Note) In the fiscal year ended March 31, 2023, the classification of countries and regions were changed, and the differences from the previous fiscal year were calculated based on the numbers that were categorized using the new classification for both years.

As for new models, we launched the new *eK X EV* from Japan in May of last year. We believe that electric vehicles (EVs) should be an everyday presence that anyone can easily choose. As a minicar EV that anyone can easily drive and handle, in addition to realizing sufficient cruising range for everyday use, the model is equipped with an advanced driving support function and other features.

Demand is also rising mainly among logistics companies and local governments for the *MINICAB-MiEV*, the only Kei-car segment commercial EV produced by a Japanese manufacturer, and we have reopened general sales.

The new *Delica Mini* announced this January was designed specifically to match customers' desires, and we received pre-orders for more than 10,000 units prior to the sales launch in May.

In ASEAN, MMC's most important market, last October we announced the compact SUV concept car *XFC Concept* in Vietnam, and this March, we announced the new pickup truck concept car *XRT Concept* in Thailand. Sales will be launched for the mass-production versions of these models in the ASEAN countries in succession starting this year, as we work to further strengthen MMC's business foundation.

In Europe as well, we received OEM supply from Renault, our alliance partner, for the new compact SUV *ASX*, and launched sales.

The operating status by business segment is as shown below.

i) Automobile business

Net sales for the automotive business in the fiscal year under review were 2,442.0 billion yen (up 423.2 billion yen year on year) with operating profit of 186.1 billion yen (up 102.6 billion yen year on year). Higher operating profit was due to the improvement of the marginal profit ratio, the effect of favorable exchange rates, etc.

ii) Financial service business

Net sales for the fiscal year under review were 35.1 billion yen (down 2.9 billion yen year on year), and operating profit was 4.9 billion yen (up 0.3 billion yen year on year).

(ii) Financial position

Total assets as of March 31, 2023 amounted to 2,201.5 billion yen (up 273.1 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 596.0 billion yen (up 84.5 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,371.1 billion yen (up 73.0 billion yen from the end of the previous fiscal year). Of total liabilities, the interest bearing debt balance was 428.3 billion yen (down 52.2 billion yen from the end of the previous fiscal year). Net assets as of March 31, 2023 amounted to 830.4 billion yen (up 200.1 billion yen from the end of the previous fiscal year).

(2) Cash flows

(i) Basic approach to cash flows

The MMC group adheres to a basic policy to maintain the stable distribution of profits to shareholders by achieving sound and sustainable growth and enhancing its corporate value, while maintaining financial discipline; the Group has adopted free cash flow as one of its business performance indicators.

Based on the policy above, the MMC group has centrally managed the funding needs of its business activities, including the development, manufacturing and sale of vehicles (e.g., material costs, personnel expenses, various other overheads and loan funds for its financial service business); for new technologies such as MaaS (Mobility as a Service) and CASE (Connected, Autonomous, Shared, Electric) and compliance with environmental regulations; and for maintenance and renewal of outdated manufacturing facilities. In principle, these funding needs shall be covered by cash flows the Group newly generate each year. When necessary, however, the Group uses internal funds accumulated over the past fiscal years, borrows from financial institutions, or issues commercial papers to finance additional funding needs.

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

(ii) Cash flow status

Cash flows for the fiscal year under review consisted of a net inflow of 173.6 billion yen from operating activities (up 55.5 billion yen year on year), a net outflow of 53.1 billion yen from investing activities (down 16.0 billion yen year on year), and a net outflow of 61.9 billion yen from financing activities (up 51.7 billion yen year on year). In addition, the balance of cash and cash equivalents at the end of the fiscal year under review increased by 84.4 billion yen from the end of the previous fiscal year to 595.9

billion yen, partially due to an increase of 25.9 billion yen in effect of exchange rate change on cash and cash equivalents.

Free cash flow for the fiscal year under review ended up with a net inflow of 120.5 billion yen (up 71.5 billion yen year on year), due to an increase in inflow contributed by operating activities with an improvement, etc., of operating profit.

Cash flows from operating activities

Net cash provided by operating activities was 173.6 billion yen, an increase of 55.5 billion yen compared to cash provided by operating activities of 118.1 billion yen for the previous fiscal year. This increase in inflow is due mainly to an improvement, etc., of operating profit.

Cash flows from investing activities

Net cash used in investing activities was 53.1 billion yen, a decrease of 16.0 billion yen compared to cash used in investing activities of 69.1 billion yen in the previous fiscal year. This was primarily due to an increase in inflow from proceeds from sale of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities was 61.9 billion yen, an increase of 51.7 billion yen compared to cash used in financing activities of 10.2 billion yen in the previous fiscal year. This was primarily due to repayments of long-term borrowings.

(iii) Liquidity of funds and financing

The consolidated balance of cash and deposits and the consolidated balance of interest bearing debt at the end of the fiscal year under review were 596.0 billion yen and 428.3 billion yen, respectively. In addition, MMC has entered into a committed credit line agreement worth approximately 150.0 billion yen with domestic financial institutions. The balance of cash and deposits plus the committed line of credit has provided the Company with a liquidity of approximately 750.0 billion yen.

In preparation for an increase in demand for funds due to a deterioration of the business environment, we have also set up, in addition to the above liquidity, commitment lines at overseas subsidiaries, and strive to secure the funds necessary for maintaining, expanding, and operating the MMC group's business.

The MMC group obtained credit ratings from two respected domestic rating agencies. The Group's ratings as of the filing date of this securities report are BBB+ from the Rating and Investment Information, Inc., and BB from S&P.

(3) Production, orders and sales

i) Production

Production for the fiscal year under review is as follows.

	Fiscal year under review Quantity (Units)	Year on year (%)
Japan	457,253	108.7
Overseas	562,114	93.0
Asia	542,413	93.6
Other	19,701	79.4
Total	1,019,367	99.5

(Note) Figures for production quantity in the table above are totals of built-up vehicles produced by MMC and its consolidated subsidiaries (knockdown production is also included in the quantity in Japan) which include the OEM production for other companies and jointly-developed vehicle production conducted by MMC.

ii) Orders received

MMC generally operates on a make-to-stock basis, except for special cases such as when dealing with large-lot demand.

iii) Sales

Sales results during the fiscal year under review are as follows.

	Fiscal year under review		Year on year (%)	
	Quantity (Units)	Amount (Millions of yen)	Quantity	Amount
Japan	246,024	552,741	128.3	140.3
Overseas	762,629	1,905,400	92.6	115.8
North America	149,320	537,991	99.1	135.4
Europe	52,860	154,204	54.3	65.6
Asia	327,367	596,998	98.6	123.7
Oceania	86,163	281,912	90.1	110.7
Other Regions	146,919	334,292	99.2	121.5
Total	1,008,653	2,458,141	99.3	120.6

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

2. In the fiscal year ended March 31, 2023, the classification of countries and regions were changed, and the differences from the previous fiscal year were calculated based on the numbers that were categorized using the new classification for both years.

3. The sales results by major customer and their ratios against total sales have been omitted as there is no customer from which sales accounts for 10% or more of the total sales results for the fiscal year under review.

(4) Significant accounting policies and estimates

The MMC group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Japan (Japan GAAP). The preparation of consolidated financial statements requires that estimates and assumptions be made that affect the recorded amounts of assets and liabilities, disclosed amounts of contingent assets and liabilities at the end of the fiscal year under review, as well as recorded amounts of revenue and expenses during the reporting period. Although the estimates were made based on the past results and methods deemed reasonable, because of uncertainty unique to estimates, actual results could differ from these estimates.

The significant accounting policies applied by the MMC group in the preparation of the consolidated financial statements are explained in "Material basis of the preparation of consolidated financial statements" of "V. Financial Information, 1. Consolidated financial statements." The MMC group considers the following significant accounting policies could materially affect the estimates made in the consolidated financial statements: In addition, liabilities related to market quality measures are

explained in “Significant accounting estimates” of “V. Financial Information, 1. Consolidated financial statements.”

i) Allowance for doubtful accounts

To prepare for losses from bad debts for trade receivables, loans, etc., an estimate of the amount of specific uncollectible accounts is provided as an allowance for doubtful accounts based on the historical default rate for ordinary receivables, and taking into account individual collectability for specific receivables such as doubtful receivables. In cases where a customer’s ability to pay decreases because of financial deterioration due to factors such as changes in economic conditions, recording of the additional allowance for doubtful accounts may be required.

ii) Provision for product warranties

The MMC group calculates the provision for product warranties after taking into account, according to the warranty agreements, future warranty forecasts based on past results in order to provide for the products’ after-service costs. The estimates of after sales service cost may need to be revised when actual product defect rate or repair cost differ from the estimates.

iii) Provision for contingent loss

Sensible amounts to cover expected losses calculated based on individual risks for each contingency and other factors are recorded to prepare for highly likely contingent loss.

iv) Retirement benefit expenses and retirement benefit obligation

The retirement benefit expenses and retirement benefit obligations are calculated based on certain actuarial assumptions, including discount rates, expected rate of bonuses, employee turnover rate, as well as mortality rate and long-term rate of return on pension plan assets calculated based on the latest statistical figures. When the actual results differ from assumptions, or when the assumptions are amended, the effect thereof will be accumulated and recognized regularly going forward; thereby affecting the amount of expenses to be recognized and amount of liabilities to be recorded in the future period.

v) Evaluation of deferred tax assets

The MMC group deducts a valuation allowance from its deferred tax assets in order to reduce the amount to an amount considered to be highly recoverable, then records the net amount. The valuation allowance is calculated giving consideration to future taxable income, tax planning, and other factors. Where all or part of the deferred tax assets are judged to be unrecoverable in the future, an adjustment to deferred tax assets is recognized as an expense in the period during with the judgment was made. Furthermore, where the amount of deferred tax assets recoverable in the future is judged to exceed the recognized amount of deferred tax assets, an adjustment to deferred tax assets is recognized as profit in the period during which the judgment was made.

vi) Evaluation of investment securities

The MMC group retains shares of publicly traded companies with high price volatility and shares of not publicly traded companies that have no market prices. The MMC group periodically reviews the evaluation of investment securities and conducts impairment accounting if the evaluation falls below the acquisition cost or the carrying amount after impairment by a certain rate or more. Worsening market conditions or unstable performance at invested companies in the future may require the implementation of impairment in the event that losses are not reflected in the current carrying amount or the carrying amount becomes irrecoverable.

vii) Impairment of non-current assets

When applying impairment accounting to non-current assets, the MMC group groups production assets mainly by business company, sales related assets mainly by business unit and lease assets and idle assets as individual asset groups, and estimates future cash flows with each group. If future cash flows fall below the carrying amount, the carrying amount will be reduced to the recoverable amount. If the recoverable amount decreases in the future, impairment loss may occur and have an impact on profit or loss.

5. Critical contracts for operation

Company which entered into agreement	Counterparty		Agreement	Date on which agreement entered into
	Name	Country		
Mitsubishi Motors Corporation (MMC)	China Aerospace Automotive Industry Group Co.	China	Agreement on the establishment of Shenyang Aerospace Mitsubishi Motors Engine Manufacturing Co., Ltd. regarding automobile engine business in China	May 15, 1997
	Shenyang Jianhua Motors Engine Co., Ltd.	China		
	Mitsubishi Corporation	Japan		
	MCIC Holdings Sdn. Bhd.	Malaysia		
Mitsubishi Motors Corporation (MMC)	Nissan Motor Co., Ltd.	Japan	Agreement on the rights, obligations, etc. between the shareholders concerning Jatco Ltd.	March 15, 2007
	Suzuki Motor Corporation	Japan		
Mitsubishi Motors Corporation (MMC)	Peugeot Citroen Automobiles SA	France	Joint venture agreement to produce vehicles in Russia	May 19, 2008
Mitsubishi Motors Corporation (MMC)	Guangzhou Automobile Group Company, Ltd.	China	Joint venture agreement on the establishment of GAC Mitsubishi Motors Co., Ltd. regarding sales and production of vehicles, etc. in China	September 5, 2012
	Mitsubishi Corporation	Japan		
Mitsubishi Motors Corporation (MMC)	PT Krama Yudha Mitsubishi Corporation	Indonesia	Joint venture agreement to produce vehicles in Indonesia	March 24, 2015
		Japan		
Mitsubishi Motors Corporation (MMC)	Nissan Motor Co., Ltd.	Japan	Strategic Alliance Agreement regarding Capital and Business Alliance with Nissan Motor Co., Ltd.	May 25, 2016
Mitsubishi Motors Corporation (MMC)	Daimler AG	Germany	Strategic Alliance agreement regarding automobile business	October 3, 2018
	Renault	France		
	Renault-Nissan B.V.	The Netherlands		
	Nissan Motor Co., Ltd.	Japan		

6. Research and development activities

The MMC group has worked on research and development activities in order to realize its mid-term business plan “Challenge 2025” announced in March 2023.

During the fiscal year under review, R&D expenses (the automobile business) for the entire Group amounted to 107,236 million yen.

The Group’s R&D structure, the status of development of next-generation technologies and the major new products released from April 2022 through March 2023 are as described below.

(1) R&D structure

In Japan, the MMC group conducts early technology development, design, and testing of designs and technologies primarily at the “Research & Development Center” and the “EV Research & Development Center.” Also, in collaboration with MMC’s overseas R&D bases in North America, Europe, China, and Thailand, these facilities develop technologies and products adapted to the market characteristics of each region. MMC also aims to develop technologies and products by leveraging the alliance with Renault and Nissan.

(2) Development of next-generation technologies

MMC is promoting technology development to deliver attractive products to embody “Mitsubishi Motors-ness,” which is defined as “providing customers with a fulfilling mobility life that awakens their ‘Adventurous Spirit’ on the basis of reliability backed by technology that achieves ‘Eco-friendly x Safety Technology, Peace of Mind and Comfort’” in the medium-term business plan.

i) Development of environmental technologies

The Company will expand its electric vehicle lineup by utilizing its proprietary Plug-in Hybrid EV System (PHEV) as a core technology, and PHEV components and batteries for battery electric vehicles (BEVs) and hybrid electric vehicles (HEVs) in order to achieve a 50% electric vehicle sales ratio by 2030, as stated in the “Challenge 2025” announced in March 2023. As for the core model PHEV, the new *Outlander PHEV* launched for Japan in 2021 will be introduced to Oceania and North America in 2022, and sales will be expanded to Europe and other regions in the future. In the ASEAN, our priority strategic region, we plan to launch an HEV model that utilizes PHEV technology. As for BEVs, in addition to the *eK Cross EV* launched for Japan in 2022 and the re-launched *Minicab MiEV*, we plan to expand the BEV lineup to include models for the ASEAN region. Moreover, to swiftly and efficiently develop technologies responding to the rapid advancement of electrification (battery, motor, etc.), MMC will promote the mutual utilization of motor components and powertrains through the alliance.

ii) Development of safety and security technologies

• Development of safety technologies

We have made group-wide efforts to develop and spread safety technologies aimed at reducing fatal car accidents to zero, so that our customers feel comfortable and safe riding and driving our vehicles. We have made these efforts under the following safety principles shared group-wide: 1. Develop technologies to pre-empt accidents, 2. Develop technologies to minimize damages from car accidents, and 3. Avoid possible hazards as industrial products. These technologies include primarily the advanced preventative safety technology “Mitsubishi e-Assist*1” and the collision safety technology “RISE.*2” In addition, we are promoting the development of safe technology that can be more effective in the ASEAN traffic environment.

• Provide a sense of security through 4WD technologies and off-road performance

MMC has continued to work on advancement of the four-wheel integrated vehicle dynamics control system “S-AWC*3,” a technology of its special expertise. In particular, MMC has positioned the combination of motor drive and S-AWC as “e-EVOLUTION,” and has continued their development with the goal of providing both driving pleasure and environmental performance. MMC plans to implement and incorporate this technology into other models including electric vehicles. In addition, to

provide safe and comfortable driving for ASEAN customers as well, MMC also plans to implement and incorporate this technology in 2WD vehicles.

- Durability and reliability with robust body and chassis

MMC aims to ensure endurance reliability that enables us “to go anywhere forever” by conducting annual global research on ever-changing market conditions and road surfaces and how customers use a car and updating severe testing conditions of our test course. MMC is also strengthening the measures for aging quality degradation to prevent damage to “Peace of Mind and Comfort” performance of cars used over many years. With our continuous efforts in technology development for endurance reliability, Team Mitsubishi Ralliart Triton triumphed at its first Asian Cross Country Rally in 2022.

- iii) Development of technology to improve comfort

MMC aims to deepen its understanding of the need of each customer who uses our products and services, helping people to move around and providing a sense of excitement to all drivers and passengers with a driver-friendly environment and comfortable cabin space. For the achievement of this aim, MCC will improve the performance such as interior comfort, convenience, connected services and user-friendly features and modify and enhance capabilities by researching the changes in lifestyle, introducing IT technology that is changing every day, and leading the advancement of information presenting and driving systems and driving support functions.

(Notes)

*1: Mitsubishi e-Assist: Preventative safety technologies that support safe and comfortable driving through radio wave radars and camera, etc.

*2: RISE: Reinforced Impact Safety Evolution

*3: S-AWC: Super All Wheel Control

(3) Main new products released from April 2022 to March 2023

1) New EV in the Kei-car segment eK X EV

2) New Xpander Cross

The features of each model are as described below.

1) We have released the “eK X EV” as our new electric vehicle (EV) in the Kei-car class. The new eK X EV is a new electric vehicle (EV) model in the eK X Series*4 of Kei-class vehicles with an SUV flavor. It has a sufficient cruising range*5 for daily use at affordable prices. It combines a user-friendly spacious and comfortable interior space and convenience that are equivalent to those of a height-wagon kei-car, eK X, EV-specific smooth and powerful driving, superb quietness, excellent ride comfort, comfort and convenience of advanced driver-assistance functions and connected technologies.

*4: The “eK X” (a Kei-car height wagon) and the “eK X Space” (a super-height Kei wagon).

*5: According to our studies, around 80% of users of mini cars and compact cars drive 50 km or less per day. We therefore assume that most people will be able to drive for two days without recharging their batteries.

Main product features are as follow:

i) EVs in the Kei-car category that are easy-to-use for everyday ride

A) (a) Sufficient driving range per charge that is sufficient for daily use: 180km

- A newly developed drive battery with a capacity of 20 kWh can achieve 180km of driving range per charge, sufficient for daily use such as commuting, shopping and pick-up/drop-off (WLTC mode). According to our studies, around 80% of users of mini cars and compact cars drive 50 km or less per day. We therefore assume that most people will be able to drive for two days without recharging their batteries.
- The device is equipped with two charging ports: normal (AC200V/14.5A) and quick. To finish charging to 80%, it takes about 8 hours at normal-charging mode and about 40 minutes at quick-charging mode, allowing users to conveniently shift the mode for normal charging at home and quick-charging when away from home.

- Since a cooling system using an air conditioner refrigerant is adopted for the drive battery to curtail the rise in battery temperatures, high levels of charge can be maintained even when driving at high speeds or quick charging repeatedly.

B) Excellent driving performance unique to EVs

- The maximum torque is 195 Nm, almost twice that of the gasoline turbo model, and the motor's damping performance has also been improved to achieve the smooth and powerful driving performance that constitutes an EV's appeal. In city driving, it drives smoothly as the driver intends and merges on highways.
- Three drive modes are available, allowing the driver to select their desired mode according to driving conditions – Normal mode, which is optimal for city driving; Eco mode, which reduces motor output to improve power consumption; and Sport mode, which gives a crisp, lively throttle response.
- The vehicle employs the Innovative Pedal Operation Mode that allows control of acceleration and deceleration by operating the accelerator pedal. This reduces driver's anxiety and fatigue when operating the vehicle by providing appropriate braking force without the need to switch from the accelerator pedal to the brake pedal when decelerating. When stronger deceleration is required or to come to a complete stop, the brake pedal must be used.
- The drive battery, which has a thin design, is laid out in an optimal location under the floor, and the roof panel has been slimmed down to give the vehicle a low center of gravity, thereby reducing roll when cornering. Weight is distributed at a near-ideal ratio of 56:44 between the front and rear to optimize the four-wheel ground load balance, while the suspension is specially tuned to achieve nimble yet stable operability, giving a relaxed, high-quality ride.

C) A spacious, comfortable interior

- The drive battery has been slimmed down and positioned under the floor to secure rear-seat knee room that is top-level in the vehicle's class^{*6}. Shoulder room in the front seats is also among the best in class^{*6}, ensuring a comfortable cabin space.
- The amount of cargo space is secured at a top-level in its class^{*6}. Furthermore, a single motion from the rear of the cargo area can slide the seats and fold down the rear seatbacks, offering convenience for the user. The regular charging cable can be stored in the storage space under the trunk floor, allowing for efficient use of cargo space.

*6: Kei-car height wagon class with overall height of 1,700mm or less.

ii) EVs in the Kei-car category that are friendly to passengers and to society

A) Mitsubishi Motors' characteristic driving experience with peace of mind

- To ensure that drivers can enjoy driving with peace of mind in any weather or road conditions, the eK X EV comes standard with Grip Control, which helps the driver move off on slippery road surfaces. The system gives improved driving performance by braking the front wheel that starts spinning on snow-covered or muddy road surfaces and by feeding more torque to the other wheel that has grip.

B) MI-PILOT to support everyday driving

- This is the first Mitsubishi vehicle to use the MI-PILOT parking support system, which assists in smooth parking. The system automatically detects possible parking positions and can handle backward parking, forward parking, or parallel parking. (Factory option for the P)
- The new eK X EV is equipped with MI-PILOT10 single-lane driver assistance technology for highways. The Adaptive Cruise Control (ACC) and Lane Keep Assist (LKA) functions reduce the burden on the driver by maintaining a safe distance from vehicles ahead and staying near the center of the lane. (Factory option for the P and G)
- The 7-inch color LCD meter displays the status of the vehicle's brake lights and the operational status of MI-PILOT in an easy-to-understand way, enhancing safety.

C) Mitsubishi Connect^{*7}, offering peace of mind through connectivity

- Equipped with Mitsubishi Connect^{*7} to support a safe, secure and comfortable driving experience. In addition to SOS Emergency Assistance, the system supports the driving experience with convenient features such as Vehicle Status Report, which allows users to check the remaining drive battery level and door status, Remote Climate Control, which allows users to start air conditioning remotely, Remote Charge, which notifies the driver when charging is complete, and Car Finder, which locates where the vehicle has been parked. (Equipped as standard on the P, factory option for the G)

*7: “Mitsubishi Connect” is the collective name for connectivity services provided by Mitsubishi Motors. Installation of the smartphone application, “My Mitsubishi Connect,” and user registration are required to use the service.

D) The large-capacity drive batteries that provide a reliable power supply

- If connected to a V2H device at home, the power stored in the drive battery can be used in the home during the day when power usage is high. Then, at night, the drive battery can be recharged, contributing to shifting peak electricity demand.
- The power stored in the drive battery is equivalent to about one day’s worth of power for an average household^{*8}, and in the event of a power outage, it can be used with a V2H device to provide a reliable emergency power source. Also, with a V2L adapter, the vehicle can be used to power electronics and appliances, such as during camping and other outdoor activities.

*8: Assuming average household power usage of approximately 10 kWh/day

iii) Clean design and functional features of an EV

- Mitsubishi Motors’ characteristic SUV touches, such as the Dynamic Shield front design that conveys a sense of security protecting people and the car, along with a dark chrome front grille, LED front fog lights, and other elements typical of an EV, give the car a clean and sophisticated look.
- The body color lineup consists of 10 colors, five two-tones and five monotonies, including a new two-tone color combination of Mist Blue Pearl body, which brings a clean look, and Copper Metallic roof panel, which evokes the image of electric wiring.
- The interior features an intuitive and easy-to-operate electric shift lever and a 7-inch color LCD meter, producing a state-of-the-art look befitting an EV. Functionality is also emphasized, such as a USB charging outlet on the instrument panel (equipped as standard on the P, factory option for the G), and various storage spaces.
- The premium interior package is available as a factory option. Using a base color of light gray, the combination of synthetic leather and fabric embossed with a three-dimensional diamond pattern adds a sense of high quality. Additionally, soft padding around the instrument panel and the use of copper-colored stitching as an accent create a premium space that stands a cut above the rest. (Factory option for the P)
- The 7-inch color LCD meter displays battery status, power consumption information, navigation information, and other necessary information for EVs in an easy-to-understand manner. The 9-inch Smartphone-link Display Audio (SDA) navigation system also displays charging spots and estimated battery power left to the destination. Connecting a smartphone enables the use of Android Auto^{TM*9} and Apple CarPlay^{*10}, and Apple CarPlay allows wireless connection with an iPhone^{*11}. (Equipped as standard on the P, factory option for the G)

*9: Android AutoTM is a trademark of Google LLC.

*10: Apple CarPlay is a trademark of Apple Inc. registered in the United States and other countries.

*11: The trademark “iPhone” is used with a license from Aiphone K.K.

- 2) The all-new Xpander Cross crossover MPV has been released. The new Xpander Cross features a refreshed front and rear design to further emphasize the robust SUV styling, as well as enhanced ride comfort and secure ride delivered by features including Active Yaw Control (AYC), which

improves cornering performance by adjusting the braking force on the front wheels. The main product features are listed below.

- i) Exterior with even more robustness of an SUV
 - At the front, the Dynamic Shield front face has evolved, combining a large grille with a trapezoid motif and a guard-bar shaped bumper to give the new Xpander Cross a robust SUV look. The headlights feature a distinctive T-shape design that emphasizes a sense of width, while the turn signals, which were previously placed under the headlight unit, have been integrated into the upper position lights to improve visibility to other drivers. The front and rear overhangs have been extended by a total of 95 mm, and the engine hood has been made thicker to create proportions with more dynamism and stability.
 - The 17-inch round-rim alloy wheels feature a machine-finished two-tone design in medium gray. Coordinated with the gray paint on the front and rear skid plates and door garnishes, the wheels create a three-dimensional look to express the sporty and powerful feeling of an SUV. In addition, the roof rails are colored in black to sharpen the overall appearance.
 - In the rear, the tailgate has been given a more three-dimensional design, and the number of split lines has been reduced for an enhanced sense of quality. The rear combination lights have a wide, stable look with horizontally-themed T-shaped tail lights, while LED stop lights are added to the LED tail lights and back lights to improve visibility at night.
 - A new body color, Green Bronze Metallic, which combines toughness with a modern sense of refinement, has been added to the lineup. Other available colors include Quartz White Pearl, Blade Silver Metallic, Graphite Gray Metallic and Jet Black Mica.
- ii) Interior space with enhanced high-quality feel and operability
 - The interior features a horizontally-oriented instrument panel based on the Horizontal Axis concept, emphasizing the spaciousness of the cabin and making it easier to perceive changes in vehicle position while driving, as well as a new large-diameter four-spoke steering wheel that evokes a sense of luxury.
 - To offer an advanced cabin, the Xpander Cross adopts an 8-inch color liquid crystal display (LCD) meter that is more intuitive and easier to use. By operating a switch located on the spokes of the steering wheel, driving information such as average and current fuel economy, as well as vehicle information such as AYC operation status, can be viewed on the meter, allowing easy access to information necessary for driving.
- iii) Secure, comfortable ride improved with features including AYC
 - The new Xpander Cross adopts Mitsubishi Motors' AYC, which improves cornering performance by adjusting the braking force on the front wheels. Information such as steering angle, yaw rate, lateral and longitudinal G-forces, brake pressure, and wheel speed is used to accurately assess driver operation and vehicle behavior, and brake control is applied to perform torque vectoring between the front wheels, ensuring that the vehicle responds as the driver intends. When cornering on slippery road surfaces, AYC, which brakes the front wheel on the inside of the turn, minimizes understeer and allows the vehicle to follow a line closer to that intended by the driver. In cooperation with the Anti-lock Braking System (ABS) and Active Stability Control (ASC), the system supports safe, secure and comfortable driving in a variety of weather and road conditions.
 - By improving the rigidity of the front strut mounting area, enlarging the cylinder size of the rear shock absorber, and using new high-performance valves in both the front and rear, the suspension provides a flat and comfortable ride even on rough road surfaces.
- 3) In addition to the above, MMC launched certain models with enhanced safety or functional equipment, differentiated interior and exterior, and improved environmental performance.

III. Information about Facilities

1. Outline of capital expenditure

The MMC group (MMC and its consolidated subsidiaries) invested a total of 78.6 billion yen, mainly in development and research equipment for new products and technologies and production equipment for new products and sales equipment.

Company name	Segment	Details of capital expenditure	Amount of investment (Millions of yen)
MMC	Automobile	Production equipment of automobiles	13,275
		Development and research equipment of automobiles	3,586
		Equipment of automobile sales outlets	606
		Other	10,883
	Sub total		28,351
Automobile sales companies (two companies)	Automobile	Equipment of automobile sales outlets	2,480
Mitsubishi Motors Finance Co., Ltd.	Financial service	Investment of systems	292
Other domestic subsidiaries (four companies)	Automobile	Production equipment of automobiles and parts, design and testing equipment of automobiles and parts, and transport and storage equipment of automobiles, etc.	1,607
Mitsubishi Motors North America, Inc. and two other companies	Automobile	Equipment of automobile sales outlets, etc.	683
Mitsubishi Motors Europe B.V.	Automobile	Equipment of parts sales outlets, etc.	231
Mitsubishi Motors Australia, Ltd.	Automobile	Equipment of automobile sales outlets, etc.	1,284
Mitsubishi Motors (Thailand) Co., Ltd. and another company	Automobile	Equipment of automobile sales outlets and production equipment of automobiles, etc.	31,374
Mitsubishi Motors Philippines Corp. and another company	Automobile	Equipment of automobile sales outlets and production equipment of automobiles, etc.	1,698
PT Mitsubishi Motors Krama Yudha Indonesia	Automobile	Production equipment of automobiles, etc.	9,609
Other overseas subsidiaries (18 companies)	Automobile	Equipment of automobile sales outlets and production equipment of parts, etc.	981
Total			78,590

(Note) Intangible assets and long-term prepaid expenses are included in the amount of investment.

2. Information about major facilities

Major facilities of the MMC group (MMC and its consolidated subsidiaries) are as follows.

(1) Information about reporting company

(as of March 31, 2023)

Classification	Office and factory name (Location)	Segment	Description	Carrying amount (Millions of yen)						Number of employees
				Buildings and structures	Machinery, equipment and vehicles	Land		Others	Total	
						Size (thousands of m ²)	Amount			
Production equipment	Okazaki Plant (Okazaki-shi, Aichi)	Automobile	Production equipment of automobiles	5,828	11,209	(4) [4] 424	390	35,076	52,504	3,339
	Kyoto Plant (Ukyo-ku, Kyoto-shi, etc.)	Automobile	Production equipment of automobile engines	4,113	15,803	(6) [3] 446	4,919	1,573	26,409	1,416
	Mizushima Plant (Kurashiki-shi, Okayama)	Automobile	Production equipment of automobiles	5,663	14,586	[1] 966	7,486	4,393	32,130	3,328

Classification	Office and factory name (Location)	Segment	Description	Carrying amount (Millions of yen)						Number of employees
				Buildings and structures	Machinery, equipment and vehicles	Land		Others	Total	
						Size (thousands of m ²)	Amount			
Other equipment	Research & Development Center, EV Research & Development Center (Okazaki-shi, Aichi, Ukyo-ku, Kyoto-shi, etc.) (Note) 4	Automobile	Development and research equipment of automobiles	14,304	14,684	[1] 10,673	11,889	3,243	44,121	3,423
	Parts Center (Takatsuki-shi, Osaka, Ama-gun, Aichi, etc.)	Automobile	Supply of parts and management equipment	1,472	675	(127) [0] 67	4,327	66	6,542	51
	Motor Pool (Minato-ku, Nagoya-shi, Kurashiki-shi, Okayama, etc.)	Automobile	Storage equipment of automobiles	266	1	(130) [94] 560	18,384	10	18,662	–
	Welfare Facility (Okazaki-shi, Aichi, etc.)	Automobile	Company dormitory, company condominium, etc.	1,625	58	(104) [7] 126	7,461	60	9,204	–
	Sales company (Neyagawa-shi, Osaka, Atsuta-ku, Nagoya-shi, etc.)	Automobile	Sales company	691	0	(25) [103] 78	6,109	–	6,800	–
	Others (Takatsu-ku, Kawasaki-shi, etc.)	Automobile	Training facility, etc.	2,180	190	(42) [44] 40	3,794	2,486	8,651	2,114

- (Notes) 1. The figure in parentheses is the size of leased land.
2. The figure in square brackets is the size of rented out land (including sublet land).
3. The carrying amount of “Others” assets are tools, furniture and fixtures, and construction in progress.
4. Within the Research & Development Centers, the size and amount of the land in Ukyo-ku, Kyoto, is included within the Kyoto Plant.

(2) Domestic subsidiaries

(as of March 31, 2023)

Office and factory name (Location)	Segment	Description	Carrying amount (Millions of yen)						Number of employees
			Buildings and Structures	Machinery, equipment and vehicles	Land		Others	Total	
					Size (thousands of m ²)	Amount			
Higashi Nihon Mitsubishi Motor Sales Co., Ltd. and another sales company (Meguro-ku, Tokyo, etc.)	Automobile	Equipment of automobile sales outlets	9,866	5,223	(272) [24] 297	15,633	1,202	31,926	3,086
Mitsubishi Automotive Logistics Technology Co., Ltd. (Takatsu-ku, Kawasaki-shi)	Automobile	Transport and storage equipment of automobiles and parts, equipment of parts sales outlets, etc.	94	21	(10) [0] 5	243	42	402	308
Mitsubishi Automotive Engineering Co., Ltd. (Okazaki-shi, Aichi)	Automobile	Design and testing equipment of automobiles and parts, etc.	91	5	(10) 1	323	75	495	971
Suiryo Plastics Co., Ltd., etc. (Kurashiki-shi, Okayama, etc.)	Automobile	Production equipment of parts, etc.	832	1,667	(7) [0] 108	1,329	4,776	8,606	638
Mitsubishi Motors Finance Co., Ltd. (Minato-ku, Tokyo)	Financial service	Car rentals, etc.	24	20,582	–	–	56	20,663	173

- (Notes) 1. The figure in parentheses is the size of leased land.
2. The figure in square brackets is the size of rented out land (including sublet land).
3. The carrying amount of “Others” assets are tools, furniture and fixtures, and construction in progress.

(3) Overseas subsidiaries

(as of March 31, 2023)

Office and factory name (Location)	Segment	Description	Carrying amount (Millions of yen)						Number of employees
			Buildings and Structures	Machinery, equipment and vehicles	Land		Others	Total	
					Size (thousands of m ²)	Amount			
Mitsubishi Motors North America, Inc. (U.S.A.) and another company	Automobile	Equipment of automobile sales outlets, etc.	2,296	1,663	(173) [4] 123	407	364	4,732	325
Mitsubishi Motors Europe B.V. (Netherlands)	Automobile	Equipment of parts sales outlets, etc.	1,191	218	–	–	106	1,517	186
Mitsubishi Motors Australia, Ltd. (Australia)	Automobile	Equipment of automobile sales outlets, etc.	4,486	910	–	–	137	5,534	199
Mitsubishi Motors (Thailand) Co., Ltd. (Thailand) and another company	Automobile	Equipment of automobile sales outlets, production equipment of automobiles, etc.	14,067	32,883	(1,502) 219	14,682	39,728	101,361	4,554
Mitsubishi Motors Philippines Corp. (Philippines) and another company	Automobile	Equipment of automobile sales outlets, production equipment of automobiles, etc.	4,295	2,568	301	2,512	367	9,744	998
PT Mitsubishi Motors Krama Yudha Indonesia (Indonesia)	Automobile	Production equipment of automobiles, etc.	9,517	9,589	[209] 509	8,291	25,545	52,942	1,989
Other overseas subsidiaries (19 companies)	Automobile	Equipment of automobile sales outlets, production equipment of parts, etc.	3,898	4,174	(36) [15] 21	2,956	577	11,606	1,330

- (Notes) 1. The figure in parentheses is the size of leased land.
2. The figure in square brackets is the size of rented out land (including sublet land).
3. The carrying amount of “Others” assets are tools, furniture and fixtures, and construction in progress.

3. Plans for acquisition and disposal of facilities

The capital expenditure plan of the MMC group (MMC and its consolidated subsidiaries) is determined separately by the consolidated companies in principle. However, to ensure against overlap or excessive expenditure across the whole Group, adjustments are made, primarily by MMC.

The MMC group's main capital expenditures are new equipment and upgrades for production equipment of automobile and automobile parts in the automobile business. For the following fiscal year (FY2023), the MMC group is planning to make capital investments totaling 105.0 billion yen (new equipment and upgrades) for the year. The capital expenditure plan for MMC and each of its consolidated subsidiaries in the automobile and financial service business are presented in the table below.

(Note) The above amounts are the amounts planned as of March 31, 2023.

Company name	Segment	Details of capital expenditure	Planned amount (Millions of yen)	Method of financing
MMC	Automobile	Production equipment of automobiles	33,400	Own capital and loans payable
		Development and research equipment of automobiles	5,840	
		Equipment of automobile sales outlets	3,710	
		Other	15,250	
	Sub total		58,200	
Automobile sales companies (2 companies)	Automobile	Equipment of automobile sales outlets	2,390	Own capital and loans payable
Mitsubishi Motors Finance Co., Ltd.	Financial service	Investment of systems, etc.	1,090	Own capital and loans payable
Other domestic subsidiaries (4 companies)	Automobile	Production equipment of automobiles and parts, design and testing equipment of automobiles and parts, and transport and storage equipment of automobiles, etc.	4,160	Own capital and loans payable
Mitsubishi Motors North America, Inc. and two other companies	Automobile	Equipment of automobile sales outlets, etc.	430	Own capital and loans payable
Mitsubishi Motors Europe B.V.	Automobile	Equipment of parts sales outlets, etc.	190	Own capital and loans payable
Mitsubishi Motors Australia, Ltd.	Automobile	Equipment of automobile sales outlets, etc.	1,160	Own capital and loans payable
Mitsubishi Motors (Thailand) Co., Ltd. and another company	Automobile	Equipment of automobile sales outlets and production equipment of automobiles, etc.	20,080	Own capital and loans payable
Mitsubishi Motors Philippines Corp. and another company	Automobile	Equipment of automobile sales outlets and production equipment of automobiles, etc.	2,850	Own capital and loans payable

Company name	Segment	Details of capital expenditure	Planned amount (Millions of yen)	Method of financing
PT Mitsubishi Motors Krama Yudha Indonesia	Automobile	Production equipment of automobiles, etc.	13,510	Own capital and loans payable
Other overseas subsidiaries (18 companies)	Automobile	Equipment of automobile sales outlets and production equipment of parts, etc.	940	Own capital and loans payable
Total			105,000	

IV. Information about Reporting Company

1. Information about shares, etc.

(1) Total number of shares, etc.

i) Total number of shares

Class	Total number of authorized shares
Common stock	1,575,000,000
Total	1,575,000,000

ii) Issued shares

Class	Number of issued shares (As of March 31, 2023) (Shares)	Number of issued shares (As of the filing date: June 23, 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

MMC has adopted a stock option program. The program is operated by means of issuing share acquisition rights in accordance with the Companies Act. The details of the program are as below.

MMC resolved that it will issue its share acquisition rights to its Members of the Board (excluding Outside Directors) for stock options as equity-linked compensation, in accordance with the Companies Act.

Share acquisition rights based on the resolution of the Board of Director's meeting held on April 24, 2017
(First series share acquisition rights)

Resolution date	April 24, 2017
Number of share acquisition rights *	421
Category and number of participant	Five Members of the Board (excluding Outside Directors)
Type of shares that will be issued upon exercise of share acquisition rights *	Common stock
Number of shares to be issued upon the exercise of one share acquisition right *	79 shares (Note) 1
Total number of shares that will be issued upon exercise of share acquisition rights *	33,522 shares (Note) 1
Amount of contribution (issue price) per share acquisition right *	1 yen per share
Fair value for a share acquisition right for one share *	517.42 yen (Note) 1
Exercise period *	<p>The exercise period will commence on the earliest of the following dates and end on April 30, 2070.</p> <p>i) May 1, 2020</p> <p>ii) If a shareholders' meeting of MMC (or, where no shareholder approval is required, the Board of Directors of MMC) approves a merger agreement that provides that MMC shall cease to exist, or a share exchange agreement for a statutory share exchange (<i>kabushiki koukan</i>) agreement or a plan for a statutory share-transfer (<i>kabushiki iten</i>) that will result in MMC becoming a wholly-owned subsidiary, the date of such approval.</p> <p>iii) If a shareholders' meeting of MMC (or, where no shareholder approval is required, the Board of Directors of MMC) approves a transfer of all or substantially all of MMC's business, or a spin-off agreement or spin-off plan (<i>kaisha bunkatsu</i>) that results in all or substantially all of MMC's business being assumed by a successor company, the date of such approval.</p>
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights *	<p>Issue price: 518.42 yen (Note) 2</p> <p>Additional paid-in capital per share shall be the amount obtained by multiplying the maximum limit of capital increase (as calculated in accordance with the provisions of Article 17, paragraph (1) of the Regulation on Corporate Accounting) by 0.5, and any fraction of less than 1 yen arising as a result of such calculation shall be rounded up to the nearest yen.</p>
Conditions to exercise of share acquisition rights *	(Note) 3
Matters concerning transfer of share acquisition rights *	MMC and each of the grantees will enter into a share acquisition right grant agreement. Under such agreement, the grantees will be prohibited from transferring any Share Acquisition Rights to a third party.
Matters concerning treatment of the replacement share acquisition rights in a corporate reorganization by the successor *	(Note) 4

Share acquisition rights based on the resolution of the Board of Director's meeting held on November 26, 2020 (Fourth series share acquisition rights)

Resolution date	November 26, 2020
Number of share acquisition rights *	300
Category and number of participant	One Member of the Board (excluding Outside Director) One heir of a former Member of the Board (excluding Outside Director)
Type of shares that will be issued upon exercise of share acquisition rights *	Common stock
Number of shares to be issued upon the exercise of one share acquisition right *	317 shares (Note) 1-2
Total number of shares that will be issued upon exercise of share acquisition rights *	95,146 shares (Note) 1-2
Amount of contribution (issue price) per share acquisition right *	1 yen per share
Fair value for a share acquisition right for one share *	126.12 yen (Note) 1-2
Exercise period *	The exercise period will commence on the earliest of the following dates and end on April 30, 2023. i) May 1, 2023 ii) If a shareholders' meeting of MMC (or, where no shareholder approval is required, the Board of Directors or Executive Officers of MMC) approves a merger agreement that provides that MMC shall cease to exist, or a share exchange agreement for a statutory share exchange (<i>kabushiki koukan</i>) agreement or a plan for a statutory share-transfer (<i>kabushiki iten</i>) that will result in MMC becoming a wholly-owned subsidiary, the date of such approval. iii) If a shareholders' meeting of MMC (or, where no shareholder approval is required, the Board of Directors or Executive Officers of MMC) approves a transfer of all or substantially all of MMC's business, or a spin-off agreement or spin-off plan (<i>kaisha bunkatsu</i>) that results in all or substantially all of MMC's business being assumed by a successor company, the date of such approval.
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights *	Issue price: 127.12 yen (Note) 2 Additional paid-in capital per share shall be the amount obtained by multiplying the maximum limit of capital increase (as calculated in accordance with the provisions of Article 17, paragraph (1) of the Regulation on Corporate Accounting) by 0.5, and any fraction of less than 1 yen arising as a result of such calculation shall be rounded up to the nearest yen.
Conditions to exercise of share acquisition rights *	(Note) 3
Matters concerning transfer of share acquisition rights *	Acquisition by transfer of the share acquisition rights requires approval at the Board of Director's meeting of MMC.
Matters concerning treatment of the replacement share acquisition rights in a corporate reorganization by the successor *	(Note) 4

* These details are based on the end of the fiscal year under review (March 31, 2023). As of the end of the month before the month of the filing date (May 31, 2023) there has been no change in the details required to be described since the end of the fiscal year under review, so the description related to the end of the month before the month of the filing date has been omitted.

(Notes) 1. Number of shares to be issued upon the exercise of one share acquisition right, total number of shares that will be issued upon exercise of share acquisition rights, and fair value of a share acquisition right for one share
 The number of shares to be issued upon the exercise of one Share Acquisition Right (the “Number of Issued Shares”) shall be calculated by dividing 41,200 yen, which is the issue price for one Share Acquisition Right, (the “Issue Price”) by the fair value of a Share Acquisition Right for one share. If a grantee simultaneously exercises his/her multiple share acquisition rights, the Number of Issued Shares shall be a maximum whole part of the number calculated by (i) multiplying the Issue Price by the number of the Share Acquisition Rights that are exercised and then (ii) dividing the multiplied number by the fair value of a Share Acquisition Right for one share. Hereinafter, the number of shares of common stock delivered by MMC when there is an exercise of Share Acquisition Rights will be referred to as the “Number of Allotted Shares.”

The fair value of a Share Acquisition Right for one share shall be calculated on the grant date by using the following Black-Scholes formula:

The fair value of a Share Acquisition Right for one share shall be the option price per share, based on the base price mentioned in (ii) and (vii) below, and calculated by using the Black-Scholes formula.

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

Where:

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

- (i) Option price per share: (C)
- (ii) Share price (S): Closing price of the regular trading of the shares of common stock (*futsū kabushiki*) of MMC on the Tokyo Stock Exchange on the day on which share acquisition rights are granted (if there is no such closing price, the base price of the immediately following trading day)
- (iii) Exercise price: (X): one (1) yen
- (iv) Expected time to maturity: (t): 28 years
- (v) Volatility (σ): Share price volatility calculated using the closing price of the regular trading of the shares of common stock (*futsū kabushiki*) of MMC on each trading day during the period of twenty-eight (28) years (the 28-year period leading up to the day on which share acquisition rights are granted)
- (vi) Risk-free interest rate (r): Interest rate of national government bonds whose remaining years to maturity corresponds to the expected time to maturity
- (vii) Dividend yield (λ): Dividend amount per share (actual dividends for the fiscal year in which the share acquisition rights are granted) ÷ Share price set forth in (ii) above
- (viii) Cumulative distribution function for the standard normal distribution ($N(\cdot)$)

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

(Adjusted number of shares) = (number of shares prior to adjustment) x (ratio of the stock split/consolidation)
 In addition to the above, if it becomes necessary to adjust the number of shares subject to unexercised Share Acquisition Rights, MMC may adjust it within a rational range, and any fractional shares arising from the adjustment shall be rounded down.

- 1-2. Number of shares to be issued upon the exercise of one share acquisition right, total number of shares that will be issued upon exercise of share acquisition rights, and fair value of a share acquisition right for one share
 The number of shares to be issued upon the exercise of one Share Acquisition Right (the “Number of Issued Shares”) shall be calculated by dividing 40,000 yen, which is the issue price for one Share Acquisition Right, (the “Issue Price”) by the fair value of a Share Acquisition Right for one share. If a grantee simultaneously exercises his/her multiple share acquisition rights, the Number of Issued Shares shall be a maximum whole part of the number calculated by (i) multiplying the Issue Price by the number of the Share Acquisition Rights that are exercised and then (ii) dividing the multiplied number by the fair value of a Share Acquisition Right for one share. Hereinafter, the number of shares of common stock delivered by MMC when there is an exercise of Share Acquisition Rights will be referred to as the “Number of Allotted Shares.”

The fair value of a Share Acquisition Right for one share shall be calculated on the grant date by using the following Black-Scholes formula:

The fair value of a Share Acquisition Right for one share shall be the option price per share, based on the base price mentioned in (ii) and (vii) below, and calculated by using the Black-Scholes formula.

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

Where:

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

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

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

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

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

2. Price of shares issued in the event of the issuance of shares as a result of the exercise of share acquisition rights
 The total of the fair value per share of the share acquisition right and the issue price per share (1 yen) at the time the share acquisition right is exercised

3. Conditions for the exercise of share acquisition rights
 - (i) The exercise of fragments of share acquisition rights that fall short of one unit shall not be possible.
 - (ii) In the event that the share acquisition rights are transferred, the recipient of the transfer shall be unable thereafter to exercise the share acquisition rights that were transferred.
 - (iii) In the event that the share acquisition right grantee dies, the heir to the grantee shall be able to inherit the share acquisition rights, and to exercise the share acquisition rights, as prescribed by the terms of the share acquisition right grant agreement concluded between the grantee and MMC. However, in the event that said heir dies, the heir of said heir shall be unable to exercise the share acquisition rights.
 - (iv) Other conditions shall be as prescribed in the share acquisition right grant agreement concluded between MMC and the grantee.

4. Matters concerning the granting of share acquisition rights following a corporate reorganization

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

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

ii) Description of rights plan

Not applicable.

iii) Other share acquisition rights

Not applicable.

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

Not applicable.

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

Date	Change in total number of issued shares (Shares)	Balance of total number of issued shares (Shares)	Change in capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Change in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
October 20, 2016 (Note)	Common stock 506,620,577	Common stock 1,490,282,496	118,680	284,382	118,680	118,680

(Note) Paid-in third-party allotment 506,620,577 shares

Issue price 468.52 yen

Amount incorporated into capital 234.26 yen

Allottee Nissan Motor Co., Ltd.

(5) Shareholder composition

(As of March 31, 2023)

Category	Status of shares (Number of shares constituting one voting unit: 100 shares)								Shares less than one unit (Shares)
	Public sector	Financial institutions	Financial instruments business operators	Other corporations	Foreign investors		Individuals, etc.	Total	
					Companies, etc.	Individuals			
Number of shareholders	–	36	61	1,470	443	329	232,941	235,280	–
Number of shares held (Units)	–	1,521,296	256,931	8,473,732	1,933,862	2,261	2,712,980	14,901,062	176,296
Percentage of voting shares (%)	–	10.21	1.72	56.86	12.98	0.01	18.22	100	–

(Notes) 1. The 852,954 treasury shares stated in the shareholders register, are presented as follows: 8,529 voting units are included in “Individuals, etc.” and 54 shares are included in “Shares less than one unit.” All treasury shares are actually held.

2. In “Other corporations,” 57 voting units under the name of the Japan Securities Depository Center, Inc. are included.

(6) Major shareholders

(As of March 31, 2023)

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	34.01
Mitsubishi Corporation	2-3-1, Marunouchi, Chiyoda-ku, Tokyo	298,012,214	20.00
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	107,181,300	7.19
Mitsubishi Heavy Industries, Ltd.	3-2-3, Marunouchi, Chiyoda-ku, Tokyo	21,572,455	1.44
CGMI PB CUSTOMER ACCOUNT (Standing proxy: Citibank, N.A., Tokyo Branch)	388 GREENWICH STREET NEW YORK, NY 10013 USA (6-27-30, Shinjuku, Shinjuku-ku, Tokyo)	16,674,718	1.11
MUFG Bank, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	14,877,512	0.99
SBI SECURITIES Co., Ltd.	1-6-1, Roppongi, Minato-ku, Tokyo	11,042,374	0.74
Custody Bank of Japan, Ltd. (Trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	8,583,200	0.57
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (Tower A SHINAGAWA INTERCITY, 2-15-1, Konan, Minato-ku, Tokyo)	8,138,200	0.54
THE BANK OF NEW YORK MELLON 140044 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	240 GREENWICH STREET, NEWYORK, NY 10286, U.S.A. (Tower A SHINAGAWA INTERCITY, 2-15-1, Konan, Minato-ku, Tokyo)	7,795,947	0.52
Total	–	1,000,498,497	67.17

(7) Voting rights

i) Issued shares

(As of March 31, 2023)

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>		Number of shares for share unit: 100 shares	
	Common stock	852,900		
	<Reciprocal holding>			
	Common stock	400		
Shares with complete voting rights (Other)	Common stock (Note) 1	1,489,252,900	14,892,529	Same as above
Shares less than one unit	Common stock (Note) 2	176,296	-	Same as above
Total number of issued shares		1,490,282,496	-	-
Total number of voting rights		-	14,892,529	-

(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 54 treasury shares held by MMC and 50 shares of MMC held by the Board Incentive Plan (BIP) Trust.

ii) Treasury shares, etc.

(As of March 31, 2023)

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	852,900	-	852,900	0.05
<Reciprocal holding> Nagano Mitsubishi Motor Sales Co., Ltd.	865-1, Aza- Imuraminamioki, Higashiwada, Nagano-shi, Nagano	400	-	400	0.00
Total	-	853,300	-	853,300	0.05

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

(8) Details of the Executive and Employee Stock Ownership Plan

i) Overview of the Board Incentive Plan (BIP) Trust

MMC has introduced a stock compensation plan (hereinafter the “BIP Trust”) that utilizes trusts as an incentive plan for its Executive Officers and Corporate Officers, etc. (hereinafter referred to as “Executive Officers, etc.”) This applies to MMC’s Long-term Performance-linked Compensation and Deferred Retirement Compensation. The BIP Trust is a system whereby the trust obtains the shares of MMC from the stock market funded by the cash contributed by MMC and through such trust, MMC will deliver the shares of MMC or pay money equivalent to the converted value of such shares to Executive Officers, etc., according to their position and degree of achievement of performance targets. The trust period is from December 17, 2020 to August 31, 2023 (planned), but if the trust agreement is amended or if there is an additional trust when the trust period expires, the trust period will be extended. The voting rights of the shares of MMC in the BIP Trust will not be exercised throughout the trust period.

ii) Total number of shares anticipated to be obtained by the BIP Trust and the total amount

BIP Trust obtained 1.16 million shares of MMC valued at 253 million yen in FY2020. The number of shares to be acquired by the Trust in the event that the duration of the Trust is extended has yet to be determined.

iii) Scope of beneficiaries

MMC’s Executive Officers, Corporate Officers and people recognized by the MMC Compensation Committee who meet the beneficiary requirements (However, beneficiaries do not include non-residents of Japan and persons forecast to become non-residents of Japan in future.)

2. Acquisition of treasury shares

[Class of shares]

Acquisition of shares of common stock under Article 155, item (vii) of the Companies Act

(1) Acquisition by resolution of the General Meeting of Shareholders

Not applicable.

(2) Acquisition by resolution of the Board of Directors

Not applicable.

(3) Items not based on resolution of the General Meeting of Shareholders or Board of Directors

Classification	Number of shares (Shares)	Total value (Yen)
Treasury shares acquired during the fiscal year under review	126	60,112
Treasury shares acquired during the period from April 1, 2023 to the filing date	–	–

(Note) The number of shares of treasury shares acquired during the period from April 1, 2023 to the filing date does not include the number of shares acquired through purchase of shares less than one unit during the period from June 1, 2023 to the filing date of this Annual Securities Report.

(4) Status of disposal and ownership of acquired treasury shares

Classification	Fiscal year under review		From April 1, 2023 to the filing date	
	Number of shares (Shares)	Total disposal value (Yen)	Number of shares (Shares)	Total disposal value (Yen)
Acquired treasury shares offered for subscription	–	–	–	–
Acquired treasury shares that were disposed	–	–	–	–
Acquired treasury shares transferred for merger, share exchange, share delivery and spin off	–	–	–	–
Other (disposal upon exercise of share acquisition rights)	439,684	385,838,813	–	–
Treasury shares held	852,954	–	852,954	–

(Notes) 1. The number of “Other (disposal through exercise of share acquisition rights)” and “Treasury shares held” during the period from April 1, 2023 to the filing date does not reflect changes during the period from June 1, 2023 to the filing date of this Annual Securities Report.

2. The number of shares of treasury shares held during the fiscal year under review and the period from April 1, 2023 to the filing date does not include the number of shares of MMC held by Board Incentive Plan (BIP) Trust.

3. Dividend policy

MMC considers returning profits to its shareholders one of the most important tasks of management. In the automobile industry, there is great demand for capital in order for companies to achieve sustainable growth, such as through further promotion of technological innovations and environmental efforts; therefore, it is our basic policy to maintain the stable distribution of profits to shareholders after comprehensively considering cash flows, financial condition, and business performance.

Furthermore, regarding the number of dividend payments to be made each fiscal year, MMC's basic policy is to conduct two dividends – an interim dividend and a year-end dividend. The organs that decide on these dividends are the General Meeting of Shareholders for the year-end dividend and the Board of Directors for the interim dividend. The Company's Articles of Incorporation stipulate that the Company may pay interim dividends stipulated in the provisions of Article 454, Paragraph 5 of the Companies Act.

However, up to the previous fiscal year, the Company regrettably did not pay a dividend due to a shortage of dividend resources resulting from the deficit accompanying structural reforms in FY2020.

As of the end of the fiscal year under review, we have secured a certain level of dividend resources due to a recovery in business performance, etc., and, as a result of comprehensive consideration of cash flows, financial condition, etc., we will pay a year-end dividend of 5 yen per share for the fiscal year under review.

The remaining retained earnings will be invested in capital expenditures and research and development expenses to lay the foundation for realization of sustainable growth in the future.

(Note) Dividends for which record date is in the fiscal year under review with effective date in the following fiscal year

Resolution date	Total amount of dividend (Millions of yen)	Dividend per share (yen)
Ordinary General Meeting of Shareholders held on June 22, 2023	7,447	5.0

(Note) The total amount of dividend based on the resolution at the Ordinary General Meeting of Shareholders on June 22, 2023 includes 5 million yen of dividend for the shares of MMC held by the "Board Incentive Plan (BIP) Trust Account."

4. Information about corporate governance, etc.

(1) Overview of corporate governance

i) MMC's basic view regarding corporate governance

MMC considers compliance to be its highest priority, and makes the continual strengthening and improvement of corporate governance a management priority in order to achieve MMC's sustainable growth and improvement of the MMC's medium and long-term corporate value so as to meet the expectations of all of its stakeholders, including its shareholders and customers, based on the corporate philosophy (Vision & Mission).

Vision

Create a vibrant society by realizing the potential of mobility

Mission

1. Provide new experiences for our customers with creative products and service excellence
2. Make positive contributions to the sustainable development of our society
3. Act sincerely as a trusted company
4. Enhance stakeholder value by leveraging the Alliance

ii) Overview of corporate governance system and reason for adoption of the system

We are a company with a Nomination Committee, etc. in order to achieve swift execution of business in quick response to environmental changes by clearly separating supervisory and execution function and ensuring the soundness and transparency of management through further strengthening of supervision and implementation of more thorough risk management.

(i) Board of Directors and Members of the Board

The Board of Directors is responsible for making decisions concerning important management issues and overseeing business execution.

MMC has established the following basic policy regarding the policy for nominating candidates for Directors and the composition and size of the overall Board of Directors.

As it is important that the appropriate number of Directors, internal or outside, with diversity in terms of knowledge, experience, expertise and background, engage in vigorous discussions from a variety of perspectives in order for the Board to objectively and multi-dimensionally deliberate on management policies and execution of specific matters, and to appropriately supervise the execution status of operation by Executive Officers, candidates for Directors shall be nominated to realize this.

In accordance with the above policy, the independence and diversity of the Board shall be ensured.

In order to strengthen the supervisory function of the Board, the majority of Board members shall be Outside Directors. Furthermore, in order to fulfill their duties from an independent and objective standpoint, at least one-third of the Directors shall be Independent Directors, and consideration shall be given to their total term of office. In addition, the majority of the Nomination, Compensation, and Audit Committees, respectively, shall be Outside Directors, and in principle, the chairperson of each committee shall be an Outside Director.

Outside Directors shall be nominated based on their diverse knowledge, experience, and expertise, which cannot be obtained from Internal Directors alone, for example, specialists in law, accounting, finance, etc., persons with management experience at global companies above a certain size, and persons with a wealth of knowledge of world affairs or social and economic

trends, etc. Importance shall be placed on their eagerness to devote the necessary time and efforts to understand the business of the Company as a group, and discuss the direction the Company as a group should take, and to express their opinions to the management without hesitation. In addition, the diversity of backgrounds such as gender, age, and internationality shall be also taken into account, as it shall be recognized that multiple perspectives contribute to business promotion and appropriate supervision and auditing.

As for Internal Directors, Executive Officer, President & CEO, and a person who can appropriately serve as a member of the Audit Committee based on his or her execution experience of operation at the Company shall be nominated.

It shall be ensured that the Board is composed of the number of people who can openly and constructively discuss and exchange opinions.

As of June 23, 2023, the Board comprised 13 Members (Chairman of the Board (Outside Director) Tomofumi Hiraku (Chairperson), Member of the Board Takao Kato, Member of the Board Hitoshi Inada, Outside Director Shunichi Miyanaga, Outside Director Main Kohda, Outside Director Kenichiro Sasae, Outside Director Hideyuki Sakamoto, Outside Director Yoshihiko Nakamura, Outside Director Joji Tagawa, Outside Director Takahiko Ikushima, Outside Director Takehiko Kakiuchi, Outside Director Kanetsugu Mike, and Outside Director Junko Ogushi), and eleven (11) of the thirteen (13) Directors are Outside Directors with extensive experience and high levels of insight, and five (5) of the Outside Directors (Tomofumi Hiraku, Main Kohda, Kenichiro Sasae, Yoshihiko Nakamura, and Junko Ogushi) are Independent Outside Directors.

The Board of Directors has the following three statutory committees, which supervise Directors and Executive Officers together with the Board of Directors. Each committee is composed of a majority of Outside Directors, and the Chairpersons of each committee are Outside Directors. Through this, a system is in place in which corporate governance functions in a fair and transparent manner.

(A) Nomination Committee

The Nomination Committee makes decisions on proposals for the appointment and dismissal of Members of the Board to be proposed to the General Meeting of Shareholders, approves proposals for the appointment and dismissal of Executive Officers proposed by Representative Executive Officer, President & CEO (hereinafter the “President”) to the Board of Directors, and discusses succession planning for MMC’s President. (Members: Outside Director Main Kohda (chairperson), Outside Director Kenichiro Sasae, Outside Director Hideyuki Sakamoto, Chairman of the Board (Outside Director) Tomofumi Hiraku, and Outside Director Takehiko Kakiuchi)

(B) Compensation Committee

The Compensation Committee deliberates and makes decisions regarding policy with respect to determining compensation, etc. of Members of the Board and Executive Officers, and regarding details of compensation, etc. per individual. (Members: Outside Director Shunichi Miyanaga (chairperson), Outside Director Main Kohda, Outside Director Kenichiro Sasae, Outside Director Joji Tagawa, and Member of the Board Takao Kato)

(C) Audit Committee

The Audit Committee audits the execution of duties of the Members of the Board and Executive Officers, supervises the status of implementation and operation of internal control systems, and prepares audit reports; furthermore, it implements internal investigations into matters for which the Board of Directors determined that it is unreasonable for the person who executes the business to conduct an investigation. (Members: Outside Director Yoshihiko Nakamura (chairperson), Outside Director

Takahiko Ikushima, Outside Director Kanetsugu Mike, Outside Director Junko Ogushi, and Member of the Board Hitoshi Inada)

(ii) Executive Officers

The Board of Directors decides matters that require resolutions of the Board of Directors pursuant to laws and regulations and provisions of MMC Articles of Incorporation, matters delegated by resolutions of the General Meeting of Shareholders, and certain important matters concerning business management, and authority to make decisions on business execution for items other than these is delegated to Executive Officers.

Executive Officers make decisions on business execution delegated to them by the Board of Directors and are responsible for carrying out their execution. The President is selected as head of the executive department by resolution of the Board of Directors.

MMC has 11 Executive Officers (including the President) as of June 23, 2023.

(iii) Outline of decision-making process for business execution and various committees

Important management matters are decided after deliberation at the “Executive Committee (EC),” which is composed of all Executive Officers and chaired by the President.

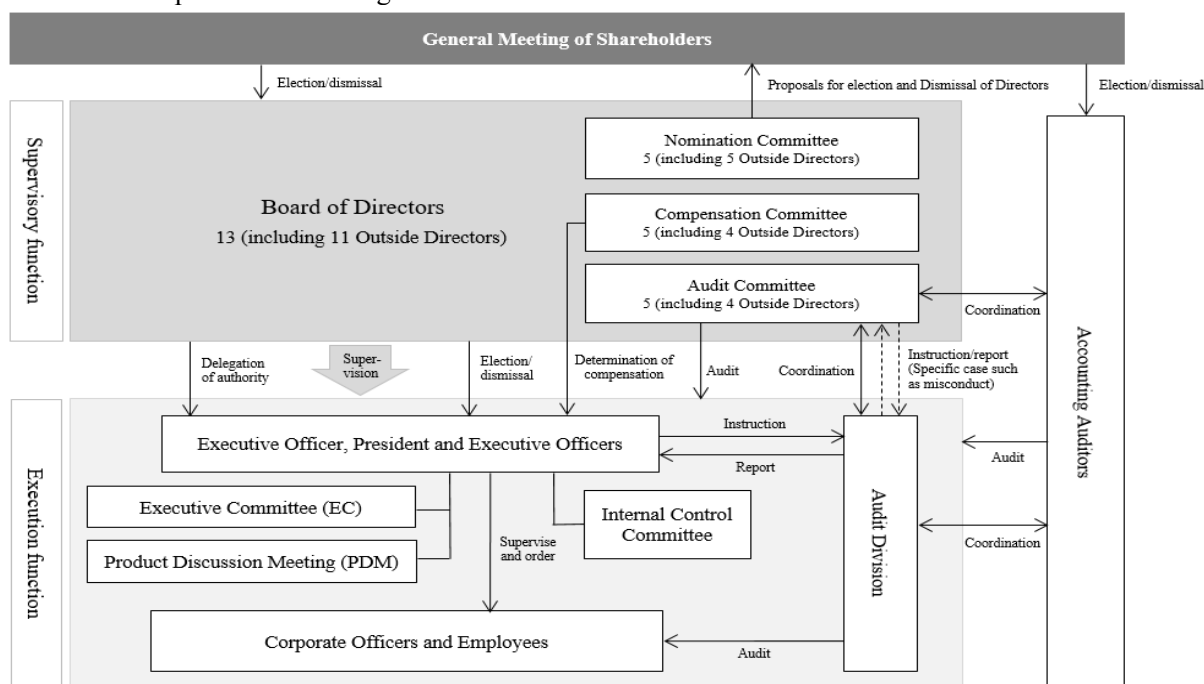
Furthermore, important matters related to product projects are decided after deliberation at the “Product Meeting (PDM).”

Moreover, matters related to internal control are decided after deliberation at the “Internal Control Committee.”

For each of these, the President serves as Chairperson and relevant Executive Officers are members.

When executing business, the Executive Officer, Executive Vice President is positioned as the responsible person with authority and responsibility for business execution within the scope of duties, in addition to the President who is the head of the executive department. In addition, delegation of decision-making authority is systematized based on the Delegation of Authority (DOA) Rules, in which items subject to delegation and their scope are defined, and decision-making procedures for major matters are formulated to speed up business execution and improve the transparency of the decision-making process.

MMC's corporate governance and business execution systems as of June 23, 2023, are presented in the figure below.



iii) Other matters related to corporate governance

(i) Status of systems to ensure appropriate business operations of subsidiaries

MMC stipulates the supervisory organization of each of its subsidiaries, and the responsibilities and authority, management method and other matters related to management of its subsidiaries through its internal regulations and other rules. In compliance with the internal regulations and other rules, each of the subsidiaries gives prior or subsequent explanations and reports that should be made to MMC concerning its business, results, financial condition and other important information to the supervisory organization and other internal dedicated organizations in accordance with its size, business conditions, and other factors. MMC also provides guidance and management in accordance with regulations and rules through the supervisory organizations. Moreover, the Internal Audit Dept. conducts systematic operation audits of each subsidiary, auditing the status of appropriate business execution and compliance with MMC's code of conduct, and providing countermeasures as needed.

(ii) Information about development of Internal Control Systems

System to ensure appropriate business activities

MMC has set up vision and missions as the basic concept so that the employees of the MMC group look toward the future, share the same ideas and act as a unit. In addition, MMC has established MMC WAY, which represents the frame of mind and behavior that each one of employees must practice for missions to realize the vision, and moreover the Global Code of Conduct serving as the foundation for these provisions and the norms to be followed by all officers and employees.

Additionally, to develop a system to ensure appropriate business activities, MMC has resolved the Basic Policy on the Establishment of Internal Control Systems at the Board of Directors.

The Basic Policy on the Establishment of Internal Control Systems resolved at the Board of Directors of MMC, in line with its transition from a company with an audit and supervisory board to a company with three committees, is as listed below.

- (a) System to ensure that the Executive Officers' and employees' performance of their duties complies with applicable laws and regulations and the Articles of Incorporation of MMC
- To comply with laws and regulations, the Articles of Incorporation and social norms, MMC shall establish a code of conduct, build an organizational structure, and carry out education and training. MMC shall also establish a contact point for reporting internal problems, and shall use the information to prevent and rectify problems and stop them from occurring again.
 - To monitor company management, MMC shall appoint Outside Directors, and strengthen the function of audits by the Audit Committee which includes Outside Directors as its members.
 - The internal audit division shall conduct strict audits to check whether MMC's business execution is in violation of laws and regulations, the Articles of Incorporation, internal regulations or others. If a problem is discovered, the internal audit division shall report it to the relevant Members of the Board or others, and periodically check the status of improvement measures following occurrence.
 - MMC shall establish Internal Control Committee within MMC as the core organization for internal controls based on the Companies Act, with the Executive Officer, President & CEO as the chairman and officer in charge of internal control and administration as the vice chairman.
- (b) Regulations and other systems to manage risk of loss
- To manage business risk, MMC shall clearly prescribe respective standards for making proposals to the Board of Directors and Executive Committee in each of the rules of the Board of Directors and rules of Executive Committee, and operate in accordance with these rules.
 - MMC shall appoint an employee in charge of risk management at each organization (e.g. division), and shall make efforts to establish and strengthen the risk management structure with the said employee at the core of these efforts.
 - MMC shall establish a body in charge of promoting risk management and work to develop and strengthen its overall risk management structure.
 - To prepare for the occurrence of unforeseen circumstances, MMC shall develop a system to enable prompt reporting to MMC's Members of the Board and others, and prompt, accurate responses.
- (c) System to ensure that the Executive Officers' performance of their duties is executed efficiently
- MMC shall prescribe a management plan throughout the company and clarify detailed business targets and methods of execution at each functional company body in order to achieve the plan. Members of the Board shall periodically receive reports on the plan's implementation, and shall work to maintain and improve management efficiency.
 - MMC shall clarify the roles and authorizations of the Members of the Board and Executive Officers, and the Board of Directors and Executive Committee, etc. shall

execute business efficiently based on the rules of the Board of Directors and rules of Executive Committee, etc.

- In order to develop a system for efficient organizational operation and business execution and to establish a system in which decisions on important matters can be made with speed and agility, the Board of Directors shall widely delegate the authority of decision-making for business execution to the Executive Officers within the scope of the legal limit, thus securing efficient execution of their duties.
 - To promote prompt decision-making of MMC and clarify the decision-making process, MMC shall develop clear and highly transparent standards for authority.
- (d) System to store and manage information related to the Executive Officers' performance of their duties
- Based on internal rules, MMC shall prepare information pertaining to execution of duties by Executive Officers as physical documents or electronic data, and shall appoint a person responsible for the management of this information. Preparation methods, retention methods, retention periods, duplication methods, disposal methods and other matters shall be determined in accordance with the relative importance of information, and the information shall be appropriately managed.
- (e) System to ensure appropriate business activities of MMC group which comprises MMC, the parent company and the subsidiaries
- MMC shall determine the bodies with control over MMC's subsidiaries, responsibilities and authorizations for the management of MMC's subsidiaries, management methods and other matters in the internal rules, thus securing proper operation of duties across MMC group.
 - MMC shall supervise and manage its subsidiaries, aiming for appropriate business execution by their officers and employees in line with laws and regulations and the Articles of Incorporation, compliance with its code of conduct, and establishment and improvement of operational audit systems in a manner that is suitable for their sizes, business types, etc.
 - MMC shall establish and strengthen its subsidiaries' risk management systems, depending on their sizes, business types, etc., through giving directions regarding implementation of risk management.
 - MMC shall strengthen, develop and streamline its subsidiaries' business operations, depending on their sizes, business types, etc., through supervising and managing them in accordance with Rules for Management of Subsidiaries and Affiliates and other internal rules.
 - MMC shall improve Rules for Management of Subsidiaries and Affiliates and other internal rules so that it can receive explanations and reports from its subsidiaries regarding important information (e.g. business operations, performance, and financial conditions) in advance or in an ex-post facto manner.
 - MMC and its subsidiaries shall ensure the appropriateness of their respective financial information and develop the bodies and internal rules necessary for the preparation and disclosure of reliable financial reporting.
- (f) Matters related to the Members of the Board and employees to support Audit Committee's audit activities
- A body to assist Audit Committee with its duties shall be established and dedicated staff shall be allocated to this body.

- (g) Matters related to the independence of Members of the Board and employees in (f) above from the Executive Officers and ensuring the effectiveness of directions given to those Members of the Board and employees
- The employee assigned to assist Audit Committee with its duties shall only carry out duties under its directions without concurrently performing duties for Executive Officers or other sections.
 - When personnel changes are made to staff assigned to assist Audit Committee with its duties, opinions shall be sought from the committee in advance. In addition, evaluations of those dedicated staffs shall be carried out by Audit Committee.
- (h) System to allow the Members of the Board (excluding Members of the Audit Committee), Executive Officers and employees of MMC, the Members of the Board, Audit & Supervisory Board Members and employees of MMC's subsidiaries or persons received reports from them to report information to Audit Committee, and other systems related to reporting to Audit Committee
- The Members of the Audit Committee shall attend meetings of the Board of Directors and other important meetings of MMC.
 - MMC shall develop a framework to steadily provide important internal information regarding management, compliance and other matters of MMC and its subsidiaries to the Members of the Audit Committee and ensure that it is thoroughly operated.
 - Officers and employees of MMC and its subsidiaries shall report matters regarding business execution promptly and appropriately when requested to do so by MMC's Audit Committee.
 - Executive Officers shall report to Members of the Audit Committee immediately if they find a fact which may cause a serious damage to MMC.
- (i) System to ensure that those who report the matters described in (h) do not face unfavorable treatment on the grounds that such reports are made
- It is prohibited to unfavorably treat officers and employees of MMC and its subsidiaries who report such matters directly or indirectly to Audit Committee on the grounds that such reports are made. This prohibition shall be notified to all officers and employees of MMC and its subsidiaries.
- (j) Matters related to procedures for the prepayment or reimbursement of expenses incurred for Members of the Audit Committee in executing duties (limited to those related to the execution of duties of Audit Committee), and settlement policy for expenses or debt incurred for other related duties
- In case Members of the Audit Committee make requests to MMC for the prepayment of job-related expenses, etc. in accordance with Article 404, paragraph (4) of the Companies Act, these expenses or debts shall be paid promptly or settled after being examined by relevant sections unless it can be verified that these expenses or debts are not necessary for Members of the Audit Committee to execute their duties.
- (k) Other systems to ensure that Audit Committee conducts audits effectively
- The Audit Committee of MMC shall periodically conduct exchanges of opinions with the CEO, and work in cooperation with the internal audit division and the Accounting Auditors, thus facilitating proper communication and effective auditing operations.

(l) System for eliminating criminal or unethical organizations

- MMC and its subsidiaries shall, in a unified manner across all companies, respond to unreasonable demands from antisocial forces that pose a threat to the order and safety of society with a resolute stance, and shall ensure that they have absolutely no relations with antisocial forces.

(iii) Information about development of risk management framework

MMC has put in place and works to improve its risk management system for the entire Group through three types of risk management activities: priority risk management, departmental risk management and subsidiaries and affiliates risk management.

For priority risk management, MMC selects risks that the entire MMC group faces directly, that have significant potential impact and a high degree of urgency. For each risk, MMC assigns “risk owners” and works as quickly as possible to reduce these risks.

In departmental risk management, MMC has appointed employees in charge of risk management to each division or plant. These employees work to reduce risks through repeated application of the PDCA cycle, which involves identifying and evaluating each risk, devising and implementing countermeasures, and monitoring.

Subsidiaries and affiliates risk management includes initiatives for addressing various types of risks encountered by MMC’s subsidiaries and affiliates. MMC periodically confirms the status of activities such as improvement of business continuity plans (BCPs), and proposes and directs improvements, as necessary.

In FY2022, we set up the Internal Control Promotion Office as a new measure to strengthen governance. Recently, risks (geopolitical risks, economic security risks, etc.) in which strategic, financial, operational, and hazard risks are intricately intertwined have become apparent, and we have a system to expand the scope of risks and manage them.

These risk management efforts are regularly reported to the Board of Directors as a major activity of internal controls to confirm their effectiveness.

In addition, in order to prepare for unforeseen contingencies MMC operates emergency contact systems that enable the rapid communication of information to the senior management, as well as a swift and accurate response. In order to build a crisis management framework in the event of a major incident, an emergency response manual has been formulated, which includes the establishment of an emergency response organization and clarification of the chain of command, and is revised as necessary to ensure an appropriate response framework.

MMC’s basic policy in times of disaster, such as earthquake or other large-scale natural disaster or an outbreak of infectious disease, is to ensure the safety of customers and employees and their families, and to assist local communities. MMC prepares disaster countermeasures and Business Continuity Management (BCM) to this end. In FY2020, the BCM Committee was newly established as a permanent meeting body to consolidate existing internal initiatives and strengthen BCM activities during peacetime.

Assuming an emergency in peacetime, we are conducting company-wide BCP drills in which a company-wide task force is established, each plant reports employees’ safety and damage status, and the task force gives instructions.

To support those having difficulty returning home, the Head Office is, in accordance with the Metropolitan Tokyo Ordinance on Measures for Stranded Persons, working with neighboring

municipalities to ensure means of communication with family members and stockpiling disaster supplies, assuming that employees will be on standby within the company for three days.

MMC has formulated plans of operation that assume a large-scale earthquake or major outbreak of infectious disease. MMC works to improve these BCPs through drills and communication among individual regions.

(iv) Conditions for resolution on the election of Members of the Board

MMC's Articles of Incorporation stipulate that Members of the Board are to be elected by a majority vote of the General Meeting of Shareholders where shareholders holding at least one-third of the voting rights of shareholders eligible to exercise their voting rights are in attendance, and that a resolution to elect a Member of the Board is not to be made by cumulative voting.

(v) Matters for resolution by the General Meeting of Shareholders that may be resolved by the Board of Directors and reason therefor

a. Acquisition of shares

MMC's Articles of Incorporation stipulate that it may acquire treasury shares through market transactions and so forth by a resolution of the Board of Directors in accordance with the provisions of Article 165, paragraph (2) of the Companies Act so as to enable flexible acquisition of treasury shares in response to its management situation, financial situation, and other situations.

b. Exemption from liability of Members of the Board and Executive Officers

To enable Members of the Board and Executive Officers to perform their roles as expected, MMC's Articles of Incorporation stipulate that MMC may exempt Members of the Board (including former Members of the Board) and Executive Officers (including former Executive Officers) from their compensation liability in cases where the criteria stipulated by laws and regulations pursuant to Article 423, paragraph (1) of the Companies Act apply by a resolution of the Board of Directors, by limiting the liability to the amount obtained by deducting the minimum liability limit amount stipulated by laws and regulations from the compensation liability amount.

c. Interim dividend

In order to return profits flexibly to shareholders, MMC's Articles of Incorporation stipulate that MMC may pay an interim dividend as provided by Article 454, paragraph (5) of the Companies Act by a resolution of the Board of Directors to the final shareholder or registered pledgee of shares listed or recorded on the shareholders register as of September 30 each year.

(vi) Outline of the contents of contracts for limiting liability, etc.

Furthermore, MMC's Articles of Incorporation state that MMC may conclude agreements with Members of the Board (excluding Members of the Board who execute business) to limit their compensation liability in cases where the criteria stipulated by laws and regulations regarding compensation liability pursuant to Article 423, paragraph (1) of the Companies Act apply; (however, the limit of compensation liability based on the agreements shall be the higher of the predetermined amount of 5 million yen or more or the minimum amount of

liability stipulated by laws and regulations). MMC has concluded agreements with Members of the Board who do not serve concurrently as Executive Officers limiting their liability for damages to the higher of 7 million yen or the minimum amount of liability stipulated in Article 425, paragraph (1) of the Companies Act for the liability stipulated in Article 423, paragraph (1) of the same Act.

(vii) Outline of the directors and officers liability insurance policy, etc.

MMC has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance agency, as follows.

<Scope of insureds>

Directors, Executive Officers, Audit & Supervisory Board Members and Corporate Officers (including retired individuals) of MMC and its subsidiaries

<Outline of content of insurance policy>

The insurance policy covers the insured's amount of indemnification and such costs as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured as an officer or a person at a certain position of a company. However, losses and costs personally incurred by directors and officers through criminal acts and intentional illegal activities, such as bribery, are not covered by the policy as a measure to ensure that the proper performance of duties of officers, etc., is not impaired. The full amount of insurance premiums is borne by MMC.

(viii) Changes in criteria for special resolutions of the General Meeting of Shareholders and reason therefor

To ensure that special resolutions of the General Meeting of Shareholders are carried out in a timely and smooth manner, the Articles of Incorporation stipulate that special resolutions of the General Meeting of Shareholders as provided by Article 309, paragraph (2) of the Companies Act are to be carried out by a majority of at least two-thirds, where shareholders holding at least one-third of the voting rights of shareholders eligible to exercise voting rights are in attendance.

iv) Activities of the Board of Directors, etc.

The following describes the status of meetings of the Board of Directors, Nomination Committee and Compensation Committee held during the fiscal year under review, as well as the attendance of each Director. In principle, the Board of Directors, Nomination Committee and Compensation Committee of the Company are held on a monthly basis.

Name	Board of Directors Number of meetings held: 15	Nomination Committee Number of meetings held: 10	Compensation Committee Number of meetings held: 9
	Attendance rate (%)		
Tomofumi Hiraku	15/15 (100%)	10/10 (100%)	-
Takao Kato	14/15 (93%)	-	8/9 (89%)
Hitoshi Inada (Note) 1	12/12 (100%)	-	-
Shunichi Miyanaga	14/15 (93%)	-	9/9 (100%)
Main Kohda	15/15 (100%)	10/10 (100%)	9/9 (100%)
Yaeko Takeoka (Note) 2	15/15 (100%)	-	-
Kenichiro Sasae	14/15 (93%)	9/10 (90%)	8/9 (89%)
Hideyuki Sakamoto	15/15 (100%)	10/10 (100%)	-
Yoshihiko Nakamura	15/15 (100%)	-	-
Joji Tagawa	15/15 (100%)	-	9/9 (100%)
Takahiko Ikushima	15/15 (100%)	-	-
Takehiko Kakiuchi (Notes) 1, 3	11/12 (92%)	9/9 (100%)	-
Kanetsugu Mike (Note) 1	12/12 (100%)	-	-

- (Notes) 1. Because the date of appointment as Director was June 23, 2022, the number of Board of Directors meetings to be attended in FY2022 differs from that of other Directors.
2. Resigned from the Board of Directors on June 22, 2023.
3. Because the date of appointment as Committee Member was June 23, 2022, the number of Committee meetings to be attended in FY2022 differs from that of other Directors.

(i) Specifics of deliberations by the Board of Directors during the fiscal year under review

The Board of Directors deliberated on the Medium-term Management Plan, Annual Business Plan, major Management Policies, Product and Technology Development Plan, Management Policies of major overseas businesses, Policies regarding ESG, and acquisition and sale of important assets.

(ii) Specifics of deliberations by the Nomination Committee during the fiscal year under review

In determining the agenda item for the election of Directors to be proposed to the General Meeting of Shareholders, the Nomination Committee prepared a list of candidates and interviewed them for the election of new independent outside Directors, and deliberated on approval of the proposal for the election of Executive Officers to be proposed by the President and CEO to the Board of Directors, and on succession planning for the President and CEO.

(iii) Specifics of deliberations by the Compensation Committee during the fiscal year under review

The Committee deliberated on the determination of the individual Compensation Plan for Directors and Executive Officers, review of the current Compensation Plan for Directors, and other matters.

(2) Status of corporate officers

i) Corporate officers

Male: 21; Female: 2 (women account for 8.7% of corporate officers)

a. Status of Members of the Board

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board	Tomofumi Hiraku	March 23, 1956	<p>April 1978 Joined the Ministry of International Trade and Industry (MITI) (present: Ministry of Economy, Trade and Industry (METI))</p> <p>April 1993 Director, Industrial Labor Policy Office, Industrial Policy Bureau, MITI</p> <p>May 1994 Consul, Consulate-General of Japan at Vancouver, Canada, Ministry of Foreign Affairs</p> <p>June 1997 Director, Tariff Division, International Economic Affairs Department, International Trade Policy Bureau, MITI</p> <p>July 1998 Director-General, General Coordination and Policy Planning Department, Kansai Bureau, MITI (present: Ministry of Economy, Trade and Industry (METI))</p> <p>June 2000 Director, Planning Division, Coal and New Energy Department, Agency for Natural Resources and Energy, MITI</p> <p>January 2001 Director, Policy Planning Division, Energy Conservation and Renewable Energy Department, Agency for Natural Resources and Energy, METI</p> <p>July 2002 Director, Economic and Fiscal Management Bureau, Cabinet Office, Government of Japan</p> <p>September 2005 Director-General for Manufacturing Industries Policy, Manufacturing Industries Bureau, METI</p> <p>July 2006 Director-General for Natural Resources and Energy Policy, Agency for Natural Resources and Energy, METI</p> <p>July 2008 Director-General, Kansai Bureau, METI</p> <p>July 2009 Director-General, Manufacturing Industries Bureau, METI</p> <p>October 2010 Executive Advisor, IBM Japan, Ltd.</p> <p>June 2021 Chairman of the Board, MMC (to the present)</p>	(Note) 2	25,751

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board	Takao Kato	February 21, 1962	<p>April 1984 Joined MMC</p> <p>August 2008 Expert of Production Dept., Nagoya Plant, MMC</p> <p>April 2010 Senior Expert of the Russian Assembly Business Promotion Office, MMC</p> <p>May 2010 PCMA RUS Deputy Manufacturing Director</p> <p>April 2014 Vice Plant General Manager of Nagoya Plant, MMC</p> <p>April 2015 President, PT Mitsubishi Motors Krama Yudha Indonesia</p> <p>June 2019 Member of the Board, Representative Executive Officer, CEO, MMC</p> <p>April 2021 Member of the Board, Representative Executive Officer, President & CEO, MMC (to the present)</p>	(Note) 2	14,605
Member of the Board	Hitoshi Inada	June 4, 1957	<p>April 1980 Joined Mitsubishi Corporation</p> <p>April 2009 General Manager of Legal Dept., Mitsubishi Corporation</p> <p>July 2010 Senior Vice President (Compliance), Mitsubishi International Corporation</p> <p>October 2011 Vice Corporate General Manager of Corporate Planning Office, MMC</p> <p>April 2013 Corporate Vice President, Vice Corporate General Manager of Corporate Planning Office, MMC</p> <p>April 2015 Corporate Vice President, Corporate General Manager of CSR Promotion Office, MMC</p> <p>July 2016 Senior Executive Officer, Corporate General Manager of CSR Promotion Office, MMC</p> <p>January 2017 Senior Executive Officer (Legal), Corporate General Manager of CEO/COO Office, MMC</p> <p>October 2017 Senior Executive Officer (Corporate Governance), MMC</p> <p>April 2019 Senior Vice President (Corporate Governance), MMC</p> <p>June 2019 Executive Officer, Senior Vice President (Corporate Governance), MMC</p> <p>April 2020 Senior Executive Officer (Corporate Governance), MMC</p> <p>June 2022 Member of the Board, MMC (to the present)</p>	(Note) 2	28,707

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board	Shunichi Miyanaga	April 27, 1948	<p>April 1972 Joined Mitsubishi Heavy Industries, Ltd.</p> <p>June 2008 Member of the Board, Executive Vice President, Mitsubishi Heavy Industries, Ltd.</p> <p>April 2011 Member of the Board, Senior Executive Vice President, Mitsubishi Heavy Industries, Ltd.</p> <p>April 2013 Member of the Board, President, Mitsubishi Heavy Industries, Ltd.</p> <p>April 2014 Member of the Board, President, CEO, Mitsubishi Heavy Industries, Ltd.</p> <p>June 2014 Member of the Board, MMC (to the present)</p> <p>April 2019 Chairman of the Board, Mitsubishi Heavy Industries, Ltd. (to the present)</p> <p>June 2019 Outside Director, Mitsubishi Corporation (to the present)</p> <p><Important concurrent positions></p> <p>Chairman of the Board, Mitsubishi Heavy Industries, Ltd.</p> <p>Outside Director, Mitsubishi Corporation</p>	(Note) 2	21,741
Member of the Board	Main Kohda	April 25, 1951	<p>September 1995 Started as an independent Novelist (to the present)</p> <p>January 2003 Member of Financial System Council, Ministry of Finance Japan</p> <p>April 2004 Visiting Professor, Faculty of Economics, Shiga University</p> <p>March 2005 Member of the Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>November 2006 Member of Government Tax Commission</p> <p>June 2010 Member of the Board of Governors, Japan Broadcasting Corporation</p> <p>June 2012 Outside Director, Japan Tobacco Inc. (to the present)</p> <p>June 2013 Outside Director, LIXIL Group Corporation</p> <p>June 2016 Outside Director, Japan Exchange Group (to the present)</p> <p>June 2018 Member of the Board, MMC (to the present)</p> <p><Important concurrent positions></p> <p>Novelist</p> <p>Outside Director, Japan Tobacco Inc.</p> <p>Outside Director, Japan Exchange Group</p>	(Note) 2	15,339

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board	Kenichiro Sasae	September 25, 1951	<p>April 1974 Joined Ministry of Foreign Affairs</p> <p>April 2000 Executive Assistant to the Prime Minister for Foreign Affairs</p> <p>April 2001 Deputy Director-General, Foreign Policy Bureau</p> <p>March 2002 Director-General, Economic Affairs Bureau, Ministry of Foreign Affairs</p> <p>January 2005 Director-General, Asian and Oceania Affairs Bureau, Ministry of Foreign Affairs</p> <p>January 2008 Senior Deputy Minister for Foreign Affairs</p> <p>August 2010 Vice-Minister for Foreign Affairs</p> <p>September 2012 Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America</p> <p>June 2018 President and Director General, The Japan Institute of International Affairs</p> <p>June 2019 Outside Director, SEIREN CO., LTD. (to the present)</p> <p>June 2019 Member of the Board, MMC (to the present)</p> <p>December 2020 President, The Japan Institute of International Affairs (to the present)</p> <p>June 2021 Outside Director, Fujitsu Limited (to the present)</p> <p>March 2022 Outside Director, Asahi Group Holdings, Ltd. (to the present)</p> <p><Important concurrent positions></p> <p>President, The Japan Institute of International Affairs</p> <p>Outside Director, SEIREN CO., LTD.</p> <p>Outside Director, Fujitsu Limited</p> <p>Outside Director, Asahi Group Holdings, Ltd.</p>	(Note) 2	13,454

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board	Hideyuki Sakamoto	April 15, 1956	<p>April 1980 Joined Nissan Motor Co., Ltd.</p> <p>April 2008 Corporate Officer, Nissan PV Product Development Div. No.1, Nissan Motor Co., Ltd.</p> <p>May 2009 Corporate Officer, Alliance Common Platform and Components, Nissan Motor Co., Ltd.</p> <p>April 2012 Corporate Vice President, Production Engineering Div., Nissan Motor Co., Ltd.</p> <p>April 2014 Executive Vice President, Product Engineering, Nissan Motor Co., Ltd.</p> <p>June 2014 Director, Executive Vice President, Product Engineering, Nissan Motor Co., Ltd.</p> <p>January 2018 Director, Executive Vice President, MFG & SCM Operations, Nissan Motor Co., Ltd.</p> <p>June 2018 Chairman of the Board, Nissan Motor Kyushu Co., Ltd. (to the present)</p> <p>August 2018 Board Member, Chairman, AICHI MACHINE INDUSTRY CO., LTD. (to the present)</p> <p>September 2018 Chairman of the Board, JATCO Ltd</p> <p>June 2019 Member of the Board, MMC (to the present)</p> <p>June 2019 Executive Officer, Executive Vice President, Manufacturing & SCM Operations, Nissan Motor Co., Ltd.</p> <p>February 2020 Director, Executive Officer, Executive Vice President, Manufacturing & SCM Operations, Nissan Motor Co., Ltd. (to the present)</p> <p><Important concurrent positions></p> <p>Director, Executive Officer, Executive Vice President, Nissan Motor Co., Ltd.</p> <p>Board Member, Chairman, AICHI MACHINE INDUSTRY CO., LTD.</p> <p>Chairman of the Board, Nissan Motor Kyushu Co., Ltd.</p>	(Note) 2	13,454

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board	Yoshihiko Nakamura	November 28, 1956	<p>November 1979 Joined Peat Marwick Mitchell & Company (present: KPMG AZSA LLC)</p> <p>March 1983 Registered as certified public accountant</p> <p>October 1994 Partner (Representative), Minato Audit Corp. (present: KPMG AZSA LLC)</p> <p>October 2003 Partner, KPMG AZSA LLC</p> <p>June 2019 Substitute Auditor, Seika Corporation</p> <p>July 2019 Started CPA Yoshihiko Nakamura Accounting Office (to the present)</p> <p>June 2020 Member of the Board, MMC (to the present)</p> <p>June 2020 Auditor, Seika Corporation</p> <p>June 2022 Outside Director (Audit & Supervisory Committee member), Seika Corporation (to the present)</p> <p><Important concurrent positions> CPA Yoshihiko Nakamura Accounting Office Outside Director (Audit & Supervisory Committee member), Seika Corporation</p>	(Note) 2	10,414

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board	Joji Tagawa	July 12, 1960	<p>April 1983 Joined Nissan Motor Co., Ltd.</p> <p>April 2006 Corporate Officer, Treasury Department and Investor Relations Department, Nissan Motor Co., Ltd.</p> <p>April 2010 Corporate Officer, Investor Relations Department and M&A Support Department, Nissan Motor Co., Ltd.</p> <p>April 2014 Corporate Vice President, Investor Relations and M&A Support Department, Nissan Motor Co., Ltd.</p> <p>October 2014 Director, RENAULT JAPON CO., LTD.</p> <p>April 2019 Corporate Vice President, Investor Relations, Nissan Motor Co., Ltd.</p> <p>December 2019 Senior Vice President, Chief Sustainability Officer, Board of Directors Office, Corporate Management Office, Corporate Service, Environment/CSR, Global External & Government Affairs, IP promotion and Investor Relations Department, Nissan Motor Co., Ltd.</p> <p>April 2020 Senior Vice President, Chief Sustainability Officer, Corporate Service, Environment/CSR, Global External & Government Affairs, IP promotion, and Investor Relations Department, Nissan Motor Co., Ltd.</p> <p>April 2020 Outside Director, Renault SA (to the present)</p> <p>June 2020 Member of the Board, MMC (to the present)</p> <p>June 2021 Senior Vice President, Chief Sustainability Officer, Compliance, Corporate Service, Crisis Management and Security, Environment/Sustainability, Global External & Government Affairs, IP Customer Business Development, Nissan Motor Co., Ltd. (to the present)</p> <p><Important concurrent positions></p> <p>Senior Vice President, Nissan Motor Co., Ltd. Outside Director, Renault SA</p>	(Note) 2	10,414

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board	Takahiko Ikushima	January 13, 1967	<p>April 1990 Joined Nissan Motor Co., Ltd.</p> <p>November 2019 Division General Manager, Budget and Accounting Department, Global Revenue and Regional Financial Management Group, General Manager, MC-Controller, LCV-BU, Nissan Motor Co., Ltd.</p> <p>December 2019 Corporate Vice President, Global Controller, Accounting, Nissan Motor Co., Ltd.</p> <p>June 2020 Member of the Board, MMC (to the present)</p> <p>August 2021 Corporate Vice president, Global Controller, Region's Performance Optimization, Nissan Motor Co., Ltd. (to the present)</p> <p><Important concurrent positions> Corporate Vice President, Nissan Motor Co., Ltd.</p>	(Note) 2	10,414
Member of the Board	Takehiko Kakiuchi	July 31, 1955	<p>April 1979 Joined Mitsubishi Corporation</p> <p>April 2010 Senior Vice President, Division COO, Foods (Commodity) Div., Mitsubishi Corporation</p> <p>April 2011 Senior Vice President, General Manager, Living Essential Group CEO Office, (Concurrently) Division COO, Foods (Commodity) Div., Mitsubishi Corporation</p> <p>April 2013 Executive Vice President, Group CEO, Living Essentials Group, Mitsubishi Corporation</p> <p>April 2016 President and CEO, Mitsubishi Corporation</p> <p>June 2016 Member of the Board, President and CEO, Mitsubishi Corporation</p> <p>April 2022 Chairman of the Board, Mitsubishi Corporation (to the present)</p> <p>June 2022 Member of the Board, MMC (to the present)</p> <p><Important concurrent positions> Chairman of the Board, Mitsubishi Corporation</p>	(Note) 2	2,124

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board	Kanetsugu Mike	November 4, 1956	April 1979 Joined The Mitsubishi Bank, Ltd.		
			June 2005 Executive Officer, The Bank of Tokyo-Mitsubishi, Ltd. Executive Officer, Mitsubishi Tokyo Financial Group, Inc.		
			May 2009 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU")		
			May 2011 Managing Officer, Mitsubishi UFJ Financial Group, Inc. ("MUFG")		
			June 2011 Member of the Board of Directors, Managing Executive Officer, BTMU		
			May 2013 Senior Managing Executive Officer, BTMU		
			October 2015 Executive Chairman of MUFG Americas Holdings Corporation Executive Chairman of MUFG Union Bank, N.A.		
			May 2016 Deputy President, BTMU		
			May 2016 Senior Managing Corporate Executive, MUFG		
			June 2016 Member of the Board of Directors, Deputy President, BTMU	(Note) 2	—
			June 2017 President & CEO, BTMU Member of the Board of Directors, Deputy Chairman, MUFG		
			April 2019 Member of the Board of Directors, President & Group CEO, MUFG		
			April 2020 Member of the Board of Directors, Deputy Chairman, MUFG		
			April 2021 Member of the Board of Directors, Chairman, MUFG (to the present)		
			June 2022 Member of the Board, MMC (to the present)		
			June 2022 Outside Director, Tokio Marine & Nichido Fire Insurance Co., Ltd. (to the present) <Important concurrent positions> Member of the Board of Directors, Chairman, MUFG Outside Director, Tokio Marine & Nichido Fire Insurance Co., Ltd.		

Title and Occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board	Junko Ogushi	August 23, 1960	<p>April 1984 Corporate work experience (banks, trading companies)</p> <p>April 1998 Registered as an attorney at law (Member of Tokyo Bar Association)</p> <p>April 1998 Joined Hibiya Joint Law Office</p> <p>January 2000 Joined Atsumi & Usui (present: Atsumi & Sakai)</p> <p>January 2003 Partner, Atsumi & Usui</p> <p>January 2006 Senior Partner, Atsumi & Usui (to the present)</p> <p>October 2006 Executive Secretary, Legislative Council of the Ministry of Justice (Insurance Law Subcommittee)</p> <p>December 2017 Registered as an attorney at law in the State of California</p> <p>October 2020 Auditor, Tokyo Metropolitan Industrial Technology Research Institute (to the present)</p> <p>June 2021 Outside Director, Hibiya Engineering, Ltd. (to the present)</p> <p>June 2023 Member of the Board, MMC (to the present)</p> <p><Important concurrent positions> Attorney at Law, Atsumi & Sakai Auditor, Tokyo Metropolitan Industrial Technology Research Institute Outside Director, Hibiya Engineering, Ltd.</p>	(Note) 2	—
Total					166,417

- (Notes) 1. Members of the Board, Mr. Tomofumi Hiraku, Mr. Shunichi Miyanaga, Ms. Main Kohda, Mr. Kenichiro Sasae, Mr. Hideyuki Sakamoto, Mr. Yoshihiko Nakamura, Mr. Joji Tagawa, Mr. Takahiko Ikushima, Mr. Takehiko Kakiuchi, Mr. Kanetsugu Mike, and Ms. Junko Ogushi are Outside Directors.
2. From the conclusion of the MMC's Ordinary General Meeting of Shareholders held on June 22, 2023 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2024.
3. MMC is a company with three committees. The structure of each committee is as follows:
- | | | |
|------------------------|---------------------------------|--|
| Nomination Committee | Chairperson: Main Kohda | Member: Kenichiro Sasae, Hideyuki Sakamoto, Tomofumi Hiraku, and Takehiko Kakiuchi |
| Compensation Committee | Chairperson: Shunichi Miyanaga | Member: Main Kohda, Kenichiro Sasae, Joji Tagawa, and Takao Kato |
| Audit Committee | Chairperson: Yoshihiko Nakamura | Member: Takahiko Ikushima, Kanetsugu Mike, Junko Ogushi, and Hitoshi Inada |

b. Status of Executive Officers

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Member of the Board, Representative Executive Officer, President & CEO	Takao Kato	February 21, 1962	See a. Status of Members of the Board	(Note) 1	14,605
Representative Executive Officer, Executive Vice President (Development / Product Strategy / Total Customer Satisfaction (TCS) / Design)	Hiroshi Nagaoka	March 16, 1962	<p>April 1986 Joined Nissan Motor Co., Ltd.</p> <p>April 2014 Senior Vice President, Alliance Global Director, Customer Performance & CAE, Test Engineering, Nissan Motor Co., Ltd.</p> <p>April 2018 Senior Vice President, Alliance Global VP, Customer Performance & CAE, Test Engineering, Nissan Motor Co., Ltd.</p> <p>April 2019 Senior Vice President (Engineering), MMC</p> <p>June 2019 Executive Officer, Senior Vice President (Engineering), MMC</p> <p>December 2019 Executive Officer, Senior Vice President (Engineering and Assistant to COO), MMC</p> <p>February 2020 Representative Executive Officer, Co-COO and responsible for Engineering, MMC</p> <p>April 2021 Representative Executive Officer, Executive Vice President (Monozukuri), MMC</p> <p>April 2023 Representative Executive Officer, Executive Vice President (Development / Product Strategy / Total Customer Satisfaction (TCS) / Design), MMC (to the present)</p>	(Note) 1	14,020

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Representative Executive Officer, Executive Vice President (CFO)	Koji Ikeya	September 27, 1957	<p>April 1981 Joined The Mitsubishi Bank, Ltd.</p> <p>April 2008 Executive Officer and General Manager of Corporate Banking Credit Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2011 Managing Executive Officer and Group Head of Osaka Corporate Banking Group, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2012 Managing Executive Officer in charge of Corporate Banking Credit Division, Credit Division, Credit Supervision Division and CIB Credit Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2014 Managing Executive Officer and Group Head of Corporate Banking Group No. 1, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2015 Senior Managing Executive Officer and Group Head of Corporate Banking Group No. 1, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2016 Member of the Board, Executive Vice President (Finance, Controlling & Accounting), CFO, MMC</p> <p>April 2018 Executive Vice President, (Finance, Controlling & Accounting), CFO, MMC</p> <p>June 2019 Representative Executive Officer, Executive Vice President (Finance, Controlling & Accounting), CFO, MMC</p> <p>April 2020 Representative Executive Officer, CFO, MMC</p> <p>April 2021 Representative Executive Officer, Executive Vice President (CFO), MMC (to the present)</p>	(Note) 2	20,187

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Representative Executive Officer, Executive Vice President (Sales)	Tatsuo Nakamura	July 27, 1962	<p>April 1986 Joined Mitsubishi Corporation</p> <p>January 2005 Member of the Board (Planning), Krama Yudha Tiga Berlian Motors (Jakarta)</p> <p>February 2010 Unit Manager of ASEAN & Southwest Asia Automotive Unit, Mitsubishi Corporation</p> <p>June 2013 Vice Corporate General Manager of ASIA & ASEAN Office, MMC</p> <p>December 2016 Corporate Vice President, Corporate General Manager of ASEAN Office, MMC</p> <p>December 2016 Senior Vice President, Corporate General Manager of Strategy Planning Office, Automotive Business Div., Mitsubishi Corporation</p> <p>April 2018 Senior Vice President, Division COO of Automotive Business Div., Mitsubishi Corporation</p> <p>April 2022 Senior Executive Officer, Assistant to Executive Vice President (Sales Strategy/Reformation), MMC</p> <p>April 2023 Representative Executive Officer, Executive Vice President (Sales), MMC (to the present)</p>	(Note) 1	2,900

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Senior Executive Officer (Corporate Governance)	Noboru Tsuji	January 5, 1960	<p>April 1982 Joined Mitsubishi Corporation</p> <p>March 2001 Vice President, Mitsubishi Trucks Australia Pty Ltd</p> <p>January 2005 General Manager of Frankfurt Automobile Business Office, Mitsubishi International GmbH</p> <p>September 2007 Senior Expert of Europe A Dept., Overseas Sales Div., MMC</p> <p>May 2011 Corporate General Manager of Russia Project Promotion Office, Europe & Middle East/Africa Div., MMC</p> <p>January 2012 President, P.T. Krama Yudha Tiga Berlian Motors</p> <p>April 2014 Senior Vice President, Mitsubishi Corporation</p> <p>April 2015 Senior Vice President, Division COO of Motor Vehicle Business Div., Mitsubishi Corporation</p> <p>April 2018 Senior Vice President (Corporate Strategy), MMC</p> <p>September 2018 Senior Vice President (Corporate Strategy), Corporate General Manager of Strategic Management Div., MMC</p> <p>January 2019 Senior Vice President (Corporate Strategy), MMC</p> <p>April 2019 Senior Vice President (Corporate Strategy), Corporate General Manager of Communication Div., MMC</p> <p>June 2019 Executive Officer, Senior Vice President (Corporate Strategy), Corporate General Manager of Communication Div., MMC</p> <p>September 2019 Executive Officer, Senior Vice President (Corporate Strategy and Sustainability), MMC</p> <p>February 2020 Executive Officer, Senior Vice President (Corporate Strategy, Sustainability, and Domestic Sales Reformation), MMC</p> <p>April 2020 Senior Executive Officer (Domestic Sales), MMC</p> <p>January 2022 Senior Executive Officer (Assistant to CEO, Corporate Governance), MMC</p> <p>April 2022 Senior Executive Officer (Corporate Governance), MMC (to the present)</p>	(Note) 1	15,707

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Senior Executive Officer (Production / Procurement)	Mitsunori Kitao	August 28, 1959	April 1983 Joined MMC April 2006 General Manager, Sheet Metal and Plastics Production Engineering Dept. Production Engineering Div., MMC April 2011 Vice Corporate General Manager, Production Engineering Div., MMC May 2013 Executive Vice President, Mitsubishi Motors (Thailand) Co., Ltd. April 2018 Plant General Manager, Mizushima Plant, MMC April 2021 Executive Officer (Production), MMC April 2022 Senior Executive Officer (Production), MMC April 2023 Senior Executive Officer (Production / procurement), MMC (to the present)	(Note) 1	20,605

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Executive Officer (Product Strategy), and Division General Manager, Product Strategy Div.	Koichi Namiki	January 10, 1962	<p>April 1984 Joined OBIC Co., Ltd.</p> <p>August 1986 Joined MMC</p> <p>April 2000 Group Manager, Engine Designing Department, MMC</p> <p>March 2003 Strategic Project Leader, New Product Project, MMC</p> <p>July 2004 Senior Expert, Engine Designing Department, MMC</p> <p>December 2009 General Manager, Alliance Planning and Promotion Office, MMC</p> <p>June 2011 Corporate General Manager, Product Strategy Div., MMC</p> <p>April 2012 Product Executive, PX (RV), MMC</p> <p>October 2013 Corporate General Manager, Global Pick-up Truck Business Promotion Div., MMC</p> <p>January 2017 Program Director, PD (FRAME), MMC</p> <p>April 2020 Executive Officer, Division General Manager, Product Strategy Div., MMC</p> <p>April 2021 Executive Officer (Product Strategy), and Division General Manager, Product Strategy Div., MMC (to the present)</p>	(Note) 1	11,407
Executive Officer (Global Marketing & Sales)	John Signoriello	February 5, 1968	<p>June 1989 Joined Mitsubishi Motors Australia Ltd. (MMA)</p> <p>July 2000 Manager, Production Control, MMA</p> <p>May 2009 Head of Sales Planning & Distribution in Sales & Marketing, MMA</p> <p>July 2011 Network Development Manager, NSW/ACT, MMA</p> <p>April 2013 State Manager of SA/NT, MMA</p> <p>November 2015 Deputy Director of Sales / Head of Fleet, MMA</p> <p>November 2016 Deputy Director of Marketing, MMA</p> <p>July 2017 CEO, MMA</p> <p>April 2020 Executive Officer (Global Marketing & Sales), MMC (to the present)</p>	(Note) 1	—

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Executive Officer (Procurement)	Tomoo Yoshida	January 14, 1962	April 1986 Joined MMC April 2002 Expert of Chassis Design Dept., MMC October 2007 Manager of Material Parts Procurement Office, MMC April 2009 General Manager of Parts Procurement Office, MMC September 2013 Vice Corporate General Manager of Procurement Office, MMC April 2016 Corporate General Manager of Procurement Management Office, MMC April 2019 Corporate Vice President, Corporate General Manager of Procurement Management Office, MMC April 2021 Corporate Vice President, Corporate General Manager of Procurement Communication Office, MMC April 2022 Executive Officer (Procurement), MMC (to the present)	(Note) 1	14,020

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Executive Officer (Internal Control/Corporate Affairs) and Division General Manager, Corporate Affairs Division	Ikuro Hirozane	November 7, 1961	<p>April 1985 Joined the Ministry of International Trade and Industry (MITI)</p> <p>July 1997 Transferred to National Police Agency, Director of Police Administration Department, Ehime Prefectural Police Headquarters (Assistant Commissioner)</p> <p>December 2000 Corporate General Manager of Industrial Property Legislation Revision Deliberation Office, Policy Planning and Coordination Department, Japan Patent Office</p> <p>July 2002 Director, Culture and IT Industry Division, Commerce and Information Policy Bureau, METI</p> <p>February 2006 Director, Gas Market Office, Electricity and Gas Industry Department, Agency for Natural Resources and Energy</p> <p>July 2008 Director, General Coordination Division, Policy Planning and Coordination Department, Japan Patent Office</p> <p>July 2011 Director, Trade Control Policy Division, Trade Control Department, Trade and Economic Cooperation Bureau, METI</p> <p>April 2012 Director-General, Kyushu Bureau of Economy, Trade and Industry</p> <p>July 2014 Senior Managing Executive Officer, Development Bank of Japan Inc.</p> <p>January 2019 Joined MMC Assistant to Corporate General Manager of Corporate Affairs Div., MMC</p> <p>April 2020 Corporate General Manager of Corporate Affairs Div., MMC</p> <p>April 2022 Executive Officer (Internal Control/Corporate Affairs) Division General Manager, Corporate Affairs Division at General Administration, Communication, Sustainability Division (External & Government Relations), MMC</p> <p>April 2023 Executive Officer (Internal Control/Corporate Affairs) Division General Manager, Corporate Affairs Division, MMC (to the present)</p>	(Note) 1	2,900

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)	
Executive Officer (Corporate Strategy Management)	Yoichi Yokozawa	April 24, 1964	April 1989	Joined Showa Ota & Co.	(Note) 1	25,186
			July 1993	Joined Moret Ernst & Young (Netherlands)		
			August 1998	Head of the Presidential Administration Office, Mitsubishi Motors Europe B.V.		
			January 2000	Planning Department, Corporate Planning Office, MMC		
			April 2000	Assistant to President, MMC		
			June 2002	Senior Executive Officer Corporate Vice President, Division General Manager, M&A Asset Management, MMC		
			June 2003	Senior Executive Officer (Responsible for Financial), MMC		
			June 2004	Executive Officer, Assistant to CFO, MMC		
			April 2005	Executive Officer, Vice Corporate General Manager of Controlling & Accounting Office and Vice Corporate General Manager of Corporate Planning Office, MMC		
			April 2006	Executive Officer, Corporate General Manager of Overseas Business Management Office, MMC		
			May 2010	Executive Officer, MMC Member of the Board, Vice President, Mitsubishi Motors North America, Inc.		
			April 2011	Executive Officer, MMC Member of the Board, President, Mitsubishi Motors North America, Inc.		
			March 2014	Executive Officer, Vice Corporate General Manager of Corporate Planning Office, MMC		
			June 2016	Senior Executive Officer, Division General Manager, Corporate Strategy Management Div., MMC		
			September 2018	Managing Director, Nissan-Mitsubishi B.V.		
			June 2019	Senior Executive Officer, Division General Manager, Europe Div., MMC.		
June 2020	Member of the Board, President, Mitsubishi Motors North America, Inc.					
April 2022	Corporate Officer Division General Manager, North Asia Division, MMC					
April 2023	Executive Officer (Corporate Strategy Management), MMC (to the present)					
Total					141,537	

(Notes) 1. From April 1, 2023 to March 31, 2024.
2. From April 1, 2023 to June 30, 2023.

ii) Status of Outside Directors

With their broad viewpoint based on their experience, MMC expects Outside Directors to supervise its management. MMC appoints individuals only after careful consideration as to whether their character is suited to such a role, and whether they possess sufficient insight, experience and expertise. They are appointed only if MMC comes to the conclusion that they are competent in this regard.

The Company's Independence Standards and Qualification for Outside Directors are as follows.

(Independence Standards and Qualification for Outside Directors)

The Outside Directors of the Company shall not be any of the following and shall be in a neutral position independent from the Company's management.

1. An executive of a major shareholder^{(*)1} of the Company
2. An executive of a major business partner^{(*)2} of the Company, or of a company for which the Company is a major business partner, or the parent company or subsidiary of such a company
3. An executive of a major lender^{(*)3} to the Company or the parent company or subsidiary of such a company
4. A person affiliated with an auditing firm that conducts statutory audits of the Company
5. A consultant, an accounting professional such as a certified public accountant, or a legal professional such as an attorney-at-law who receives a large amount^{(*)4} of monetary consideration or other property other than compensation of corporate officers from the Company (in the event such property is received by a corporation, association or other group, then any person belonging to such group)
6. An executive of a company with which the Company shares a corporate officer
7. An executive of an organization that is receiving a large^{(*)4} donation or grant from the Company
8. A person to whom any of 1 through 7 has applied during the past 3 years
9. A person with a close relative (second degree of kinship) to whom any of 1 through 7 applies
10. A person whose total period in office as an Outside Director exceeds 8 years
11. Other persons for whom the possibility of a relationship with the Company appears strong under substantive and comprehensive consideration of the situation

*1 a major shareholder: a shareholder who owns a 10% or greater share of voting rights

*2 a major business partner: a major client of the Company with annual transactions valued at 2% or more of the Company's consolidated net sales in the most recent fiscal year, or a major supplier to the Company with annual transactions valued at 2% or more of the supplier's consolidated net sales in the most recent fiscal year

*3 a major lender: a financial institution that provides the Company with loans amounting to 2% or more of the Company's consolidated net sales at the end of the most recent fiscal year

*4 large amount: an amount of consideration received from the Company that is 10 million yen or more per year

As of the filing date, MMC has 11 Outside Directors, and MMC has no special interest relationship with any of the Outside Directors.

Outside Director Tomofumi Hiraku has extensive experience, knowledge and personal networks across industries at large, having held important posts such as Director-General, Kansai Bureau and Director-General, Manufacturing Industries Bureau at the Ministry of Economy, Trade and Industry, as well as having been involved in energy policy planning at the

Agency for Natural Resources and Energy. As such, MMC has appointed him as an Outside Director with the expectation that with these qualities, he will be able to actively supervise the MMC's management and offer advice and recommendations to MMC. Moreover, MMC recognizes that there is no risk of a conflict of interest arising between Mr. Hiraku and MMC's general shareholders, and considers him to be sufficiently independent. MMC has therefore appointed him as an Independent Director.

Outside Director Shunichi Miyanaga serves concurrently as Chairman of the Board of Mitsubishi Heavy Industries, Ltd., which conducts transactions with MMC related to automobile parts purchasing and so forth. He also serves concurrently as Outside Director of Mitsubishi Corporation, which is a major shareholder and a major business partner of MMC that conducts transactions with MMC related to overseas sales of automobiles and so forth. In light of the fact that he has served as a business executive of Mitsubishi Heavy Industries, Ltd., which was a major shareholder of MMC within the past five years and the current relationship between MMC and Mitsubishi Heavy Industries, Ltd., he has not been appointed as an Independent Director. However, he has considerable experience, achievements and deep insight nurtured through his long-standing career in corporate management at a manufacturing company that operates worldwide, and as such, MMC has appointed him as an Outside Director with the expectation that with these qualities, he will be able to actively supervise the MMC's management and offer advice and recommendations to MMC.

Outside Director Main Kohda has keen acumen and an objective perspective as a writer in addition to deep insight about international finance as well as considerable knowledge and experience gained as a Member of the Council of the Ministry of Finance and the Ministry of Land, Infrastructure, Transport and Tourism. As such, MMC has appointed her as an Outside Director with the expectation that with these qualities, she will be able to actively supervise the MMC's management and offer advice and recommendations to MMC. Moreover, MMC recognizes that there is no risk of a conflict of interest arising between Ms. Kohda and MMC's general shareholders, and considers her to be sufficiently independent. MMC has therefore appointed her as an Independent Director.

Outside Director Kenichiro Sasae has a broad international understanding as a diplomat and considerable insight and experience, holding important posts at the Ministry of Foreign Affairs. As such, MMC has appointed him as an Outside Director with the expectation that with these qualities, he will be able to actively supervise the MMC's management and offer advice and recommendations to MMC. Mr. Sasae had entered an advisory contract with MMC which terminated in May 2019. However, since the amount of fees under the advisory contract is less than the amount stipulated by the MMC's Independence Standards and Qualification for Outside Directors described above, it does not affect Mr. Sasae's independence, and MMC recognizes that there is no risk of a conflict of interest arising between Mr. Sasae and MMC's general shareholders, and considers him to be sufficiently independent. Therefore, he has been appointed as an Independent Director.

Outside Director Hideyuki Sakamoto serves concurrently as Director, Executive Officer, Executive Vice President of Nissan Motor Co., Ltd., which is a major shareholder and a major business partner of MMC that conducts transactions with MMC related to OEM supply of automobiles and so forth. Since Mr. Sakamoto has served as a business executive of Nissan Motor Co., Ltd., he has not been appointed as an Independent Director. However, Mr. Sakamoto has considerable insight and experience gained as a member of the management team of an automobile manufacturer that operates worldwide. As such, MMC has appointed him as an Outside Director with the expectation that with these qualities, he will be able to actively supervise the MMC's management and offer advice and recommendations to MMC.

Outside Director Yoshihiko Nakamura has worked for many years as a certified public accountant and has considerable knowledge as a specialist in accounting auditing. As such, MMC has appointed him as an Outside Director with the expectation that with these qualities, he will be able to actively supervise the MMC's management and offer advice and recommendations to MMC. Moreover, MMC recognizes that there is no risk of a conflict of interest arising between Mr. Nakamura and MMC's general shareholders, and considers him to be sufficiently independent. MMC has therefore appointed him as an Independent Director.

Outside Director Joji Tagawa serves concurrently as Senior Vice President of Nissan Motor Co., Ltd., which is a major shareholder and a major business partner of MMC that conducts transactions with MMC related to OEM supply of automobiles and so forth as described above. Since Mr. Tagawa has served as a business executive of Nissan Motor Co., Ltd., he has not been appointed as an Independent Director. However, Mr. Tagawa has considerable insight and experience gained as a member of the management team of an automobile manufacturer that operates worldwide, and as such, MMC has appointed him as an Outside Director with the expectation that with these qualities, he will be able to actively supervise the MMC's management and offer advice and recommendations to MMC.

Outside Director Takahiko Ikushima serves concurrently as Corporate Vice President of Nissan Motor Co., Ltd., which is a major shareholder and a major business partner of MMC that conducts transactions with MMC related to OEM supply of automobiles and so forth as described above. Since Mr. Ikushima has served as a business executive of Nissan Motor Co., Ltd., he has not been appointed as an Independent Director. However, Mr. Ikushima has considerable insight and experience gained at an automobile manufacturer that operates worldwide, and as such, MMC has appointed him as an Outside Director with the expectation that with these qualities, he will be able to actively supervise the MMC's management and offer advice and recommendations to MMC.

Outside Director Takehiko Kakiuchi serves concurrently as Chairman of the Board of Mitsubishi Corporation, which is a major shareholder and a major business partner of MMC as described above. Mr. Kakiuchi has served in the past as a business executive of Mitsubishi Corporation, which is a major shareholder and a business partner of MMC; therefore, he has not been appointed as an Independent Director. However, he has considerable experience, achievements, and deep insights into global business management accumulated through his career as a corporate manager at a general trading company that operates worldwide; and, as such, MMC has appointed him as an Outside Director with the expectation that with these qualities, he will be able to actively supervise MMC's management and offer advice and recommendations to MMC.

Outside Director Kanetsugu Mike serves concurrently as a Member of the Board of Directors and Chairman of Mitsubishi UFJ Financial Group, Inc., a subsidiary of which, MUFG Bank, Ltd., conducts banking transactions with MMC and so forth. Mr. Mike served in the past as a business executive of MUFG Bank, Ltd., and in the light of the current relationship between MMC and MUFG Bank, Ltd., he has not been appointed as an Independent Director. However, Mr. Mike has considerable experience and deep insights gained as a corporate manager at international financial institutions. As such, MMC has appointed him as an Outside Director with the expectation that with these qualities, he will be able to actively supervise MMC's management and offer advice and recommendations to MMC.

Outside Director Junko Ogushi has been active as an attorney-at-law for many years and is elected because she is expected to proactively supervise the Company's management and provide advice and recommendations based on her extensive expertise and high-level insight as a legal specialist. Ms. Ogushi has been elected as an Independent Director, because no risk of a conflict of interest with general shareholders of the Company is recognized, and she has sufficient independence.

- iii) Supervision, audits and internal audits by Outside Directors, audits by Audit Committee, cooperation with accounting audits, and relationship with the internal control office

The Outside Directors receive reports at the Board of Directors meetings regarding the progress of internal controls, including compliance, as well as the results of audits by the Audit Committee and accounting audits.

At the Audit Committee meetings and other occasions, the Outside Members of the Audit Committee receive reports on audit results from the internal audit division and the Accounting Auditors for each quarterly financial report, as well as receiving reports on individual matters regarding compliance and so forth, and they offer appropriate opinions.

(3) Status of audits

i) Status of audits by Audit Committee

1) Structure of audits by Audit Committee

The Audit Committee consists of five members: four Outside Directors and one Internal Director, of which, Chairperson Yoshihiko Nakamura and one other member are Outside Directors who satisfy the Company's Independence Standards and Qualification. Background and experience of each of the Members of the Audit Committee are as follows:

Name	Background and experience
Yaeko Takeoka (Chairperson of the Audit Committee and Independent Outside Director) (Note) 1	She has extensive experience in the legal sector with a high level of knowledge on laws and compliance as an attorney at law.
Yoshihiko Nakamura (Chairperson of the Audit Committee and Independent Outside Director)	He has worked for many years as a certified public accountant and has abundant specialist knowledge and insight as an expert in accounting audits.
Takahiko Ikushima (Outside Director)	He has abundant insight and experience gained at an automobile manufacturer that operates worldwide, and considerable insight concerning finance and accounting.
Kanetsugu Mike (Outside Director)	He has considerable insight concerning compliance, finance and accounting based on his extensive work experience in governance at financial institutions.
Hitoshi Inada (Full-time Member of the Audit Committee)	He has a track record in legal affairs, compliance, and corporate governance over many years, extensive experience, and considerable insight.
Junko Ogushi (Independent Outside Director) (Note) 2	She has extensive experience in the legal sector with a high level of knowledge on laws and compliance as an attorney at law.

- (Notes)
1. Ms. Yaeko Takeoka resigned as Member of the Audit Committee on June 22, 2023.
 2. Ms. Junko Ogushi assumed the position of Member of the Audit Committee on June 22, 2023.

In addition, the Audit Committee Office was established as an organization to assist the Audit Committee in executing their duties. As of the end of March 2023, dedicated personnel with appropriate knowledge, skills and experience were appointed to assist the Audit Committee in executing their duties.

2) Status of activities by the Audit Committee and its members

Based on its audit policies and audit plans, the Audit Committee of MMC, collects information by holding its meeting once a month in principle, having meetings with internal audit divisions, and interviewing Executive Officers and Corporate Officers, and performs systematic audits. Such information includes the status of the development and maintenance of the internal control systems (including internal controls over financial reporting) at MMC and its major affiliated

domestic and overseas companies, the progress and implementation status of compliance activities, the validation of risk assessment, and the risk management system.

In the Audit Committee during the fiscal year under review, there were 15 resolutions approved, 6 matters discussed, and 52 reports made in total concerning the audit policies and audit plans; audit methods; the assignment of audit duties; the status of the improvement and maintenance of the internal control systems; response to the Guidelines under the amended Whistleblower Protection Act; audit plans made, audit methods used, and the suitability of the results of audits performed by the Accounting Auditors; communications in relation to Key Audit Matters (KAM); response to the amendment of the Code of Ethics of the Japanese Institute of Certified Public Accountants (JICPA); and the monthly reports on the status of duties executed by the Full-time Member of the Audit Committee. The Audit Committee conducted exchanges of opinions with Accounting Auditors and business execution departments a total of 8 times when selecting Key Audit Matters (KAM) during the fiscal year under review.

Attendance of each Member of the Audit Committee at the Audit Committee during the fiscal year under review is as follows:

Name	Attendance at Audit Committee	Attendance Rate (%)
Yaeko Takeoka (Note) 1	Audit Committee: 15/15	100%
Yoshihiko Nakamura	Audit Committee: 15/15	100%
Takahiko Ikushima	Audit Committee: 15/15	100%
Kanetsugu Mike (Note) 2	Audit Committee: 11/12	92%
Hitoshi Inada (Note) 2	Audit Committee: 12/12	100%

- (Note) 1. Ms. Yaeko Takeoka resigned as Member of the Audit Committee on June 22, 2023.
2. Because the day Mr. Kanetsugu Mike and Mr. Hitoshi Inada took office as a Committee member was June 23, 2022, the number of committee meetings attended in FY2022 differs from that of other members.

In addition to the meetings above, based on its audit policies and audit plans, the Audit Committee held 6 meetings (approximately 90 minutes per meeting) with the internal audit divisions during the year, performed audits, and collected information on the operating status of internal controls through the divisions. The Audit Committee also interviewed Executive Officers and others 9 times during the year (approximately 90 minutes per interview) to confirm how the MMC group's major subsidiaries and affiliates in Japan and overseas as well as divisions address issues on the development and operation of the internal control system, compliance, risk management, etc.

In addition to the meetings above, full-time Members of the Audit Committee attended important meetings including meetings of Executive Committee; inspected important approval/decision documents; interviewed Executive Officers and Corporate Officers; visited and audited, or conducted hearings with MMC's major business locations and its major subsidiaries and affiliates in Japan and overseas; provided training for and had liaison meetings with auditors of subsidiaries and affiliates in Japan; and performed the three-pillar audit system (i.e., internal audits, auditors' audits, and accounting audits). The status of duties executed by

full-time Members of the Audit Committee is reported in the meeting of the Audit Committee (held once a month in principle).

The status of activities carried out by the Audit Committee is reported to the Board of Directors twice a year. The Audit Committee also exchanges opinions with Executive Officer, President to communicate its findings every year.

ii) Status of internal audits

MMC has established the Internal Audit Dept. and the Quality Audit Dept. as internal audit departments within the Internal Audit Div., an independent organization that reports directly to Executive Officer, President. These departments conduct planned internal audits based on the annual audit plan.

The Audit Division is staffed with 24 personnel (Note), including professionals with diverse management experience, certified internal auditors, internal auditors, and other qualifications.

The Internal Audit Dept. (15 members Note) conducts internal audits to determine whether operational management of MMC and subsidiaries and affiliates in Japan and overseas is being conducted with transparency using appropriate processes. The Quality Audit Dept. (6 members Note) audits the appropriateness of product quality-related activities by MMC and subsidiaries and affiliates in Japan and overseas.

The results of internal audits conducted by the Audit Division are reported to Executive Officer, President and to the Audit Committee.

As described in i) 2) above, in addition to meetings with the Audit Committee 6 times a year, regular meetings with the full-time Audit Committee members are held once a month for collaboration, and information is also exchanged at three-officer audit meetings with the full-time Audit Committee members and the accounting auditor.

Note: As of March 31, 2023. As of the filing date of this securities report, the Internal Audit Div. has 25 members. (The Internal Audit Dept. 15, the Quality Audit Dept. 7 and directly to the Internal Audit Div. 3)

iii) Status of accounting audit

a. Name of audit firm

Ernst & Young ShinNihon LLC

b. Continuous audit period

38 years

c. Names of CPAs

Designated and Engagement Partner, Hirohisa Fukuda, Takeshi Saida, Taichi Muto

d. Organization of assistants relating to the audit work

CPAs 16, Others 43

e. Selection policy for audit firm

If it is deemed that any of the items prescribed in Article 340, paragraph (1) of the Companies Act apply to the Accounting Auditors, the Audit Committee shall dismiss the Accounting Auditors based on the agreement of all the Members of the Audit Committee.

Moreover, If the Audit Committee judges that it is necessary to dismiss or not reappoint the Accounting Auditors due to an impediment in the Accounting Auditors' execution of their duties or other such reason, the Audit Committee shall make a proposal on this dismissal or non-reappointment to the General Meeting of Shareholders.

Decisions on selecting Accounting Auditors are made taking into account evaluation results reached on the basis of the above policy and the Accounting Auditor Assessment Standards established by the Audit Committee.

f. Valuation of accounting audit by Audit Committee

Based on the Accounting Auditor Assessment Standards, the Audit Committee conducts evaluations every year regarding the status of quality controls of the audit firm, suitability of audit teams, appropriateness of matters such as compensation for audits, effectiveness of communication with the Audit Committee, effectiveness of communication with management and others, appropriateness of MMC group audits, appropriate assessment of fraud risk, and examination of Accounting Auditors' qualifications.

iv) Details of compensation for the audit

a. Compensation for certified public accountants who conduct auditing, etc.

Classification	Previous fiscal year		Fiscal year under review	
	Compensation for audit attestation (Millions of yen)	Compensation for non-audit work (Millions of yen)	Compensation for audit attestation (Millions of yen)	Compensation for non-audit work (Millions of yen)
MMC	278	1	304	1
Consolidated subsidiary	88	–	81	–
Total	367	1	385	1

The details of non-audit work for MMC consist of fact-verification duties, etc. concerning the English translation of Financial Statements and other materials.

b. Compensation for the same network (Ernst & Young) as the MMC's auditing certified public accountants who conduct auditing, etc. (except a.)

Classification	Previous fiscal year		Fiscal year under review	
	Compensation for audit attestation (Millions of yen)	Compensation for non-audit work (Millions of yen)	Compensation for audit attestation (Millions of yen)	Compensation for non-audit work (Millions of yen)
MMC	–	–	–	49
Consolidated subsidiary	336	25	407	27
Total	336	25	407	76

The details of non-audit work for MMC consist of consulting services, etc.

In addition, the details of non-audit work for the consolidated subsidiaries consist of tax research service, etc.

c. Details of compensation for other important audit attestation

Not applicable.

d. Policy on determination of compensation for audits

The Articles of Incorporation stipulate that the compensation paid to the Accounting Auditors is to be determined by the Representative Director with the consent of the Audit Committee.

e. The reason why the Audit Committee agreed on the compensation for the Accounting Auditors

The Audit Committee has judged that the FY2022 compensation for the audit paid to MMC's Accounting Auditors is reasonable after having conducted required validation regarding details of the Accounting Auditors' audit plan, audit system, execution status of duties of accounting audit and calculation basis of compensation estimates.

(4) Compensation, etc. of corporate officers

A. Total compensation paid to corporate officers, compensation total by type, and number of payees

Classification	Total compensation (Millions of yen)	Total compensation by type (Millions of yen)						Number of payees (persons)	
		Monetary compensation			Share-based compensation				Monetary compensation
		Base Compensation	Short-term Performance-linked Compensation	Additional Individual Compensation	Long-term Performance-linked Compensation	Deferred Retirement Compensation	Stock Options Granted Linked to Performance in Previous Fiscal Years		Others
Members of the Board (Excluding Outside Directors)	33	33	–	–	–	–	–	–	2
Executive Officers	834	511	185	35	23	23	2	53	12
Outside Directors and Outside Audit & Supervisory Board Members	206	206	–	–	–	–	–	–	13

- (Notes)
1. The number shown in the above table for Outside Directors and Outside Audit & Supervisory Board Members indicates the number of persons who, of the total of 13 persons served as Outside Directors or Outside Audit & Supervisory Board Members during FY2022, received compensation as Members of the Board. In addition, the number includes two Outside Directors who resigned during FY2022.
 2. For Members of the Board who serve concurrently as Executive Officers, MMC pays compensation for their service as Executive Officers and does not pay compensation for their service as Members of the Board.
 3. From FY2017 to FY2020, MMC granted Stock Options to Executive Directors as compensation for each fiscal year linked to business performance, etc. in the previous fiscal year. The amounts under “Stock Options Granted Linked to Performance in Previous Fiscal Years” are the amounts that were posted as expenses incurred for granting those share acquisition rights for FY2022.
 4. “Long-Term Performance-Linked Compensation” is the performance-linked remuneration through the Board Incentive Plan (BIP) Trust (“BIP Trust”), which was introduced by the Company in FY2020. Accompanying the finalization of business results for FY2022, the above table shows the total amount of expenses recorded for the points (equivalent to 89,847 shares of the Company) granted under the BIP Trust (19 million yen) and the long-term performance-linked compensation (4 million yen) to be paid in cash to one overseas resident and one foreign officer who are not covered by the BIP Trust.
 5. “Deferred Retirement Compensation” is fixed compensation using the “BIP Trust.” The above table shows the total of the 20 million yen posted as expenses for granting points (equivalent to 94,800 shares of MMC) during FY2022 for the BIP Trust and the 2 million yen posted as a provision for deferred retirement compensation for FY2022 that MMC plans to pay in cash as a substitute to one non-Japanese officer who is not eligible for the BIP Trust.
 6. “Others” is the 53 million yen equivalent to the tax adjustment allowance, housing allowance, and other fringe benefits for one Executive Officer.

B. Total amount of consolidated compensation for corporate officers (persons whose total compensation exceeds 100 million yen) by classification

Name	Classification	Company category	Total compensation (Millions of yen)	Total compensation by type (Millions of yen)						
				Monetary compensation			Share-based compensation			Monetary compensation
				Base compensation	Short-term performance linked compensation	Additional individual compensation	Long-term performance linked compensation	Deferred retirement compensation	Stock options granted linked to performance in previous fiscal years	Others
Takao Kato	Executive Officer	MMC	133	81	42	–	4	5	2	–

(Notes)

1. The amount under Stock options granted linked to performance in previous fiscal years is the amount that was posted as expenses incurred for granting the share acquisition rights granted by MMC as compensation linked to the previous fiscal year's results, etc. for each applicable fiscal year from FY2017 to FY2020 for eligible officers.
2. The value of "Long-term Performance-Linked Compensation" is recorded as the sum of 4 million yen posted as expenses related to the number of points granted under the BIP trust.
3. The amount of Deferred retirement compensation is the amount of expenses posted that pertain to points granted to eligible officers during the fiscal year under review in the BIP trust.

C. Overview of the Compensation Committee and its activities

MMC is a company with three committees. The Compensation Committee has the authority to determine the policy for determining the content of individual compensation, etc. for Members of the Board and Executive Officers, and the content of individual compensation, etc. for Members of the Board and Executive Officers. The Compensation Committee comprises a total of 5 members, 1 Internal Director and 4 Outside Directors. In FY2022, the Compensation Committee held a total of 9 meetings, with 3 members having 100% attendance and 2 members having 89% attendance. During FY2022, the Compensation Committee examined and deliberated on the review and revision of the current compensation system for officers.

D. The contents and method for determining the policy for setting the amount of compensation of corporate officers or the calculation method

Pursuant to the Companies Act, the Compensation Committee establishes the policy for determining the content of individual compensation, etc. for Members of the Board and Executive Officers. Furthermore, as the Company's Compensation Committee sets individual types of compensation in line with this policy, and in accordance with this setting, decides or plans to decide individual compensation for Members of the Board and Executive Officers for the fiscal year under review after appropriate deliberation, etc., it has been judged as being consistent with this policy.

<Basic approach>

- (i) The compensation system shall contribute to MMC group's sustainable growth and medium- to long-term improvement of corporate value.
- (ii) The compensation system shall be linked with corporate results in order to motivate Executive Officers to accomplish management strategies and management plans as well as to achieve targeted corporate results in an appropriate manner.
- (iii) The compensation levels shall contribute to securing professionals who measure up to ideal standards for management personnel that MMC expects for those responsible for corporate operation to have.

- (iv) The compensation system shall increase a shared awareness of profits with shareholders and awareness of shareholder-focused management.
- (v) The decision-making process relating to compensation shall be highly transparent and objective.

- (a) Members of the Board (excluding Members of the Board who serve concurrently as Executive Officers)

Remuneration for Directors who do not concurrently serve as Executive Officers shall be basic compensation, which is a fixed amount, considering that their role is to supervise the overall execution of business from a standpoint independent from the execution of business. In addition, the chairpersons and members of the Nomination Committee, Compensation Committee, and Audit Committee receive only a fixed amount of remuneration (allowance) that is added in accordance with their duties.

- (b) Executive Officers

MMC established a policy for the compensation of Executive Officers (including Executive Officers who serve concurrently as Members of the Board) consisting of Base Compensation, Short-term Performance-linked Compensation and Additional Individual Compensation, as well as Long-term Performance-linked Compensation and Deferred Retirement Compensation as share-based compensation (BIP Trust; see the page50). The goal of this is to strive for sustained improvement of corporate value, while sharing value with shareholders, and to secure skilled professionals including those from outside the company and overseas.

	Fixed/ Performance-linked	Payment method	Compensation ratio (decided according to position)
Base Compensation	Fixed	Cash	50 to 65%
Deferred Retirement Compensation		Shares (BIP Trust)	5 to 10%
Additional Individual Compensation	Performance-linked	Cash	0 to 5%
Short-Term Performance-Linked Compensation			15 to 20%
Long-Term Performance-Linked Compensation		Shares (BIP Trust)	10 to 20%

< Deferred Retirement Compensation >

Deferred Retirement Compensation is accrued by deferring a portion of the payment (5 to 10%) of fixed compensation, and paid upon retirement.

< Additional individual compensation >

Additional individual compensation is a reward provided to each Executive Officer (excluding the President) who achieve targets set individually according to the area of business operations for which they are responsible, besides company-wide targets. The Executive Officer, President & CEO approves and determines the individual targets set by each Executive Officer, such as sales, profit, cost reduction, quality, and productivity improvement targets, and evaluates the degree of achievement.

$$\text{Payment formula} = \text{total amount of prescribed remuneration} \times \text{compensation ratio} \\ \times \text{achievement rate (0 to 100\%)}$$

< Short-term Performance-linked Compensation >

Short-term Performance-linked Compensation is compensation to incentivize the payee to achieve the single-year business performance targets based on annual plans. So that this compensation effectively functions as an incentive to aim for the achievement of management targets, indicators have been established for the Group's management targets.

In FY2022, which is the final year of the Medium-term Management Plan "Small but Beautiful," showing continued profitability from FY2021, we have set "Consolidated operating profit" and "Profit attributable to owners of parent" as target indicators from the perspective of sharing value with our shareholders and the target levels as those of the annual plan.

KPI, targets and percentage weight, and payment formula

KPI	Targets (for 100% achievement) (billions of yen)	Results (billions of yen)	Percentage weight	Payment formula
Consolidated operating profit	90.0	190.5	50%	Total amount of prescribed remuneration × compensation ratio × achievement rate (70 to 130%) × percentage weight
Profit attributable to owners of parent	75.0	168.7	50%	

< Long-term Performance-linked Compensation >

Long-term Performance-linked Compensation is compensation to incentivize the payee to achieve the long-term targets necessary to realize the future envisaged for MMC. The indicators for this compensation were determined after considering the key performance indicators used in the manufacturing sector, the pressing issues of management, and the sharing of value with shareholders.

The Company has also set ESG indicators as KPI, as priority items to be addressed to improve corporate value over the medium to long term.

KPI, targets and percentage weight, and payment formula

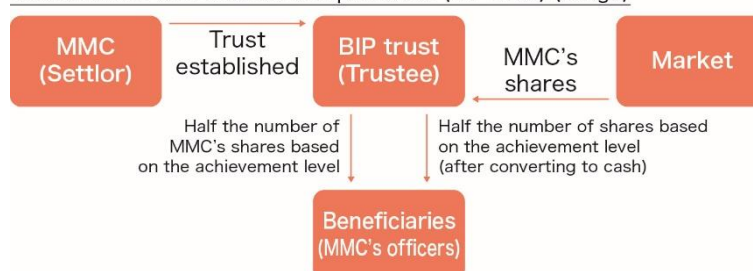
KPI	Classification	Targets (for 100% achievement)	Results	Percentage weight	Payment formula
Operating profit margin (average of the past 3 years)	Financial	5%	1.83%	56%	Total amount of prescribed remuneration × compensation ratio × achievement rate (0% to no upward limit) × percentage weight
Profit attributable to owners of parent (average of the past 3 years)	Financial	90.0 billion yen	(23.2) billion yen	24%	
CO ₂ emissions by business activities (FY2022)	ESG	*1	377 thousand ton	10%	Total amount of prescribed remuneration × compensation ratio × achievement rate (70 to 130%) × percentage weight
Employee engagement (average of FY2021 and FY2022)	ESG	*2	+2.5 point	10%	

- *1 Targets have been set based on the necessary emissions volume in the fiscal year under review to achieve future targets.
- *2 The goal for the fiscal year under review has been set at +3 points based on the score produced from the employee engagement survey implemented in FY2020.

< Share-based compensation (BIP trust) >

Share-based compensation (BIP trust) refers to a mechanism that operates as follows. In cases where a certain number of points are granted and beneficiary rights are satisfied in accordance with MMC's share-based compensation rules, the payees receive a delivery of shares of MMC's common stock amounting to the equivalent of the determined ratio of the number of points that are converted to shares on a conversion ratio of 1 share for every 1 point, and for the shares of common stock of MMC corresponding to the remaining number of points, the payees receive money equivalent to the price to convert the equivalent number of shares of common stock of MMC to money within the trust (hereinafter the "Delivery, etc. of MMC's Shares etc.")

Mechanism of share-based compensation (BIP trust) (image)



For the Long-term Performance-linked Compensation, Delivery, etc. of MMC's Shares etc. is made annually at an amount corresponding to the position of the eligible officer and the level of achievement of business targets, etc. for a three-fiscal-year evaluation period. In addition, for the Deferred Retirement Compensation, an amount of points corresponding to the officer's position are granted annually and, as a general rule, the Delivery, etc. of MMC's Shares etc. is made in a single lump delivery upon retirement. If it is found that an eligible officer has violated the appointment contract, the entire amount or a portion of the beneficiary rights of the shares scheduled for delivery under the compensation plan may be forfeited by decision of the Compensation Committee (malus clause) or the officer may be required to return the entire amount or a portion of the delivered shares, etc. (clawback clause). The eligible officers must follow the rules to prevent insider trading established by MMC and

various related laws and regulations with respect to MMC's shares acquired through the compensation plan.

(5) Status of shareholdings

(i) Standard of investment shares division and the policy

MMC classifies its investment shares as either investment shares held for purposes of portfolio investment with the aim of generating profit derived from changes in the value of the shares and dividends pertaining to the shares, or otherwise as investment shares held for purposes other than portfolio investment. MMC holds investment shares for purposes other than portfolio investment shares only, and accordingly does not hold investment shares for purposes of portfolio investment shares. Moreover, MMC holds investment shares for purposes other than portfolio investment shares only if it deems that such shareholdings are necessary for developing its business with respect to maintaining and strengthening medium- to long-term partnerships, and furthermore essential in order to achieve sustainable growth and to increase medium- to long-term corporate value.

(ii) Investment shares held for purposes other than portfolio investment shares

a. Method for verifying holding policy and rationale for holdings, and description of verification performed by the Board of Directors, etc. regarding propriety of holding individual issues

MMC maintains cross-shareholdings based on the aforementioned policy, and strives to reduce its cross-shareholdings by such means as selling shares deemed no longer necessary to hold for such purposes. Individual issues currently held are subject to validation on an annual basis in terms of factors including the necessity of maintaining such holdings in relation to MMC's business operations and the medium- to long-term economic rationale for such holdings, and the results of the validation is reported at meetings of the Board of Directors.

b. Number of issues and balance sheet amount

	Number of issues (Issues)	Total balance sheet amount (Millions of yen)
Unlisted shares	21	4,560
Shares other than unlisted shares	3	2,138

(Issues of which the number of shares increased in the fiscal year under review)

	Number of issues (Issues)	Total acquisition price for the shares increased (Millions of yen)	Reason for increase in number of shares
Unlisted shares	–	–	–
Shares other than unlisted shares	2	2,941	Due to listing of unlisted shares, etc.

(Issues of which the number of shares decreased in the fiscal year under review)

	Number of issues (Issues)	Total selling price for the shares decreased (Millions of yen)
Unlisted shares	2	2,931
Shares other than unlisted shares	1	27

c. Information on number of shares, balance sheet amount, etc. of individual issues of specified investment shares

Specified investment shares

Issues	Fiscal year under review	Previous fiscal year	Holding purpose, summary of business alliances, etc., quantitative holding effect and reason for the increase in the number of shares	Share-holding status of MMC
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
China Motor Corporation	2,277,634	2,277,634	(Holding purpose) The company is an important business Partner that manufactures and sells MMC's products, and the shares are held to maintain and strengthen a smooth business relationship. (Quantitative holding effect) (Note)	None
	637	595		
United Motors Lanka PLC	4,937,142	4,937,142	(Holding purpose) The company is an important business partner that sells MMC's products. (Quantitative holding effect) (Note)	None
	120	123		
PT GoTo Gojek Tokopedia	1,423,194,949	–	(Holding purpose) Need to maintain and strengthen relationships to gain knowledge of mobility service business in the ASEAN region. (Quantitative holding effect) (Note) (Reason for the increase in the number of shares) Due to listing of unlisted shares, etc.	None
	1,380	–		

(Note) Given the nature of cross-shareholdings, MMC does not enlist quantitative criteria in making decisions on such holdings, but instead, as mentioned above, individual issues currently held are subject to validation on an annual basis in terms of factors including the necessity of maintaining such holdings in relation to MMC's business operations and the medium- to long-term economic rationale for such holdings.

V. Financial Information

1. Basis of preparation of the consolidated financial statements and non-consolidated financial statements

(1) The consolidated financial statements of MMC are prepared in accordance with the “Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Order of the Ministry of Finance No. 28 of 1976).

(2) The non-consolidated financial statements of MMC are prepared in accordance with the “Regulation on Terminology, Forms, and Preparation Methods of Non-consolidated Financial Statements” (Order of the Ministry of Finance No. 59 of 1963) (hereinafter the “Regulation on Financial Statements, etc.”).

As MMC falls under the category of a company filing financial statements prepared in accordance with special provisions, the non-consolidated financial statements of MMC are prepared in accordance with Article 127 of the Regulation on Financial Statements, etc.

2. Independent audit

The consolidated and the non-consolidated financial statements for FY2022 (from April 1, 2022 to March 31, 2023) were audited by Ernst & Young ShinNihon LLC, in accordance with Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.

3. Particular efforts to secure the appropriateness of the consolidated financial statements, etc.

MMC is making particular efforts to ensure the appropriateness of the consolidated financial statements. Specifically, MMC has become a member of the Financial Accounting Standards Foundation (hereinafter the “Foundation”) and participates in seminars and other programs sponsored by the Foundation in order to have an appropriate understanding about the contents of the accounting standards, etc., and establish a system so that MMC might be able to properly respond to the changes in the accounting standards, etc.

1. Consolidated financial statements

(1) Consolidated financial statements

(a) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
Assets				
Current assets				
Cash and deposits	(*)	511,502	(*)	595,961
Notes and accounts receivable - trade, and contract assets	(*)	119,829	(*)	184,633
Finance receivables	(*)	222,463	(*)	226,042
Merchandise and finished goods		192,292		259,848
Work in process		43,293		24,835
Raw materials and supplies		64,006		66,901
Short-term loans receivable		624		1,022
Other	(*)	111,367	(*)	121,481
Allowance for doubtful accounts		(9,459)		(5,766)
Total current assets		1,255,920		1,474,959
Non-current assets				
Property, plant and equipment				
Buildings and structures, net		85,110		86,288
Machinery, equipment and vehicles, net		132,116		134,524
Tools, furniture and fixtures, net		64,638		56,044
Land		123,068		116,734
Construction in progress		24,521		61,011
Total property, plant and equipment	(*)	429,455	(*)	454,603
Intangible assets		38,273		40,003
Investments and other assets				
Investment securities	(*)	98,433	(*)	95,361
Long-term loans receivable		2,817		2,760
Retirement benefit asset		4,775		4,045
Deferred tax assets		43,669		74,029
Other	(*), (*)	58,818	(*), (*)	59,660
Allowance for doubtful accounts		(3,720)		(3,898)
Total investments and other assets		204,794		231,959
Total non-current assets		672,523		726,565
Total assets		1,928,443		2,201,524

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	324,091	369,495
Electronically recorded obligations - operating	56,612	92,009
Short-term borrowings	21,778	31,330
Commercial papers	43,000	47,500
Current portion of long-term borrowings	(*3) 292,134	(*3) 73,098
Lease liabilities	3,751	3,519
Accounts payable - other, and accrued expenses	204,894	233,874
Income taxes payable	8,487	13,510
Provision for product warranties	50,029	54,605
Provision for contingent loss	-	10,504
Other	(*1) 79,393	(*1) 77,939
Total current liabilities	1,084,173	1,007,389
Non-current liabilities		
Long-term borrowings	(*3) 95,768	(*3) 248,048
Lease liabilities	24,101	24,785
Deferred tax liabilities	17,127	320
Retirement benefit liability	32,240	36,688
Other	(*1) 44,731	(*1) 53,915
Total non-current liabilities	213,968	363,758
Total liabilities	1,298,142	1,371,148
Net assets		
Shareholders' equity		
Share capital	284,382	284,382
Capital surplus	199,837	199,620
Retained earnings	169,694	338,424
Treasury shares	(1,382)	(989)
Total shareholders' equity	652,531	821,438
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,111	977
Deferred gains or losses on hedges	(31)	(35)
Foreign currency translation adjustment	(32,571)	(5,438)
Remeasurements of defined benefit plans	(14,267)	(15,802)
Total accumulated other comprehensive income	(45,759)	(20,298)
Share acquisition rights	195	29
Non-controlling interests	23,334	29,208
Total net assets	630,301	830,376
Total liabilities and net assets	1,928,443	2,201,524

(b) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

	(Millions of yen)	
	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	(*1) 2,038,909	(*1) 2,458,141
Cost of sales	(*4) 1,676,459	(*4) 1,935,341
Gross profit	362,450	522,799
Selling, general and administrative expenses		
Advertising and promotion expenses	39,147	51,535
Freight costs	49,849	72,747
Provision of allowance for doubtful accounts	1,834	(605)
Remuneration, salaries and allowances for directors (and other officers)	66,875	74,711
Retirement benefit expenses	3,781	3,982
Depreciation	12,715	14,516
Research and development expenses	(*4) 57,507	(*4) 61,025
Other	43,405	54,390
Total selling, general and administrative expenses	275,118	332,304
Operating profit (loss)	87,331	190,495
Non-operating income		
Interest income	1,942	7,623
Dividend income	567	677
Foreign exchange gains	9,241	5,421
Share of profit of entities accounted for using equity method	8,527	–
Other	4,183	2,603
Total non-operating income	24,462	16,326
Non-operating expenses		
Interest expenses	5,085	3,559
Litigation expenses	1,586	4,306
Share of loss of entities accounted for using equity method	–	12,209
Financing expenses	1,476	706
Other	2,675	4,017
Total non-operating expenses	10,824	24,799
Ordinary profit (loss)	100,969	182,022
Extraordinary income		
Gain on sale of non-current assets	(*2) 2,858	(*2) 27,271
Gain on sale of investment securities	99	24
Gain on sale of investments in capital of subsidiaries and associates	2,791	–
Gain on reversal of asset retirement obligations	833	268
Other	548	129
Total extraordinary income	7,131	27,693
Extraordinary losses		
Loss on retirement of non-current assets	2,887	1,941
Loss on sale of non-current assets	(*3) 23	(*3) 1,713
Impairment losses	(*5) 1,451	(*5) 5,015
Loss related to Russian operations	(*6) 8,220	(*6) 19,928
Loss related to Chinese operations	–	(*7) 10,504
Other	827	2,483
Total extraordinary losses	13,411	41,586
Profit (loss) before income taxes	94,689	168,129
Income taxes - current	13,362	36,410
Income taxes - deferred	2,177	(44,642)
Total income taxes	15,539	(8,232)
Profit (loss)	79,149	176,361
Profit (loss) attributable to non-controlling interests	5,112	7,630
Profit (loss) attributable to owners of parent	74,037	168,730

Consolidated statement of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit (loss)	79,149	176,361
Other comprehensive income		
Valuation difference on available-for-sale securities	600	(134)
Deferred gains or losses on hedges	537	(10)
Foreign currency translation adjustment	26,521	20,773
Remeasurements of defined benefit plans, net of tax	(6,530)	(1,670)
Share of other comprehensive income of entities accounted for using equity method	6,477	7,384
Total other comprehensive income	(*1) 27,607	(*1) 26,342
Comprehensive income	106,757	202,703
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	98,974	194,190
Comprehensive income attributable to non- controlling interests	7,782	8,512

(c) Consolidated statement of changes in net assets

(Millions of yen)

For the fiscal year ended March 31, 2022	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	284,382	199,950	95,928	(1,659)	578,602
Cumulative effects of changes in accounting policies			(271)		(271)
Restated balance	284,382	199,950	95,656	(1,659)	578,330
Changes during period					
Profit (loss) attributable to owners of parent			74,037		74,037
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				3	3
Exercise of share acquisition rights		(113)		273	160
Net changes in items other than shareholders' equity					
Total changes during period		(113)	74,037	276	74,201
Balance at end of period	284,382	199,837	169,694	(1,382)	652,531

For the fiscal year ended March 31, 2022	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	511	(554)	(63,035)	(7,617)	(70,696)	352	16,993	525,251
Cumulative effects of changes in accounting policies								(271)
Restated balance	511	(554)	(63,035)	(7,617)	(70,696)	352	16,993	524,980
Changes during period								
Profit (loss) attributable to owners of parent								74,037
Purchase of treasury shares								(0)
Disposal of treasury shares								3
Exercise of share acquisition rights								160
Net changes in items other than shareholders' equity	600	523	30,464	(6,650)	24,937	(157)	6,341	31,120
Total changes during period	600	523	30,464	(6,650)	24,937	(157)	6,341	105,321
Balance at end of period	1,111	(31)	(32,571)	(14,267)	(45,759)	195	23,334	630,301

(Millions of yen)

For the fiscal year ended March 31, 2023	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	284,382	199,837	169,694	(1,382)	652,531
Changes during period					
Profit (loss) attributable to owners of parent			168,730		168,730
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				7	7
Exercise of share acquisition rights		(216)		385	169
Net changes in items other than shareholders' equity					
Total changes during period		(216)	168,730	393	168,906
Balance at end of period	284,382	199,620	338,424	(989)	821,438

For the fiscal year ended March 31, 2023	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,111	(31)	(32,571)	(14,267)	(45,759)	195	23,334	630,301
Changes during period								
Profit (loss) attributable to owners of parent								168,730
Purchase of treasury shares								(0)
Disposal of treasury shares								7
Exercise of share acquisition rights								169
Net changes in items other than shareholders' equity	(134)	(3)	27,133	(1,534)	25,460	(166)	5,874	31,168
Total changes during period	(134)	(3)	27,133	(1,534)	25,460	(166)	5,874	200,075
Balance at end of period	977	(35)	(5,438)	(15,802)	(20,298)	29	29,208	830,376

(d) Consolidated statement of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	94,689	168,129
Depreciation	53,630	60,132
Impairment losses	1,451	5,015
Loss related to Russian operations	8,220	19,928
Loss related to Chinese operations	–	10,504
Increase (decrease) in allowance for doubtful accounts	955	(3,632)
Increase (decrease) in retirement benefit liability	2,349	8,003
Interest and dividend income	(2,510)	(8,300)
Interest expenses	5,085	3,559
Foreign exchange losses (gains)	(6,160)	(5,354)
Share of loss (profit) of entities accounted for using equity method	(8,527)	12,209
Gain on sale of investments in capital of subsidiaries and associates	(2,791)	–
Loss (gain) on sale and retirement of non-current assets	53	(23,616)
Decrease (increase) in trade receivables	37,935	(59,282)
Decrease (increase) in finance receivables	24,744	(3,496)
Decrease (increase) in inventories	(13,104)	(38,739)
Increase (decrease) in trade payables	(42,322)	63,702
Increase (decrease) in accounts payable - other, and accrued expenses	(43,290)	6,639
Other, net	12,321	(19,341)
Subtotal	122,732	196,058
Interest and dividends received	3,196	13,447
Interest paid	(5,090)	(3,620)
Income taxes paid	(2,723)	(32,309)
Net cash provided by (used in) operating activities	118,114	173,576
Cash flows from investing activities		
Decrease (increase) in time deposits	11,071	(2)
Purchase of property, plant and equipment	(76,541)	(71,041)
Proceeds from sale of property, plant and equipment	4,816	36,389
Purchase of intangible assets	(10,650)	(8,601)
Other, net	2,181	(9,889)
Net cash provided by (used in) investing activities	(69,123)	(53,145)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	4,201	8,797
Increase (decrease) in commercial papers	10,500	4,500
Proceeds from long-term borrowings	45,780	238,541
Repayments of long-term borrowings	(65,772)	(306,549)
Dividends paid	(21)	(16)
Dividends paid to non-controlling interests	(1,436)	(2,633)
Other, net	(3,485)	(4,504)
Net cash provided by (used in) financing activities	(10,234)	(61,865)
Effect of exchange rate change on cash and cash equivalents	28,098	25,890
Net increase (decrease) in cash and cash equivalents	66,854	84,456
Cash and cash equivalents at beginning of period	444,619	511,473
Cash and cash equivalents at end of period	(*1) 511,473	(*1) 595,930

Notes

Material basis of the preparation of consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 35

The names of major companies are omitted here because they are provided in “I. Overview of the Company, 4. Status of subsidiaries and associates.”

(2) Names of major unconsolidated subsidiaries

MMC Wing Co., Ltd., etc.

Reason for exclusion from scope of consolidation

The amounts of total assets, net sales, profit or loss, and retained earnings of unconsolidated subsidiaries of the above, are all insignificant in size and do not have a material impact on the consolidated financial statements in aggregate either, therefore such subsidiaries are excluded from the scope of consolidation.

2. Application of the equity method

(1) Number of associates to which the equity method is applied: 17

There were no unconsolidated subsidiaries accounted for using the equity method at the end of the fiscal year.

The names of major companies are omitted here because they are provided in “I. Overview of the Company, 4. Status of subsidiaries and associates.”

Changes in the scope of equity method

1) Excluded from the scope of equity method: 1

Company excluded from scope of equity method due to decline in importance

PCMA Holding B.V.

(2) Names of unconsolidated subsidiaries and associates to which the equity method is not applied

Unconsolidated subsidiaries

MMC Wing Co., Ltd., etc.

Associates

Diamond F.C. Partners, Co., Ltd., etc.

Reason for non-application of equity method

The amounts such as profit or loss and retained earnings of unconsolidated subsidiaries and associates to which the equity method is not applied are all insignificant in size and do not have a material impact on the consolidated financial statements in aggregate either, therefore such unconsolidated subsidiaries and associates are excluded from the scope of equity method.

3. Fiscal year end dates of consolidated subsidiaries

For those overseas 7 consolidated subsidiaries such as Mitsubishi Motors (Thailand) Co., Ltd., for which the fiscal year end date (December 31) is different from the consolidated fiscal year end date (March 31), provisional financial statements are prepared as of March 31, for consolidation purposes.

4. Accounting policies

(1) Valuation basis and methods for significant assets

Securities

Held-to-maturity securities:

Stated at amortized cost.

Available-for-sale securities

Securities, excluding shares without market value:

Carried at fair value and the cost of securities sold is computed based on the moving average method. The difference between the acquisition cost and the carrying value of available-for-sale securities, including unrealized gains and losses, is recognized in valuation difference on available-for-sale securities in the accompanying consolidated balance sheet.

Shares without market value:

Carried at cost determined by the moving average method.

Derivative financial instruments

Market price method (excluding interest rate swaps for which the special treatment is applied)

Inventories

Inventories of MMC and its domestic consolidated subsidiaries are principally stated at cost determined by the first in first out method or specific identification method (under either method, the balance sheet carrying value is reduced to recognize any deterioration of recoverability). Inventories of the overseas consolidated subsidiaries are principally stated at the lower of cost or market value, cost being determined by the specific identification method.

(2) Depreciation and amortization method for significant depreciable and amortizable assets

Property, plant and equipment (excluding leased assets)

MMC and its consolidated subsidiaries apply the straight-line method, in principle. The useful lives of assets of MMC and some of its domestic subsidiaries are based on the estimated lives of the assets, and those for other domestic consolidated subsidiaries are based on the same standard as those provided for in the Corporation Tax Act. The useful lives of the assets are determined based on the expected useful lives for the overseas consolidated subsidiaries.

Intangible assets (excluding leased assets)

Intangible assets (excluding leased assets) are amortized using the straight line method for MMC and its domestic consolidated subsidiaries and using the straight line method primarily over the period for which each asset is available for use for its overseas consolidated subsidiaries. Software intended for use by MMC and its domestic consolidated subsidiaries is amortized using the straight line method over the period for which each asset is available for use (10 years in the case of software for some major core systems; 5 years in the case of other software).

Leased assets

Assets recognized under finance leases that do not involve transfer of ownership to the lessee for MMC and its domestic consolidated subsidiaries and right-of-use assets for the overseas consolidated subsidiaries are depreciated using the straight line method based on the contract term of the lease agreement. If a guaranteed residual value is determined in the lease agreement, the said guaranteed residual value is deemed as the residual value of such leased assets. If the residual value is not determined, it is deemed to be zero.

(3) Significant allowances and provisions

Allowance for doubtful accounts

To prepare for losses from bad debts for trade receivables, loans, etc., an estimate of the amount of specific uncollectible accounts is provided as an allowance for doubtful accounts based on the

historical default rate for ordinary receivables, and taking into account individual collectability for specific receivables such as doubtful receivables.

Provision for product warranties

MMC and domestic consolidated subsidiaries calculate the provision for product warranties after taking into account, according to the warranty agreements, future warranty forecasts based on past results in order to provide for the products' after-service costs. Overseas consolidated subsidiaries calculate the provision for product warranties after taking into account future warranty forecasts based on their past results in order to provide for the products' after-service costs.

Provision for contingent loss

Sensible amounts to cover expected losses calculated based on individual risks for each contingency and other factors are recorded to prepare for highly likely contingent loss.

(4) Accounting method for retirement benefits

Method of attributing estimated retirement benefits to the periods

In calculating retirement benefit obligations, the projected total retirement benefits are allocated to periods until the end of the fiscal year using a benefit formula basis.

Method of amortization of actuarial gains and losses and prior service costs

Prior service cost is amortized using the straight line method over a fixed number of years (mainly 10 years) within the estimated average remaining service years of the employees at the time of incurrence.

Actuarial gains and losses are being amortized using the straight line method over a fixed number of years (mainly 10 years) within the estimated average remaining service years of the employees commencing from the following fiscal year after incurrence.

Unrecognized actuarial gains and losses and unrecognized prior service cost are recorded in remeasurements of defined benefit plans in accumulated other comprehensive income under net assets after adjusting for tax effects.

(5) Recognition standard for significant revenues and expenses

The main performance obligation of the automobile business is the sale of vehicles and parts. Revenue is recognized when the control of goods or services is transferred to customers, such as when a vehicle is delivered, as is the normal time when performance obligation of sales of vehicles and parts is satisfied (normal time when revenue is recognized.) In addition, alternative treatment provided for in paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" is applied, whereby revenue from some domestic sales, etc., is recognized at the time of shipment; provided that a period from the time of shipment until the time when control of the said merchandise or product is transferred to a customer is deemed to be the normal period. In addition, payments of sales incentives to sales companies are considered to be a variable consideration when calculating transaction prices. The incentive amount expected to be paid in the future is deducted from sales during the period when control of goods or services is transferred.

As the purpose of a product warranty provided in connection with the sale of products, etc., is to guarantee that the product sold conforms to the specifications agreed with the customer, a product warranty allowance is recognized corresponding to the costs associated with the said warranty.

The main performance obligation in the financial business is the provision of services related to sales finance and leasing services (including property sales, etc., associated with expiration or cancellation of lease transactions.) Interest income in sales finance is recorded based on the interest rate method over the contract period. Lease revenue from an operating lease is recorded proportionately over the lease term, and that from a finance lease for each period is recorded at the lease payment amount received in the respective periods of the lease term.

(6) Translation of significant foreign currency accounts

Monetary receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the end of the fiscal year, and differences arising from the translation are included in the consolidated statement of income. For overseas consolidated subsidiaries, etc., assets and liabilities are translated into yen at the rates of exchange at the end of the fiscal year, and income and expenses are translated at the average exchange rates during the period. Differences arising from the translation are included in foreign currency translation adjustment and non-controlling interests under net assets.

(7) Significant hedge accounting method

Hedge accounting method

Primarily, deferred hedge accounting is applied for derivative instruments. Interest rate swaps meeting the requirements for special treatment are accounted for using the special treatment.

Hedging instruments and hedged items

Hedging instruments and hedged items to which hedge accounting is applied for the fiscal year under review are as follows:

a. Hedging instruments: Forward foreign exchange contracts

Hedged items: Primarily, trade receivables denominated in foreign currencies arising from product exports (on forecast transactions)

b. Hedging instruments: Interest rate currency swaps

Hedged items: Borrowings denominated in foreign currencies

Hedging policy

MMC is conducting hedging activities in order to avoid future foreign exchange fluctuation risk on monetary receivables and payables denominated in foreign currencies arising from normal course of business transactions and interest rate fluctuation risk on borrowings, etc.

Method of assessing of hedge effectiveness

With respect to forward foreign exchange contracts, assessment of hedge effectiveness is omitted, since material conditions are identical with forecast transactions to be hedged and it can be assumed to offset market fluctuations at the time of inception of hedges and afterward. Also, with respect to interest rate currency swaps through integrated processing, assessment of effectiveness is omitted.

With respect to interest rate swaps accounted for using special treatment, assessment of hedge effectiveness is substituted by identifying that they meet the requirements.

(8) Method and period of goodwill amortization

Goodwill is amortized using the straight-line method over a period of 5 years beginning with the day on which it is realized.

(9) Scope of cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

(10) Other significant matters serving as the preparation of consolidated financial statements

Application of the group tax sharing system

The group tax sharing system is applied.

Significant accounting estimates

Liabilities related to market quality measures

1) Amount recorded in the consolidated financial statements as of March 31, 2023

	As of March 31, 2022 (Millions of yen)	As of March 31, 2023 (Millions of yen)
Liabilities related to market quality measures	37,962	19,495

(The above amount is included in accounts payable - other, and accrued expenses in the consolidated balance sheet.)

2) Information on significant accounting estimates for identified items

(i) Calculation method

The MMC group reasonably estimates the future expenses for measures relating to the voluntary recall and repair of sold products that are non-compliant under an individual country's regulatory requirements concerning safety and the environment. In cases where such expenditures are likely to be incurred and can be reasonably estimated, the MMC group calculates the future expenses, considering the expenses to be incurred per unit, the number of units, the occurrence rate of the recall and repair of subject vehicles, and other factors.

(ii) Key assumption

The key assumption used in the calculation of future expenses is the occurrence rate of the recall and repair, which is based on past experiences and the other factors by sales region and vehicle age.

(iii) Impact on the consolidated financial statements for the fiscal year ending March 31, 2024

In the event that the actual amount of expenses incurred differs from the estimate due to calculation uncertainties arising primarily from the complexity of the estimated calculation and the long period of time used for the estimate, additional liabilities or reversal of liabilities related to market quality measures may be required. In addition, in the event of large-scale recalls, remedial measures, etc., due to product defects or failures, the MMC group may be required to bear significant costs and record additional liabilities related to market quality measures.

Changes in accounting policies

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

MMC has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 31, June 17, 2021) since the beginning of the fiscal year under review. In accordance with the transitional treatment set out in paragraph 27-2 of Implementation Guidance on Accounting Standard for Fair Value Measurement, MMC will continue to apply the new accounting policies set out in the implementation guidance into the future. This has no impact on the MMC group's consolidated financial statements.

(Unapplied accounting standards, etc.)

The Company and affiliates in Japan

- "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022, Accounting Standards Board of Japan (ASBJ))
- "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28, 2022, ASBJ)
- "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, ASBJ)

(1) Outline

On February 2018, “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28) was announced, and the management of practical guidelines for tax effect accounting was transferred from the Japanese Institute of Certified Public Accountants (JICPA) to ASBJ. In the process of deliberation, two topics, which were supposed to be discussed after the announcement of ASBJ Guidance No. 28, etc., were deliberated and publicized.

- Accounting for tax expenses (taxation on other comprehensive income)
- Tax effects of the sales of the shares, etc., of subsidiaries when the group taxation regime is applied (shares of subsidiaries or affiliates)

(2) Date to be applied

It will be applied from the beginning of the fiscal year ending March 2025.

(3) Impact from the application of the accounting standards, etc.

The effect of the application of “Accounting Standard for Current Income Taxes,” etc., on the consolidated financial statements is currently under assessment.

Change in presentation

(Consolidated balance sheet)

In conjunction with the full-scale launch of the new core system, the definition of inventories was revised from the fiscal year ended March 31, 2023 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.

(Consolidated statement of income)

“Subsidies for employment adjustment,” which was separately presented in “Non-operating income” for the fiscal year ended March 31, 2022, has been included in “Other” from the fiscal year ended March 31, 2023, due to the decreased importance of the amount. The consolidated financial statements for the fiscal year ended March 31, 2022, have been reclassified to reflect this change in the presentation method.

Consequently, 919 million yen of “Subsidies for employment adjustment” of “Non-operating income” and 3,263 million yen of “Other” thereof on the consolidated statement of income for the fiscal year ended March 31, 2022, have been reclassified as 4,183 million yen of “Other.”

Additional information

(Stock compensation plan)

Based on the resolution of the Compensation Committee meeting held on December 15, 2020, MMC has introduced a stock compensation plan (hereinafter the “Plan”) that utilizes trusts as an incentive plan for its Executive Officers and Corporate Officers, etc. (hereinafter referred to as “Executive Officers, etc.”)

(1) Outline of the transaction

The Plan adopts a structure called the Board Incentive Plan Trust (hereinafter the “Trust”). Through the Trust, MMC will deliver MMC shares or pay money equivalent to the converted value of such shares to Executive Officers, etc., according to their position and degree of achievement of performance targets.

(2) Treasury shares remaining in the Trust

The MMC’s shares remaining in the Trust are recorded as treasury shares in the net assets section at the book value of the trust (excluding the amount of incidental expenses). The book value of the treasury shares as of March 31, 2023, is 240 million yen, and the number of shares is 1,103,450 shares.

Consolidated balance sheet

(*1) Receivables from contracts with customers, contract assets, and contract liabilities:

Among “Notes and accounts receivable - trade and contract assets,” the amount of receivables and contract assets from contracts with customers, and of “Other” of Current liabilities, and “Other” of Non-current liabilities, the amount of contract liabilities are stated under “Notes (Revenue Recognition) 3. (1) Balance, etc., of contract assets and contract liabilities.”

(*2) Accumulated depreciation of property, plant and equipment is as follows:

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Accumulated depreciation of property, plant and equipment	904,758	907,382

(*3) Assets pledged as collateral and liabilities secured by the collateral

(1) Assets pledged as collateral is as follows:

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Finance receivables	92,389	99,536
Other (Note)	1,973	802
Total	94,363	100,339

(Note) In the previous fiscal year, accounts receivable - other of 1,206 million yen was pledged based on a liability in a term lease contract relating to a building with Murata Medical Services, Ltd.

(2) Liabilities secured by the collateral is as follows:

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Current portion of long-term loans payable	24,233	25,981
Long-term loans payable	56,060	59,508
Total	80,293	85,489

(*4) Investments in unconsolidated subsidiaries and associates

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Investment securities	89,582	88,210
Other (investments and other assets)	16,202	17,883
(of which investment in joint ventures)	(20,405)	(20,950)

5 Guarantee obligation

(1) Guarantee recipients

For the fiscal year ended March 31, 2022 (As of March 31, 2022)			For the fiscal year ended March 31, 2023 (As of March 31, 2023)		
Guaranteed	Guaranteed amount (Millions of yen)	Description of guaranteed obligation	Guaranteed	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	184	(Note)
Total	4,076		Total	184	

(Note) Bank loans for “Employees’ property accumulation residence fund,” etc.

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

		(Millions of yen)
For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)	
		631
	1,162	

6 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.

7 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 March 31, 2023 based on this agreement is as follows.

		(Millions of yen)	
		For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Total of commitment line		152,000	152,000
Outstanding balance of used commitment line		–	–
Unused amount		152,000	152,000

Consolidated statement of income

(*1) Revenue from contracts with customers

Net sales are not presented separately from revenue from contracts with customers and other revenues. The amount of revenue from contracts with customers is stated in “Notes (Revenue Recognition) 1. Information on the breakdown of revenue from contracts with customers.”

(*2) Gain on sale of non-current assets is as follows:

(Millions of yen)			
For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)		For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	
Buildings and structures	86	Buildings and structures	3,118
Machinery, equipment and vehicles	113	Machinery, equipment and vehicles	125
Tools, furniture and fixtures	17	Tools, furniture and fixtures	5
Land	2,641	Land	24,021
Total	2,858	Total	27,271

(*3) Loss on sale of non-current assets is as follows:

(Millions of yen)			
For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)		For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	
Buildings and structures	–	Buildings and structures	25
Machinery, equipment and vehicles	21	Machinery, equipment and vehicles	16
Tools, furniture and fixtures	1	Tools, furniture and fixtures	1
Land	–	Land	1,669
Total	23	Total	1,713

(*4) Total amount of research and development expenses included in general and administrative expenses and manufacturing cost for the period

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)		For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	
90,714		107,236	

(*5) Impairment losses

The MMC group recognized impairment losses on the following asset group:

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

This information is omitted because it is immaterial.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

(1) Outline of asset group on which impairment losses were recognized

Location	Usage	Type	Amount (Millions of yen)
Thailand, etc. (3 locations)	Production facilities	Buildings, structures, machinery, equipment, vehicles, tools, furniture, fixtures, and others	4,505
Matsue, Shimane (1 location)	Assets for rent	Land	86
Kyoto, Kyoto, etc. (4 locations)	Idle assets	Buildings, structures, machinery, equipment, vehicles, tools, furniture, fixtures, land and others	422
Total			5,015

(2) Grouping method of assets

Assets used in production are grouped mainly by business company and sales related assets are grouped mainly by business unit. In addition, assets leased to others and idle assets are treated as individual asset groups.

(3) Circumstances leading to recognition of impairment losses

Due to deterioration of market conditions, etc., the book value of some assets was reduced to the recoverable amount.

(4) Method of computing the recoverable amount

The recoverable amount is determined by the higher amount of the net selling value or 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, and other values. The value in use is computed based on the future cash flows (discount rate is mainly 12.2%).

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

The breakdown of impairment losses of 5,015 million yen is as follows:

	(Millions of yen)
Buildings and structures	211
Machinery, equipment and vehicles	4,361
Tools, furniture and fixtures	292
Land	120
Other	29
Total	5,015

(*6) Loss related to Russian operations

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

The Russian army invaded Ukraine on February 24, 2022, and, in response to this invasion, several countries and regions, including Japan, have imposed economic sanctions against Russia.

The MMC group engages in assembly, production, and sales of finished vehicles in Russia through consolidated subsidiaries and affiliates in Russia that are accounted for under the equity method; however, Russia's military invasion of Ukraine has disrupted logistics networks, causing parts supplies to be frozen, hence production has been temporarily suspended.

As a result, doubts have arisen over the collection of some receivables of each company held by MMC, as well as declines in the profitability of some inventories held by MMC and its consolidated subsidiaries.

Accordingly, 6,262 million yen in Provision of allowance for doubtful accounts and 1,958 million yen of Valuation loss from a decline in profitability related to inventories were recorded as Extraordinary losses under Loss related to Russian operations of 8,220 million yen.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

The MMC group engages in assembling and selling finished vehicles through one consolidated subsidiary and multiple affiliates in Russia; however, MMC has decided not to resume production in Russia.

Consequently, the MMC group will sustain many costs, including valuation loss of the affiliates' shares; valuation and disposal loss of components for production; and detention charges for containers. Thus, we have recorded an extraordinary loss of 19,928 million yen.

(*7) Loss related to Chinese operations

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

In China, although MMC group affiliate GAC Mitsubishi Motors Co., Ltd. has engaged in manufacturing and retail, its financial circumstances have taken a turn for the worse amid lagging volume-based sales due to the lingering effects of the COVID-19 pandemic, intensifying competition, and rapid changes in the market, for example semiconductor shortages and the popularization of electric vehicles. To address these conditions, based on the results of discussion among our shareholders, we resolved at the Board of Directors meeting to increase the framework of support for MMC's funding commitment to GAC Mitsubishi Motors Co., Ltd. We are unlikely to recover funding in GAC Mitsubishi Motors Co., Ltd. Therefore, we recorded loss related to Chinese operations amounting to 10,504 million yen, our estimate of irrecoverable loans that will arise in the future.

Furthermore, based on the results of future discussion among our shareholders, there may also be additional funding support from the fiscal year ending March 31, 2024 onward.

Consolidated statement of comprehensive income

(*1) Reclassification adjustments and tax effects concerning other comprehensive income

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Valuation difference on available-for-sale securities:		
Amount arising during the period	832	(2,498)
Reclassification adjustments	–	2,274
Before tax-effect adjustment	832	(223)
Amount of tax effects	(232)	88
Valuation difference on available-for-sale securities	600	(134)
Deferred gains or losses on hedges:		
Amount arising during the period	(3,395)	(15,665)
Reclassification adjustments	3,963	15,658
Before tax-effect adjustment	567	(6)
Amount of tax effects	(29)	(3)
Deferred gains or losses on hedges	537	(10)
Foreign currency translation adjustment:		
Amount arising during the period	26,521	20,773
Reclassification adjustments	–	–
Foreign currency translation adjustment	26,521	20,773
Remeasurements of defined benefit plans:		
Amount arising during the period	(6,187)	(1,892)
Reclassification adjustments	760	1,275
Before tax-effect adjustment	(5,427)	(617)
Amount of tax effects	(1,102)	(1,053)
Remeasurements of defined benefit plans	(6,530)	(1,670)
Share of other comprehensive income of entities accounted for using equity method:		
Amount arising during the period	6,989	7,366
Reclassification adjustments	(511)	18
Share of other comprehensive income of entities accounted for using equity method	6,477	7,384
Total other comprehensive income	27,607	26,342

Consolidated statement of changes in net assets

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

1. Class and total number of issued shares and class and number of treasury shares

(Thousands of shares)				
	At the beginning of the period	Increase	Decrease	At the end of the period
Issued shares:				
Common stock	1,490,282	–	–	1,490,282
Total	1,490,282	–	–	1,490,282
Treasury shares:				
Common stock (Note)	2,756	0	326	2,430
Total	2,756	0	326	2,430

(Notes) 1. The number of treasury shares at the end of the fiscal year ended March 31, 2022, includes 1,137 thousand shares of MMC held in the “Board Incentive Plan (BIP) Trust Account.”

2. The increase of 0 thousand shares in the number of shares of common stock under treasury shares was due to the increase of 0 thousand shares from the purchase of shares of less than one unit.

3. The decrease in the number of shares of common stock under treasury shares by 326 thousand shares was due to the decrease of 311 thousand shares from the exercise of share acquisition rights and the decrease of 15 thousand shares from the delivery of treasury shares by the Board Incentive Plan (BIP) Trust.

2. Share acquisition rights and treasury share acquisition rights

Classification	Components of share acquisition rights	Type of shares that will be issued upon exercise of share acquisition rights	Number of shares that will be issued upon exercise of share acquisition rights (shares)				Balance at the end of the period (Millions of yen)
			At the beginning of the period	Increase	Decrease	At the end of the period	
Reporting company	Stock option	Common stock	–	–	–	–	195
Total		–	–	–	–	–	195

3. Dividends

(1) Dividend payment

Not applicable.

(2) Dividends for which record date is in the fiscal year under review with effective date in the following fiscal year

Not applicable.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

1. Class and total number of issued shares and class and number of treasury shares

(Thousands of shares)

	At the beginning of the period	Increase	Decrease	At the end of the period
Issued shares:				
Common stock	1,490,282	–	–	1,490,282
Total	1,490,282	–	–	1,490,282
Treasury shares:				
Common stock (Note)	2,430	0	473	1,956
Total	2,430	0	473	1,956

- (Notes) 1. The number of shares of common stock under treasury shares includes the Company's shares held by the "BIP Trust Account for Officers' Remuneration" (1,137 thousand shares at the beginning of the consolidated period and 1,103 thousand shares at the end of the consolidated period).
2. The increase of 0 thousand shares in the number of shares of common stock under treasury shares is due to the increase of 0 thousand shares from the purchase of shares less than one unit.
3. The decrease of 473 thousand shares in the number of shares of common stock under treasury shares is due to the decrease of 439 thousand shares from the exercise of share acquisition rights and the decrease of 34 thousand shares from the delivery of shares from the Board Incentive Plan (BIP) Trust.

2. Share acquisition rights and treasury share acquisition rights

Classification	Components of share acquisition rights	Type of shares that will be issued upon exercise of share acquisition rights	Number of shares that will be issued upon exercise of share acquisition rights (shares)				Balance at the end of the period (Millions of yen)
			At the beginning of the period	Increase	Decrease	At the end of the period	
Reporting company	Stock option	Common stock	–	–	–	–	29
Total		–	–	–	–	–	29

3. Dividends

(1) Dividend payment

Not applicable.

(2) Dividends for which record date is in the fiscal year under review with effective date in the following fiscal year

Resolution date	Class of shares	Total amount of dividend (Millions of yen)	Source of dividend	Dividend per share (Yen) (Note)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 22, 2023	Common stock	7,447	Retained earnings	5.0	March 31, 2023	June 23, 2023

(Note) The total amount of dividend based on the resolution at the Ordinary General Meeting of Shareholders on June 22, 2023 includes 5 million yen of dividend for the shares of MMC held by the "Board Incentive Plan (BIP) Trust Account."

Consolidated statement of cash flows

(*1) Reconciliation of cash and cash equivalents at end of period and the amount recorded in the consolidated balance sheet

	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Cash and deposits	511,502	595,961
Time deposits with maturities of more than three months	(28)	(30)
Cash and cash equivalents	511,473	595,930

Lease transactions

Lessees' accounting

1. Finance lease transactions and right of use assets

Finance lease transactions without ownership transfer for MMC and its domestic subsidiaries and right of use assets for the overseas consolidated subsidiaries

1) Details of leased assets

Property, plant and equipment

Mainly land for a plant use ("Land") and sales facilities ("Buildings and structures, net") in the automobile business

2) Depreciation method of leased assets

As noted in "4. Accounting policies, (2) Depreciation and amortization method for significant depreciable and amortizable assets" under "Material basis of the preparation of consolidated financial statements."

2. Operating lease transactions

Future minimum lease payments required under non-cancellable operating lease transactions

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Due within one year	2,902	2,895
Due after one year	14,690	11,800
Total	17,592	14,695

Lessors' accounting

1. Operating lease transactions

Future minimum lease payments required under non-cancellable operating lease transactions

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Due within one year	5,342	6,059
Due after one year	7,850	9,501
Total	13,193	15,560

Financial instruments

1. Overview of financial instruments

(1) Our policy for managing financial instruments

MMC group's capital management policy is to limit its investments to low-risk financial products and to obtain required funds mainly through bank borrowings. We use derivative instruments to hedge interest rate, foreign currency and similar risks, and we do not enter into any speculative transactions.

(2) Nature and risks of financial instruments and our risk management structure

Trade receivables, which includes "Notes and accounts receivable – trade, and contract assets," are exposed to the credit risk of our customers. To manage this risk, in accordance with MMC group's credit control rules, each group company monitors the financial condition of its major customers, as well as managing the due dates and outstanding balances of the receivables by customer.

Trade receivables denominated in foreign currency are exposed to foreign currency risk, but forward foreign exchange contracts and others are used to hedge a portion of the position after netting foreign currency denominated payables.

Some investment securities are exposed to the risk of market price fluctuation. However, such securities are composed of mainly the stocks of companies with which MMC group has business relationships.

Trade payables, which include notes and accounts payable - trade, and electronically recorded obligations - operating, are mostly expected to be settled within one year. Some of them are denominated in foreign currency and exposed to foreign currency risk, but forward foreign exchange contracts and others are used to hedge a portion of the position after netting foreign currency denominated receivables.

Floating rate of borrowings are exposed to interest rate risk. For some of the borrowings, derivative transactions (interest rate swaps) may be used as hedging instruments on an individual loan contract basis to hedge the interest payable fluctuation risk.

Certain intercompany loans are exposed to foreign currency risk, however forward foreign exchange contracts and others may be used as hedging instruments for some of these loans.

In order to mitigate counterparty risks, MMC group enters into derivative transactions only with highly rated financial institutions.

Trade payables and borrowings are exposed to liquidity risk. Each group company manages these risks by preparing cash flow projections and other similar tools.

(3) Supplementary explanation on fair value of financial instruments

In "2. Fair value of financial instruments," contractual amounts, etc. for derivative transactions themselves do not indicate market risk on the derivative transactions.

2. Fair value of financial instruments

The carrying amount, fair value, and the difference between the carrying amount and the fair value of the financial instruments are as follows.

For the previous fiscal year (as of March 31, 2022)

(Millions of yen)

	Carrying amount	Fair value	Difference
(1) Finance receivables	222,463	219,328	(3,135)
(2) Investment securities (*2) Available-for-sale securities	978	978	–
Total assets	223,442	220,307	(3,135)
(1) Long-term borrowings	387,903	387,952	49
Total liabilities	387,903	387,952	49
Derivative transactions (*3)	(1,086)	(1,086)	–

(*1) The fair values of “Cash and deposits,” “Notes and accounts receivable - trade, and contract assets,” “Notes and accounts payable - trade,” “Electronically recorded obligations - operating,” “Short-term borrowings,” “Commercial papers,” and “Accounts payable - other, and accrued expenses,” approximate the carrying amounts as they are settled within a short period of time, hence presentation of the figures is omitted.

(*2) Stocks, etc., without a readily determinable market price are not included in “(2) Investment securities.” The consolidated balance sheet amounts of these financial instruments are as follows.

(Millions of yen)

Classification	For the fiscal year ended March 31, 2022 (As of March 31, 2022)
Unlisted shares and shares of subsidiaries and associates	97,454

(*3) The amount of the receivable or payable arising from derivative transactions is presented on a net basis.

For the fiscal year under review (as of March 31, 2023)

(Millions of yen)

	Carrying amount	Fair value	Difference
(1) Finance receivables	226,042	223,713	(2,328)
(2) Investment securities (*2) Available-for-sale securities	2,529	2,529	–
Total assets	228,572	226,243	(2,328)
(1) Long-term borrowings	321,147	321,166	19
Total liabilities	321,147	321,166	19
Derivative transactions (*3)	1,260	1,260	–

(*1) The fair values of “Cash and deposits,” “Notes and accounts receivable - trade, and contract assets,” “Notes and accounts payable - trade,” “Electronically recorded obligations - operating,” “Short-term borrowings,” “Commercial papers,” and “Accounts payable - other, and accrued expenses,” approximate the carrying amounts as they are settled within a short period of time, hence presentation of the figures is omitted.

(*2) Stocks, etc., without a readily determinable market price are not included in “(2) Investment securities.” The consolidated balance sheet amounts of these financial instruments are as follows.

(Millions of yen)

Classification	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Unlisted shares and shares of subsidiaries and associates	92,831

(*3) The amount of the receivable or payable arising from derivative transactions is presented on a net basis.

(Note) 1. Redemption schedule after the balance sheet date for monetary receivables and securities with maturity dates

For the previous fiscal year (as of March 31, 2022)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Deposits	510,498	–	–	–	–	–
Notes and accounts receivable - trade, and contract assets	119,829	–	–	–	–	–
Finance receivables	63,843	50,783	43,479	29,037	21,900	13,419
Total	694,171	50,783	43,479	29,037	21,900	13,419

For the fiscal year under review (as of March 31, 2023)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Deposits	594,853	–	–	–	–	–
Notes and accounts receivable - trade, and contract assets	184,633	–	–	–	–	–
Finance receivables	70,159	50,909	39,669	29,655	24,284	11,363
Total	849,646	50,909	39,669	29,655	24,284	11,363

(Note) 2. Repayment schedule after the balance sheet date for short-term loans payable, commercial papers and long-term loans payable

For the previous fiscal year (as of March 31, 2022)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term loans payable	21,778	–	–	–	–	–
Commercial papers	43,000	–	–	–	–	–
Long-term loans payable	292,134	54,077	23,416	11,563	6,710	–
Total	356,913	54,077	23,416	11,563	6,710	–

For the fiscal year under review (as of March 31, 2023)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term loans payable	31,330	–	–	–	–	–
Commercial papers	47,500	–	–	–	–	–
Long-term loans payable	73,098	190,517	20,120	23,532	12,851	1,026
Total	151,929	190,517	20,120	23,532	12,851	1,026

3. Matters related to the breakdown, etc., affected by the level of the fair value of financial instruments

The fair value of financial instruments is classified into the following three levels according to the observability and importance of inputs relating to the measurement of fair value.

Level 1 fair value: Of inputs relating to the measurement of observable fair value, fair value measured at the quoted price of assets and liabilities subject to the measurement of the said fair value determined in the active markets

Level 2 fair value: Of inputs relating to the measurement of observable fair value, fair value measured using inputs relating to the measurement of fair value other than level 1 input

Level 3 fair value: Fair value measured using input relating to the measurement of unobservable fair value

When multiple inputs that significantly impact the measurement of fair value are used, fair value is classified as the lowest priority level to which each input belongs when measuring fair value.

(1) Financial instruments recorded on the consolidated balance sheet at fair value

For the previous fiscal year (as of March 31, 2022)

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	978	–	–	978
Derivative transactions				
Currencies	–	76	–	76
Total assets	978	76	–	1,055
Derivative transactions				
Currencies	–	1,162	–	1,162
Total liabilities	–	1,162	–	1,162

For the fiscal year under review (as of March 31, 2023)

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	2,529	–	–	2,529
Derivative transactions				
Currencies	–	1,496	–	1,496
Total assets	2,529	1,496	–	4,026
Derivative transactions				
Currencies	–	236	–	236
Total liabilities	–	236	–	236

(2) Financial instruments other than those recorded on the consolidated balance sheet at fair value

For the previous fiscal year (as of March 31, 2022)

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Finance receivables	–	219,328	–	219,328
Total assets	–	219,328	–	219,328
Long-term borrowings	–	387,952	–	387,952
Total liabilities	–	387,952	–	387,952

For the fiscal year under review (as of March 31, 2023)

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Finance receivables	–	223,713	–	223,713
Total assets	–	223,713	–	223,713
Long-term borrowings	–	321,166	–	321,166
Total liabilities	–	321,166	–	321,166

(Note) Explanation of evaluation techniques used to measure fair value and inputs relating to fair value measurement

Investment securities

Listed stocks are measured using quoted prices. The fair value of listed stocks is classified as level 1 fair value as they are traded in active markets.

Derivative transactions

The fair value of derivatives transactions is classified as level 2 fair value according to the price, etc., quoted by financial institutions with which MMC has transactions.

Finance receivables

The fair value of finance receivables is classified as level 2 fair value and measured at present value, which is calculated by categorizing finance receivables by a certain period of time and discounting future cash flows by an interest rate obtained by adding credit spread to appropriate indicators, such as government bond yields, for each credit risk category used for credit management.

Long-term borrowings

The fair value of long-term borrowings is classified as level 2 fair value measured at present value, which is calculated by categorizing long-term borrowings by a certain period of time and discounting the total amount of principal and interest by an interest rate assumed if a similar new borrowing is made.

Securities

1. Available-for-sale securities

For the previous fiscal year (as of March 31, 2022)

(Millions of yen)

	Type	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	978	193	785
	Subtotal	978	193	785
Securities whose carrying amount does not exceed their acquisition cost	Stocks	–	–	–
	Subtotal	–	–	–
Total		978	193	785

For the fiscal year under review (as of March 31, 2023)

(Millions of yen)

	Type	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	2,529	1,575	954
	Subtotal	2,529	1,575	954
Securities whose carrying amount does not exceed their acquisition cost	Stocks	–	–	–
	Subtotal	–	–	–
Total		2,529	1,575	954

2. Available-for-sale securities sold

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

Type	Sales proceeds	Total gain	Total loss
Stocks	302	99	0

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

(Millions of yen)

Type	Sales proceeds	Total gain	Total loss
Stocks	63	24	10

3. Securities for which impairment losses were recognized

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

Not applicable.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

This information is omitted because it is immaterial.

Derivative transactions

1. Derivative transactions for which hedge accounting is not applied

(1) Currency-related transactions

For the previous fiscal year (as of March 31, 2022)

(Millions of yen)

Classification	Transaction type	Notional amounts	Of notional amounts, over one year	Fair value	Valuation gain or loss
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	JPY	6,400	–	27	27
	Buy:				
	USD	180	–	(0)	(0)
	JPY	24,018	–	(927)	(927)
	Interest rate currency swap contracts:				
	Sell:				
	USD	12,640	–	(185)	(185)
	Total	–	–	(1,086)	(1,086)

For the fiscal year under review (as of March 31, 2023)

(Millions of yen)

Classification	Transaction type	Notional amounts	Of notional amounts, over one year	Fair value	Valuation gain or loss
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	USD	63,637	–	1,349	1,349
	JPY	13,499	–	74	74
	Buy:				
	USD	817	–	(6)	(6)
	JPY	19,822	–	(103)	(103)
	Total	–	–	1,314	1,314

(2) Interest-related transactions

For the previous fiscal year (as of March 31, 2022)

Not applicable.

For the fiscal year under review (as of March 31, 2023)

Not applicable.

2. Derivative transactions for which hedge accounting is applied

(1) Currency-related transactions

For the previous fiscal year (as of March 31, 2022)

Not applicable.

For the fiscal year under review (as of March 31, 2023)

(Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Of notional amounts, over one year	Fair value
Principle method	Forward foreign exchange contracts: Sell: USD	Future transactions denominated in foreign currencies	4,848	—	60
	Interest rate currency swap contracts: Buy: USD	Borrowings denominated in foreign currency	3,329	—	(114)
Total			—	—	(53)

(2) Interest-related transactions

For the previous fiscal year (as of March 31, 2022)

Not applicable.

For the fiscal year under review (as of March 31, 2023)

Not applicable.

Retirement benefits

1. Outline of adopted retirement benefit plans

MMC and its consolidated subsidiaries have defined benefit corporate pension plans and lump-sum payment plans as defined benefit plans, and defined contribution pension plans as defined contribution plans. Certain employees may be entitled to additional special retirement benefits, depending on the conditions for the termination of their employment. Certain consolidated subsidiaries apply a simplified method for calculation of retirement benefits obligation.

MMC has established a retirement benefit trust for its lump-sum payment plan.

2. Defined benefit plan

(1) Adjustments between the beginning and ending balances of retirement benefit obligation

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Retirement benefit obligation at beginning of period	182,066	184,833
Service cost	8,539	8,511
Interest cost	2,633	3,636
Actuarial gains and losses generated	(4,508)	(9,314)
Retirement benefits paid	(15,881)	(13,008)
Prior service cost generated	0	1
Effect of foreign currency translation	6,655	6,341
Changes from the termination of plans	(374)	(1)
Other	5,703	(362)
Retirement benefit obligation at end of period	184,833	180,637

(2) Adjustments between the beginning and ending balances of plan assets

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Plan assets at beginning of period	158,020	157,368
Expected return on plan assets	5,449	5,733
Actuarial gains and losses generated	(4,188)	(9,856)
Contribution from employers	4,797	758
Retirement benefits paid	(12,537)	(11,646)
Effect of foreign currency translation	6,121	6,036
Changes from the termination of plans	(91)	-
Other	(203)	(398)
Plan assets at end of period	157,368	147,994

(3) Adjustments between the ending balances of retirement benefit obligation and plan assets and the retirement benefit liability and retirement benefit asset reported on the consolidated balance sheet

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Retirement benefits obligation for funded plans	170,624	166,868
Plan assets	(157,368)	(147,994)
	13,255	18,874
Retirement benefits obligation for unfunded plans	14,208	13,768
Net amount of liabilities and assets reported on the consolidated balance sheet	27,464	32,642
Retirement benefit liability	32,240	36,688
Retirement benefit asset	(4,775)	(4,045)
Net amount of liabilities and assets reported on the consolidated balance sheet	27,464	32,642

(4) The amounts of components of retirement benefit expenses

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Service cost	8,539	8,515
Interest cost	2,633	3,636
Expected return on plan assets	(5,449)	(5,733)
Amortization of actuarial gains and losses	1,249	1,651
Amortization of prior service cost	(435)	(384)
Other	550	(201)
Retirement benefit expenses for defined benefit plans	7,087	7,484

(5) Remeasurements of defined benefit plans

The components of remeasurements of defined benefit plans included in other comprehensive income (before tax effects) are as follows:

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Prior service cost	435	385
Actuarial gains and losses	4,991	(1,002)
Total	5,427	(617)

(6) Remeasurements of defined benefit plans

The components of remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effects) are as follows:

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Unrecognized prior service cost	(2,003)	(1,618)
Unrecognized actuarial gains and losses	15,300	14,297
Total	13,296	12,679

(7) Plan assets

1) Major components of plan assets

Ratio of each major component of plan assets is as follows:

	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Bonds	62%	56%
Short-term funds	0	8
Stocks	17	16
Cash and deposits	3	2
Life insurance company accounts	2	2
Other	16	16
Total	100	100

2) Method for determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined considering the expected profile of plan assets both currently and in the future, and the long-term rates of return which are expected currently and in the future from the various components of those plan assets.

(8) Actuarial assumptions used

Principal actuarial assumptions

	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Discount rate		
Domestic companies	0.0% - 0.8%	0.0% - 0.8%
Overseas companies	1.7% - 7.6%	2.8% - 7.2%
Expected rate of return		
Domestic companies	0.8% - 4.0%	0.8% - 3.0%
Overseas companies	4.0% - 5.7%	4.1% - 6.6%
Expected future salary increase		
Domestic companies	1.0% - 6.0%	1.0% - 6.0%
Overseas companies	0.0% - 7.5%	0.0% - 7.5%

3. Defined contribution plans

The required contribution of MMC and its consolidated subsidiaries to the defined contribution plans is 1,742 million yen for the previous fiscal year and 1,861 million yen for the fiscal year under review.

Stock options

1. The account and the amount of stock options charged as expenses

(Millions of yen)

	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Selling, general and administrative expenses	2	2

2. Nature, size and status of changes of stock options

(1) Description of stock options

	The 1st Stock Options	The 3rd Stock Options	The 4th Stock Options
Category and number of persons granted	Members of the Board of MMC (excluding Outside Directors): 5 persons	Members of the Board of MMC (excluding Outside Directors): 1 person	Members of the Board of MMC (excluding Outside Directors): 1 person 1 heir of a former Member of the Board of MMC (excluding Outside Director)
Class and number of stock options (Note)	Common stock: 33,522 shares	Common stock: –	Common stock: 95,146 shares
Date of grant	July 14, 2017	October 15, 2019	December 16, 2020
Conditions for vesting	The grantee must hold a position as Member of the Board or Audit & Supervisory Board Member or equivalent position, a position as employee or advisor of MMC or its subsidiaries until the date when his or her share acquisition rights become exercisable.	The grantee must hold a position as Member of the Board or Audit & Supervisory Board Member or equivalent position, a position as employee or advisor of MMC or its subsidiaries until the date when his or her share acquisition rights become exercisable.	The grantee must hold a position as Member of the Board or Audit & Supervisory Board Member or equivalent position, a position as employee or advisor of MMC or its subsidiaries until the date when his or her share acquisition rights become exercisable.
Service period	From July 14, 2017 to April 30, 2020	From October 15, 2019 to April 30, 2022	From December 16, 2020 to April 30, 2023
Exercise period	From May 1, 2020 to April 30, 2070	From May 1, 2022 to April 30, 2052	From May 1, 2023 to April 30, 2053

(Note) The figures are shown after converting into the number of shares to be granted.

(2) Size and status of changes of stock options

The number of stock options which existed as of the fiscal year under review is presented by converting into the number of shares.

1) Number of stock options

	The 1st Stock Options	The 3rd Stock Options	The 4th Stock Options
Non-vested (shares)			
March 31, 2022- Outstanding	–	406,162	95,146
Granted	–	–	–
Forfeited	–	–	–
Vested	–	406,162	–
Balance of non-vested	–	–	95,146
Vested (shares)			
March 31, 2022- Outstanding	67,044	–	–
Vested	–	406,162	–
Exercised	33,522	406,162	–
Forfeited	–	–	–
Balance of non-exercised	33,522	–	–

2) Prices

	The 1st Stock Options	The 3rd Stock Options	The 4th Stock Options
Exercise price (Yen)	1	1	1
Average share price at exercise (Yen)	497.00	391.00	–
Fair value price at grant date (Yen)	517.42	372.56	126.12

3. Method for estimating the fair value price of stock options granted

Not applicable.

4. Estimation of the number of stock options vested

In principle, as it is difficult to reasonably estimate the future number of forfeitures, MMC adopts the method of only listing forfeitures that have occurred.

Tax-effect accounting

1. Significant components of deferred tax assets and liabilities

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Deferred tax assets:		
Net operating losses carried forward (Note) 2	330,553	310,527
Retirement benefit liability	23,071	23,365
Excess amount over limitation of taxable allowance for doubtful accounts	3,582	2,479
Self-disallowed accrued expenses	10,325	14,110
Liabilities related to market quality measures	10,413	5,729
Excess amount over limitation of taxable provision for product warranties	14,173	16,463
Non-current assets (including impairment losses)	39,305	34,842
Other	41,634	61,535
Subtotal	473,058	469,054
Valuation allowance related to net operating losses carried forward (Note) 2	(307,375)	(286,945)
Valuation allowance related to total deductible temporary differences	(113,377)	(86,300)
Subtotal valuation allowance (Note) 1	(420,753)	(373,246)
Total deferred tax assets	52,305	95,808
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(442)	(301)
Appraisal value of land based on the full fair value method	(1,892)	(1,431)
Reserve for advanced depreciation of non-current assets	(140)	(139)
Accelerated depreciation of overseas subsidiaries	(502)	(519)
Retained earnings of subsidiaries, etc.	(14,730)	(12,116)
Other	(8,055)	(7,591)
Total deferred tax liabilities	(25,764)	(22,099)
Net deferred tax assets (liabilities)	26,541	73,708

(Notes) 1. For the previous fiscal year (from April 1, 2021 to March 31, 2022)

Valuation allowance has decreased by 6,626 million yen. The main component of this decrease was a decrease of 11,203 million yen in valuation allowance related to net operating losses carried forward at MMC.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

Valuation allowance has decreased by 43,854 million yen. The decrease was mainly due to a ¥20,990 million decrease in the valuation allowance for net operating losses carried forward and a ¥22,628 million decrease in the valuation allowance related to total deductible temporary differences as a result of a change in the corporate classification used to determine the recoverability of deferred tax assets.

2. Net operating losses carried forward and the amount of related deferred tax assets for each carry-forward period.
For the previous fiscal year (as of March 31, 2022)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating losses carried forward (*1)	215	195	144,457	41,193	7,880	136,611	330,553
Valuation allowance	39	139	144,422	41,157	7,543	114,073	307,375
Deferred tax assets	175	56	34	35	336	22,538	23,177

(Notes) 1. Net operating losses carried forward are multiplied by the effective statutory tax rate.

2. Deferred tax assets of 23,177 million yen have been recorded regarding net operating losses carried forward of 330,553 million yen (multiplied by the effective statutory tax rate). These deferred tax assets of 23,177 million yen are mainly recognized portions of net operating losses carried forward of Mitsubishi Motors North America, Inc. of 58,277 million yen. MMC expects to record taxable income in the future, and therefore has judged that part of the net operating losses carried forward will be recoverable.

For the fiscal year under review (as of March 31, 2023)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating losses carried forward (*1)	190	126,206	41,060	7,534	557	134,979	310,527
Valuation allowance	142	124,511	41,031	7,426	175	113,659	286,945
Deferred tax assets	48	1,695	28	108	381	21,320	23,581

(Notes) 1. Net operating losses carried forward are multiplied by the effective statutory tax rate.

2. Deferred tax assets of 23,581 million yen have been recorded regarding net operating losses carried forward of 310,527 million yen (multiplied by the effective statutory tax rate). These deferred tax assets of 23,581 million yen are mainly recognized portions of net operating losses carried forward of Mitsubishi Motors North America, Inc. of 57,723 million yen. MMC expects to record taxable income in the future, and therefore has judged that part of the net operating losses carried forward will be recoverable.

2. The reconciliation of significant differences between the effective statutory tax rate and effective income tax rate after application of tax-effect accounting

	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Effective statutory tax rate	30.3%	30.3%
Reconciliations:		
Share of profit of entities accounted for using equity method	(2.7)	2.2
Permanent differences	1.7	2.1
Difference of applicable tax rates of overseas consolidated subsidiaries, etc.	(3.7)	(2.7)
Retained earnings of subsidiaries, etc.	3.7	(1.6)
Change in valuation allowance	(6.8)	(30.2)
Elimination of unrealized profits on inventories	3.6	(4.5)
Foreign tax credit	(6.6)	(0.1)
Foreign withholding taxes	0.2	3.9
Tax credit for experimental research expenses	(0.8)	(2.3)
Tax credit for increase in amount of payment in salaries, etc.	–	(1.7)
Other	(2.5)	(0.2)
Actual effective income tax rate after application of tax-effect accounting	16.4	(4.9)

3. Accounting of corporate tax, local corporate tax and tax effect accounting for these items

In the fiscal year under review, MMC and domestic consolidated subsidiaries shifted from the consolidated taxation system to the group tax sharing system. Accordingly, we conduct accounting of corporate tax and local corporate tax, or accounting and disclosure of tax effect accounting for these items in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021).

Change in presentation

2. In the reconciliation of significant differences between the effective statutory tax rate and effective income tax rate after application of tax-effect accounting, “Foreign withholding taxes” and “Tax credit for experimental research expenses,” which were included in “Other” in the previous fiscal year is independently recorded starting from the fiscal year under review due to an increase in importance. Notes for the previous fiscal year have been restated to reflect this change in the presentation method.

Consequently, (3.1)% of “Other” in the previous fiscal year has been reclassified as 0.2% of “Foreign withholding taxes,” (0.8)% of “Tax credit for experimental research expenses” and (2.5)% of “Other.”

Business combinations, etc.

Not applicable.

Asset retirement obligations

Asset retirement obligations recorded in the consolidated balance sheet

1. Outline of asset retirement obligations

Since MMC and the MMC group enter into real estate lease contracts and have duties of restoration and removal of harmful substances at the termination of the lease term, MMC and the MMC group record asset retirement obligations regarding contractual and statutory duties.

2. Method of computing the amount of asset retirement obligations

The amount of asset retirement obligations is computed using the discount rate from (0.3)% to 4.7%, assuming the estimated available period to be 1 year to 42 years.

3. Changes in total amount of asset retirement obligations

Changes in the outstanding balance of asset retirement obligations are as follows:

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Balance at beginning of period	5,984	5,250
Increase due to acquisition of property, plant and equipment	52	96
Adjustments associated with passage of time	59	57
Decrease due to settlement of asset retirement obligations	(874)	(142)
Other changes (decrease)	29	(329)
Balance at end of period	5,250	4,933

Investment properties

This information is omitted because it is immaterial.

Revenue Recognition

1. Information on the breakdown of revenue from contracts with customers

Information on the breakdown of revenue from contracts with customers is described in the “Notes (Segment Information, etc.)”

2. Information that serves as a basis for understanding revenue from contracts with customers

Information that serves as a basis for understanding revenue from contracts with customers is described in “(Material basis of the preparation of consolidated financial statements) 4. Accounting Policies (5) Recognition standard for significant revenues and expenses.”

3. Information that facilitates understanding the amount of revenue for the fiscal year ended March 31, 2023, and following fiscal years

(1) Balance, etc., of contract assets and contract liabilities

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	
	Balance at beginning of period	Balance at end of period
Receivables from contracts with customers	150,780	110,284
contract assets	3,834	9,866
contract liabilities	15,087	19,637

The amount of revenue recognized in the fiscal year ended March 31, 2022, that was included in contract liabilities as of the beginning of the period was 11,327 million yen.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	
	Balance at beginning of period	Balance at end of period
Receivables from contracts with customers	110,284	173,360
contract assets	9,866	11,695
contract liabilities	19,637	25,913

The amount of revenue recognized in the fiscal year ended March 31, 2023, that was included in contract liabilities as of the beginning of the period was 15,868 million yen.

(2) Transaction price allocated to remaining performance obligations

MMC and its consolidated subsidiaries apply practical expedient to notes to transaction prices allocated to remaining performance obligations and exclude contracts with an initially anticipated contract period of one year or less from the scope of the provision of notes. Such performance obligations are mainly related to after-sales service and contract development in the automobile business. The total transaction price allocated to the remaining performance obligations and the period during which revenue is expected to be recognized are as follows.

(Millions of yen)

	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Due within one year	5,803	6,830
Due after one year	4,045	9,284
Total	9,848	16,114

Segment information, etc.

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are components for which discrete financial information is available, and for which operating results are regularly reviewed by MMC's decision making bodies including the Board of Directors to determine resource allocation to the segments and to assess their performance.

The main business of the Group is automobile business, involving design, manufacturing and sales of automobiles and component parts. In addition, in the financial service business, we engage in sales finance and leasing services (including property sales, etc., associated with expiration or cancellation of lease transactions) for the MMC group's products. Accordingly, based on the types of products and services offered, the Group determined "automobile business" and "financial service business" as two reportable segments.

2. Calculation method of the amounts of net sales, profit or loss, assets and other items by reportable segment

The accounting method for the reportable segments is the same as "Material basis of the preparation of consolidated financial statements." Intersegment sales and transfers are based on the price in the arms-lengths transaction.

3. Information on sales, profit or loss, assets and other items by reportable segment and information on sales breakdown

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

	(Millions of yen)				
	Automobiles	Financial services	Total	Adjustment (*1)	Grand total (*2)
Net sales					
External customers					
Revenue from contracts with customers	2,002,817	17,288	2,020,106	–	2,020,106
Other revenue	505	18,297	18,802	–	18,802
Subtotal	2,003,322	35,586	2,038,909	–	2,038,909
Intersegment sales	15,431	2,388	17,819	(17,819)	–
Total	2,018,754	37,974	2,056,729	(17,819)	2,038,909
Segment profit (loss)	83,538	4,625	88,164	(832)	87,331
Segment assets	1,666,577	287,419	1,953,997	(25,553)	1,928,443
Other items					
Depreciation (*3)	49,491	4,139	53,630	–	53,630
Investment in equity method associates	104,589	–	104,589	–	104,589
Increase in property, plant and equipment and intangible assets (*3)	68,563	13,708	82,272	–	82,272

- (Notes)
1. Adjustment represents the elimination of intersegment transactions.
 2. Segment profit (loss) agrees to the amount of operating profit (loss) presented in the consolidated statement of income.
 3. Depreciation, increase in property, plant and equipment and intangible assets, include long-term prepaid expenses and amortization thereof.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

	(Millions of yen)				
	Automobiles	Financial services	Total	Adjustment (*1)	Grand total (*2)
Net sales					
External customers					
Revenue from contracts with customers	2,426,066	11,441	2,437,507	–	2,437,507
Other revenue	571	20,063	20,634	–	20,634
Subtotal	2,426,637	31,504	2,458,141	–	2,458,141
Intersegment sales	15,404	3,551	18,956	(18,956)	–
Total	2,442,041	35,056	2,477,098	(18,956)	2,458,141
Segment profit (loss)	186,086	4,855	190,942	(446)	190,495
Segment assets	1,928,456	306,098	2,234,554	(33,029)	2,201,524
Other items					
Depreciation (*3)	54,852	5,279	60,132	–	60,132
Investment in equity method associates	101,899	–	101,899	–	101,899
Increase in property, plant and equipment and intangible assets (*3)	85,521	14,232	99,754	–	99,754

- (Notes)
1. Adjustment represents the elimination of intersegment transactions.
 2. Segment profit (loss) agrees to the amount of operating profit (loss) presented in the consolidated statement of income.
 3. Depreciation, increase in property, plant and equipment and intangible assets, include long-term prepaid expenses and amortization thereof.

[Related information]

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

1. Information by products and services

The information is omitted here, as the classifications are the same as reportable segments.

2. Information by geographic region

Supplementary information about geographic region

Matters relating to changes in the classification of countries or regions

For information about geographic information, please refer to “For the fiscal year under review (from April 1, 2022 to March 31, 2023), 2. Information by geographic region, *Supplementary information about geographic region*, Matters relating to changes in the classification of countries or regions.”

(1) Net sales

Information on the breakdown of sales and revenue to external customers classified by locations of external customers

(Millions of yen)

	Japan	North America		Europe	Asia		Oceania	Other	Total
			The United States			Thailand			
Net sales									
External customers									
Revenue from contracts with customers	375,521	396,902	257,947	235,069	482,776	129,316	254,590	275,245	2,020,106
Other revenue	18,418	293	257	–	–	–	90	–	18,802
	393,940	397,196	258,205	235,069	482,776	129,316	254,681	275,245	2,038,909

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

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

(2) Property, plant and equipment

(Millions of yen)

Japan	Thailand	Indonesia	Other	Total
271,264	77,566	48,471	32,153	429,455

Supplementary information

Information on the breakdown of net sales and operating profit (loss) and revenue based on the geographic locations 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									
Revenue from contracts with customers	736,742	391,033	211,883	414,421	254,590	11,435	2,020,106	–	2,020,106
Other revenue	18,418	293	–	–	90	–	18,802	–	18,802
Subtotal	755,160	391,326	211,883	414,421	254,681	11,435	2,038,909	–	2,038,909
(2) Intersegment sales	935,273	4,062	983	530,452	15	–	1,470,787	(1,470,787)	–
Total	1,690,433	395,389	212,867	944,874	254,696	11,435	3,509,696	(1,470,787)	2,038,909
Operating profit (loss)	39,640	13,360	3,238	31,516	9,112	497	97,366	(10,034)	87,331

(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.

3. Information on major customers

The information is omitted as no sales to any specific customer account for at least 10% of net sales in the consolidated statements of income.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

1. Information by products and services

The information is omitted here, as the classifications are the same as reportable segments.

2. Information by geographic region

Supplementary information about geographic region

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 fiscal year under review.

In accordance with this change, the figures for the previous fiscal year have been reclassified to conform to the new classification.

(1) Net sales

Information on the breakdown of sales and revenue to external customers classified by locations of external customers

(Millions of yen)

	Japan	North America		Europe	Asia		Oceania	Other	Total
			The United States			Thailand			
Net sales									
External customers									
Revenue from contracts with customers	532,564	537,607	356,967	154,204	596,998	129,997	281,839	334,292	2,437,507
Other revenue	20,176	384	341	–	–	–	73	–	20,634
	552,741	537,991	357,308	154,204	596,998	129,997	281,912	334,292	2,458,141

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

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

(2) Property, plant and equipment

(Millions of yen)

Japan	Thailand	Indonesia	Other	Total
269,047	100,420	52,535	32,599	454,603

Supplementary information

Information on the breakdown of net sales and operating profit (loss) and revenue based on the geographic locations 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									
Revenue from contracts with customers	954,556	530,078	151,990	501,232	281,839	17,808	2,437,507	–	2,437,507
Other revenue	20,176	384	–	–	73	–	20,634	–	20,634
Subtotal	974,733	530,463	151,990	501,232	281,912	17,808	2,458,141	–	2,458,141
(2) Intersegment sales	1,145,931	2,425	1,036	662,747	4	–	1,812,146	(1,812,146)	–
Total	2,120,664	532,889	153,027	1,163,980	281,917	17,808	4,270,287	(1,812,146)	2,458,141
Operating profit (loss)	124,091	15,421	3,148	49,800	9,869	705	203,036	(12,541)	190,495

(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.

3. Information on major customers

The information is omitted as no sales to any specific customer account for at least 10% of net sales in the consolidated statements of income.

[Information about impairment losses on non-current assets by reportable segment]

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment	Grand total
Impairment losses	1,451	–	1,451	–	1,451

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment	Grand total
Impairment losses	5,015	–	5,015	–	5,015

[Information about amortization and unamortized balance of goodwill by reportable segment]

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

This information is omitted because it is immaterial.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

This information is omitted because it is immaterial.

[Information about the gain recognized on negative goodwill by reportable segment]

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

Not applicable.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

Not applicable.

Information on related party transactions

1. Transactions with related parties

(1) Transactions of MMC with related parties

Parent company and major shareholders, etc. of MMC

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

Type	Name	Location	Capital (Millions of yen)	Business	Percentage of voting rights holding (held) (%)	Relation	Transactions	Amount (Millions of yen)	Account item	Year-end balance (Millions of yen)
Other related company	Nissan Motor Co., Ltd.	Yokohama- city, Kanagawa	605,814	Production and sales of automobiles and related businesses	(Held) Direct: 34.02	Mutual sharing, etc. of technological resources and mutual sales of products, etc. Concurrent positions of corporate officers Leasing of facilities, etc.	Automobile parts purchasing (*1)	128,467 (*2)	Electronical ly recorded obligations – operating	27,596
									Notes and accounts payable – trade	16,071

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

Type	Name	Location	Capital (Millions of yen)	Business	Percentage of voting rights holding (held) (%)	Relation	Transactions	Amount (Millions of yen)	Account item	Year-end balance (Millions of yen)
Other related company	Nissan Motor Co., Ltd.	Yokohama- city, Kanagawa	605,814	Production and sales of automobiles and related businesses	(Held) Direct: 34.01	Mutual sharing, etc. of technological resources and mutual sales of products, etc. Concurrent positions of corporate officers Leasing of facilities, etc.	Sales of products, etc. (*1)	213,898	Accounts receivable - trade	23,215
							Automobile parts purchasing (*1)		Electronical ly recorded obligations - operating	61,474
									Notes and accounts payable - trade	25,637

(2) Transactions between the consolidated subsidiaries of MMC and related parties

Parent company and major shareholders, etc. of MMC

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

Type	Name	Location	Capital (Millions of yen)	Business	Percentage of voting rights holding (held) (%)	Relation	Transactions	Amount (Millions of yen)	Account item	Year-end balance (Millions of yen)
Other related company	Mitsubishi Corporation	Chiyoda-ku, Tokyo	204,447	Wholesale trade	(Held) Direct: 20.01	Purchase of raw materials Concurrent positions of corporate officers	Purchase of raw materials (*1)	— (*3)	Notes and accounts payable - trade	23,262

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

Not applicable.

- (Notes) (*1) Terms and conditions of transactions and the policies on determination thereof:
Sales prices of products, etc. are determined after examination and negotiations considering market prices and total costs.
Purchase prices of products, etc. are determined after examination and negotiations considering estimated costs, prices of current products, etc., and market prices for each product, etc.
- (*2) The above amounts of transactions do not include transactions with consolidated subsidiaries via Nissan Motor Co., Ltd., which were eliminated in the preparation of consolidated financial statements.
- (*3) The above amount of transactions does not include transactions with MMC via Mitsubishi Corporation, which were eliminated in the preparation of consolidated financial statements.

Per share information

(Yen)

	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net assets per share	407.82	538.28
Basic earnings (loss) per share	49.76	113.38
Diluted earnings per share	49.74	113.36

(Notes) 1. The shares of MMC held by the “Board Incentive Plan (BIP) Trust” are included in treasury shares that are deducted from the total number of shares outstanding at the end of the period in the calculation of “Net assets per share.” (1,137 thousand shares for the fiscal year ended March 31, 2022, and 1,103 thousand shares for the fiscal year ended March 31, 2023.)

In addition, for the purpose of calculating “Basic earnings (loss) per share” and “Diluted earnings per share,” the shares of MMC held by the “Board Incentive Plan (BIP) Trust” are included in treasury shares that are deducted in the calculation of the average number of shares during the period. (1,139 thousand shares for the fiscal year ended March 31, 2022 and 1,108 thousand shares for the fiscal year ended March 31, 2023.)

2. Basis for calculation for basic earnings (loss) per share and diluted earnings per share are as follows:

	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Basic earnings (loss) per share		
Profit (loss) attributable to owners of the parent (Millions of yen)	74,037	168,730
Amounts not attributable to shareholders of common stock (Millions of yen)	–	–
Profit (loss) attributable to owners of parent pertaining to common stock (Millions of yen)	74,037	168,730
Average number of shares of common stock outstanding during the period (Thousands of shares)	1,487,792	1,488,218
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	–	–
Increase in number of shares of common stock (Thousands of shares)	619	230
(Of which, share acquisition rights (Thousands of shares))	(619)	(230)
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect	–	–

Subsequent events

Not applicable.

5) Consolidated supplementary schedules

Detailed schedule of bonds payable

Not applicable.

Detailed schedule of borrowings

Classification	Balance at beginning of the fiscal year ended March 31, 2023 (Millions of yen)	Balance at end of the fiscal year ended March 31, 2023 (Millions of yen)	Average interest rate (%)	Due
Short-term loans payable	21,778	31,330	5.4	–
Current portion of long-term loans payable	292,134	73,098	0.3	–
Current portion of lease liabilities	3,751	3,519	4.6	–
Long-term loans payable (excluding current portion)	95,768	248,048	0.7	2024 to 2029
Lease liabilities (excluding current portion)	24,101	24,785	5.3	2024 to 2052
Other interest-bearing debt				
Other (Commercial papers – current liabilities)	43,000	47,500	0.1	–
Other (Deposits received from employees - current liabilities)	2,915	2,750	0.5	–
Other (Deposits received - current liabilities)	2,614	1,700	0.1	–
Other (Guarantee deposits received - non-current liabilities)	2,302	2,282	0.0	–
Total	488,366	435,015	–	–

(Notes) 1. The average interest rate represents the weighted-average rate applicable to the year-end balance of loans payable.

2. The following table shows the payment schedule of long-term loans payable and lease liabilities (excluding the current portion) within five years after the consolidated balance sheet date.

(Millions of yen)

	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term loans payable	190,517	20,120	23,532	12,851
Lease liabilities	2,818	1,870	1,547	1,127

Detailed schedule of asset retirement obligations

In accordance with Article 92-2 of the Regulation on Consolidated Financial Statements, the schedule of asset retirement obligations is omitted because the amounts of asset retirement obligations at the beginning and the end of the fiscal year under review were one percent or less of the total amount of liabilities and net assets at the beginning and the end of the fiscal year under review.

(2) Other

Quarterly financial information and others for the fiscal year under review

(Cumulative period)	First quarter (Three months ended June 30, 2022)	Second quarter (Six months ended September 30, 2022)	Third quarter (Nine months ended December 31, 2022)	Full year (Fiscal year ended March 31, 2023)
Net sales (Millions of yen)	528,698	1,158,192	1,805,320	2,458,141
Profit (loss) before income taxes (Millions of yen)	49,250	101,065	162,857	168,129
Profit (loss) attributable to owners of parent (Millions of yen)	38,560	82,736	130,754	168,730
Basic earnings (loss) per share (Yen)	25.91	55.60	87.86	113.38

(Accounting period)	First quarter (from April 1, 2022 to June 30, 2022)	Second quarter (from July 1, 2022 to September 30, 2022)	Third quarter (from October 1, 2022 to December 31, 2022)	Fourth quarter (from January 1, 2023 to March 31, 2023)
Basic earnings (loss) per share (Yen)	25.91	29.69	32.26	25.52

2. Non-consolidated financial statements

(1) Non-consolidated financial statements

(a) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	169,037	263,853
Accounts receivable - trade	(*) 211,437	(*) 299,954
Finished goods	29,637	36,132
Work in process	23,843	12,792
Raw materials and supplies	29,273	33,055
Prepaid expenses	2,091	3,059
Short-term loans receivable	(*) 10,670	(*) 26,481
Accounts receivable - other	(*) 46,531	(*) 58,233
Other	(*) 13,984	(*) 13,769
Allowance for doubtful accounts	(8,887)	(13,819)
Total current assets	527,619	733,513
Non-current assets		
Property, plant and equipment		
Buildings	(*) 30,289	(*) 30,305
Structures	(*) 4,237	(*) 5,840
Machinery and equipment	(*) 52,764	(*) 56,345
Vehicles	(*) 621	(*) 865
Tools, furniture and fixtures	(*) 45,187	(*) 38,837
Land	69,381	64,763
Construction in progress	6,380	8,071
Total property, plant and equipment	208,862	205,028
Intangible assets		
Intangible assets	34,214	35,807
Total intangible assets	34,214	35,807
Investments and other assets		
Investment securities	8,526	6,699
Shares of subsidiaries and associates	173,006	185,648
Long-term loans receivable	374	157
Investments in capital of subsidiaries and associates	6,321	6,321
Guarantee deposits	5,342	4,990
Long-term prepaid expenses	16,398	15,900
Deferred tax assets	–	28,392
Other	5,785	4,603
Allowance for doubtful accounts	(452)	(453)
Total investments and other assets	215,302	252,261
Total non-current assets	458,380	493,097
Total assets	985,999	1,226,610

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	(*) 55,407	(*) 90,835
Accounts payable - trade	(*) 201,907	(*) 248,380
Short-term borrowings	200,000	–
Lease liabilities	499	61
Accounts payable - other	(*) 117,902	(*) 105,572
Accrued expenses	(*) 8,891	(*) 9,365
Income taxes payable	2,621	8,470
Deposits received	(*) 9,696	(*) 9,300
Provision for product warranties	28,931	31,356
Provision for contingent loss	–	10,009
Provision for loss on guarantees	–	3,859
Other	22,137	29,302
Total current liabilities	647,995	546,513
Non-current liabilities		
Long-term borrowings	–	150,000
Lease liabilities	73	94
Guarantee deposits received	(*) 1,829	(*) 1,754
Provision for retirement benefits	8,577	13,825
Deferred tax liabilities	1,021	–
Asset retirement obligations	3,807	3,788
Other	4,568	3,635
Total non-current liabilities	19,878	173,098
Total liabilities	667,873	719,611
Net assets		
Shareholders' equity		
Share capital	284,382	284,382
Capital surplus		
Legal capital surplus	118,680	118,680
Other capital surplus	85,013	84,796
Total capital surplus	203,694	203,477
Retained earnings		
Legal retained earnings	5,605	5,605
Other retained earnings		
Retained earnings brought forward	(175,308)	13,758
Total retained earnings	(169,702)	19,363
Treasury shares	(1,382)	(989)
Total shareholders' equity	316,991	506,234
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	939	693
Deferred gains or losses on hedges	–	42
Total valuation and translation adjustments	939	735
Share acquisition rights	195	29
Total net assets	318,125	506,999
Total liabilities and net assets	985,999	1,226,610

(b) Non-consolidated statement of income

(Millions of yen)

	For the fiscal year ended March 31, 2022		For the fiscal year ended March 31, 2023	
Net sales	(*)	1,614,787	(*)	2,045,567
Cost of sales	(*)	1,410,172	(*)	1,730,483
Gross profit		204,614		315,084
Selling, general and administrative expenses				
Advertising and promotion expenses		12,540		15,155
Transportation costs		42,135		64,131
Provision of allowance for doubtful accounts		1,189		(1,049)
Remuneration, salaries and allowances for directors (and other officers)		26,852		29,703
Provision for retirement benefits		1,699		1,762
Depreciation		6,917		8,565
Research and development expenses		57,464		61,025
Other		21,491		25,956
Total selling, general and administrative expenses		170,291		205,252
Operating profit (loss)		34,323		109,832
Non-operating income				
Interest and dividend income	(*)	10,012	(*)	88,637
Foreign exchange gains		10,828		4,018
Other		2,332		1,325
Total non-operating income		23,172		93,981
Non-operating expenses				
Interest expenses	(*)	1,026	(*)	826
Other		4,375		6,122
Total non-operating expenses		5,402		6,949
Ordinary profit (loss)		52,093		196,864
Extraordinary income				
Gain on sale of non-current assets	(*)	2,700	(*)	23,593
Gain on sale of investments in capital of subsidiaries and associates		1,945		–
Other		218		81
Total extraordinary income		4,864		23,674
Extraordinary losses				
Loss on retirement of non-current assets		2,448		1,610
Loss related to Russian operations	(*)	6,491	(*)	18,588
Loss related to Chinese operations		–	(*)	22,569
Loss on valuation of investments in capital of subsidiaries and associates		4,283		–
Other		1,899		3,010
Total extraordinary losses		15,123		45,778
Profit (loss) before income taxes		41,835		174,760
Income taxes - current		1,971		15,020
Income taxes - deferred		(285)		(29,326)
Total income taxes		1,685		(14,306)
Profit (loss)		40,149		189,066

(c) Non-consolidated statement of changes in net assets

(Millions of yen)

For the fiscal year ended March 31, 2022	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings brought forward	Total retained earnings		
Balance at beginning of period	284,382	118,680	85,126	203,807	5,605	(215,176)	(209,570)	(1,659)	276,959
Cumulative effects of changes in accounting policies						(281)	(281)		(281)
Restated balance	284,382	118,680	85,126	203,807	5,605	(215,457)	(209,852)	(1,659)	276,678
Changes during period									
Profit (loss)						40,149	40,149		40,149
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares								3	3
Exercise of share acquisition rights			(113)	(113)				273	160
Net changes in items other than shareholders' equity									
Total changes during period	–	–	(113)	(113)	–	40,149	40,149	276	40,313
Balance at end of period	284,382	118,680	85,013	203,694	5,605	(175,308)	(169,702)	(1,382)	316,991

For the fiscal year ended March 31, 2022	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for- sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	385	(437)	(52)	352	277,260
Cumulative effects of changes in accounting policies					(281)
Restated balance	385	(437)	(52)	352	276,978
Changes during period					
Profit (loss)					40,149
Purchase of treasury shares					(0)
Disposal of treasury shares					3
Exercise of share acquisition rights					160
Net changes in items other than shareholders' equity	554	437	991	(157)	834
Total changes during period	554	437	991	(157)	41,147
Balance at end of period	939	–	939	195	318,125

(Millions of yen)

For the fiscal year ended March 31, 2023	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	284,382	118,680	85,013	203,694	5,605	(175,308)	(169,702)	(1,382)	316,991
Changes during period									
Profit (loss)						189,066	189,066		189,066
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares								7	7
Exercise of share acquisition rights			(216)	(216)				385	169
Net changes in items other than shareholders' equity									
Total changes during period	-	-	(216)	(216)	-	189,066	189,066	393	189,242
Balance at end of period	284,382	118,680	84,796	203,477	5,605	13,758	19,363	(989)	506,234

For the fiscal year ended March 31, 2023	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for- sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	939	-	939	195	318,125
Changes during period					
Profit (loss)					189,066
Purchase of treasury shares					(0)
Disposal of treasury shares					7
Exercise of share acquisition rights					169
Net changes in items other than shareholders' equity	(245)	42	(203)	(166)	(369)
Total changes during period	(245)	42	(203)	(166)	188,873
Balance at end of period	693	42	735	29	506,999

Notes

Significant accounting policy

1. Valuation basis and methods for assets

(1) Securities

Shares of subsidiaries and associates:

Stated at cost determined by the moving average method.

Available-for-sale securities:

Securities, excluding shares without market value:

Carried at fair value and the cost of securities sold is computed based on the moving average method. The difference between the acquisition cost and the carrying value of available-for-sale securities, including unrealized gains and losses, is recognized in valuation difference on available-for-sale securities in the accompanying balance sheet.

Shares without market value:

Carried at cost determined by the moving average method.

(2) Derivative financial instruments

Market price method

(3) Inventories

Finished goods and work in process

Principally stated at cost determined by the first in first out method (the balance sheet carrying value is reduced to recognize any deterioration of recoverability).

Raw materials and supplies

Stated at cost determined by the gross average method (the balance sheet carrying value is reduced to recognize any deterioration of recoverability).

2. Depreciation and amortization method for non-current assets

(1) Property, plant and equipment (excluding leased assets)

Property, plant and equipment are amortized using the straight line method.

The useful lives of the assets are based on the estimated lives of assets for MMC. The main useful lives of assets are as follows.

Buildings and structures 3 to 60 years

Machinery and equipment, and vehicles 3 to 23 years

Tools, furniture and fixtures 2 to 20 years

Low value depreciable assets

Assets for which the acquisition cost is equal to or more than 100,000 yen and less than 200,000 yen are depreciated in even amounts over three years pursuant to the provisions of the Corporation Tax Act.

(2) Intangible assets (excluding leased assets)

Intangible assets are amortized using the straight line method.

Software intended for use by MMC is amortized using the straight line method over the period for which each asset is available for use (10 years in the case of software for some major core systems; 5 years in the case of other software).

(3) Leased assets

Assets recognized under finance leases that do not involve transfer of ownership to the lessee are depreciated using the straight line method based on the contract term under the lease agreement. If a guaranteed residual value is determined in the lease agreement, the said guaranteed residual value is deemed as the residual value of such leased assets. If the residual value is not determined, it is deemed to be zero.

(4) Long-term prepaid expenses

Long-term prepaid expenses are amortized using the straight line method over a fixed period.

3. Allowances and provisions

(1) Allowance for doubtful accounts

To prepare for losses from bad debts for trade receivables, loans, etc., an estimate of the amount of specific uncollectible accounts is provided as an allowance for doubtful accounts based on the historical default rate for ordinary receivables, and taking into account individual collectability for specific receivables such as doubtful receivables.

(2) Provision for product warranties

The provision for product warranties is calculated after taking into account, according to the warranty agreements, future warranty forecasts based on past results in order to provide for the products' after-service costs.

(3) Provision for retirement benefits

To prepare for the payment of retirement benefits to employees, provision for retirement benefits for employees are calculated based on the retirement benefit obligation estimated at the end of the fiscal year under review.

Prior service cost is being amortized using the straight line method over a fixed number of years (10 years) within the estimated average remaining service years of the employees at the time of incurrence.

Actuarial gains and losses are being amortized using the straight line method over a fixed number of years (10 years) within the estimated average remaining service years of the employees commencing from the following fiscal year after incurrence.

When calculating retirement benefit obligation, the benefit calculation formula standard was used for attributing the expected retirement benefits to the period until the end of the fiscal year under review.

(4) Provision for contingent loss

Sensible amounts to cover expected losses calculated based on individual risks for each contingency and other factors are recorded to prepare for highly likely contingent loss.

(5) Provision for loss on guarantees

The provision for loss on guarantees has been made based on a reasonable estimate to prepare for loss from exercise of guarantee liabilities.

4. Recognition standard for significant revenues and expenses

The main performance obligation of the automobile business is the sale of vehicles and parts. Revenue is recognized when the control of goods or services is transferred to customers, such as when a vehicle is delivered, as is the normal time when performance obligation of sales of vehicles and parts is satisfied (normal time when revenue is recognized.) In addition, alternative treatment provided for in paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" is applied, whereby revenue is recognized at the time of shipment; provided that a period from the time of shipment until the time when control of the said merchandise or product is transferred to a customer is deemed to be the normal period. In addition, payments of sales incentives to sales companies are considered to be

a variable consideration when calculating transaction prices. The incentive amount expected to be paid in the future is deducted from sales during the period when control of goods or services is transferred.

As the purpose of a product warranty provided in connection with the sale of products, etc., is to guarantee that the product sold conforms to the specifications agreed with the customer, a product warranty allowance is recognized corresponding to the costs associated with the said warranty.

5. Hedge accounting

Forward foreign exchange contracts:

Deferral hedge accounting (those with forecast transactions)

6. Application of the group tax sharing system

The group tax sharing system is applied.

Significant accounting estimates

Liabilities related to market quality measures

1) Amount recorded in the financial statements as of March 31, 2023

	As of March 31, 2022 (Millions of yen)	As of March 31, 2023 (Millions of yen)
Liabilities related to market quality measures	34,369	17,083

(The above amount is included in accounts payable - other in the balance sheet.)

2) Information on significant accounting estimates for identified items

Notes are omitted as they are identical to those made in the “Notes to Consolidated Financial Statements, Significant accounting estimates Liabilities related to market quality measures 2) Information on significant accounting estimates for identified items.”

Changes in accounting policies

(Application of accounting standards, etc. related to the calculation of fair value)

“Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 31, June 17, 2021. Hereinafter referred to as the “Fair Value Measurement Accounting Standards”) was applied from the beginning of the fiscal year under review. In accordance with the transitional handling provided for in paragraph 27-2 of the Fair Value Measurement Accounting Standards, the new accounting policy prescribed by the Fair Value Measurement Accounting Standards has been applied prospectively. There is no impact on the financial statements.

Change in presentation

(Non-consolidated balance sheet)

The full-scale deployment of new core systems has enabled more sophisticated control of inventories since the beginning of the fiscal year under review; consequently, we have revised the definition of inventories. To reflect this revision, the balance sheet for the previous fiscal year has been reclassified.

As a result, “Work in process” of 33,815 million yen and “Raw materials and supplies” of 19,300 million yen presented in the balance sheet for the previous fiscal year have been reclassified as “Work in process” of 23,843 million yen and “Raw materials and supplies” of 29,273 million yen.

Additional information

(Stock compensation plan)

Notes to the stock compensation plan for MMC’s Executive Officers and Corporate Officers, etc. are omitted as they are identical to those made in the “Notes to Consolidated Financial Statements, Additional information.”

Non-consolidated balance sheet

(*1) Assets pledged as collateral and liabilities secured by the collateral are as follows:

Assets pledged as collateral

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Accounts receivable - other (Note)	1,206	-

(Note) Accounts receivable - other was pledged based on a liability in a term lease contract relating to a building with Murata Medical Services, Ltd. for the fiscal year ended March 31, 2022. MMC has no obligations for such collateral.

(*2) Monetary receivables from and payables to subsidiaries and associates (except for those separately disclosed)

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Short-term monetary receivables	198,538	287,483
Short-term monetary payables	151,508	203,417
Long-term monetary payables	404	404

(*3) Accumulated depreciation of property, plant and equipment is as follows:

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Accumulated depreciation of property, plant and equipment	568,735	552,262

4 Guarantee obligation

(1) Guarantee obligation

Guaranteed	For the fiscal year ended March 31, 2022 (As of March 31, 2022)		Guaranteed	For the fiscal year ended March 31, 2023 (As of March 31, 2023)	
	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	159	(Note)	Employees	183	(Note)
Total	4,075		Total	183	

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

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

(Millions of yen)	
For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
1,162	693

5. Contingent liabilities

While MMC 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.

6. 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 March 31, 2023 based on this agreement is as follows.

(Millions of yen)		
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Total of commitment line	152,000	152,000
Outstanding balance of used commitment line	-	-
Unused amount	152,000	152,000

Non-consolidated statement of income

(*1) Transactions with subsidiaries and associates are as follows:

(Millions of yen)		
	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Operating transactions:		
Sales	1,387,078	1,801,944
Purchase	732,810	928,024
Non-operating transactions	12,086	105,434

(*2) Loss related to Russian operations

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

The Russian army invaded Ukraine on February 24, 2022, and, in response to this invasion, several countries and regions, including Japan, have imposed economic sanctions against Russia.

MMC engages in assembly, production, and sales of finished vehicles in Russia through consolidated subsidiaries and affiliates in Russia that are accounted for under the equity method; however, Russia's military invasion of Ukraine has disrupted logistics networks, causing parts supplies to be frozen, hence production has been temporarily suspended.

As a result, doubts have arisen over the collection of some receivables of each company held by MMC, as well as declines in the profitability of some inventories held by MMC.

Accordingly, 6,262 million yen in Provision of allowance for doubtful accounts and 229 million yen of Valuation loss from a decline in profitability related to inventories were recorded as Extraordinary losses under Loss related to Russian operations of 6,491 million yen.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

MMC engages in assembling and selling finished vehicles through one consolidated subsidiary and multiple affiliates in Russia; however, MMC has decided not to resume production in Russia. Consequently, MMC will sustain many costs, including valuation loss of the subsidiaries' shares; valuation and disposal loss of components for production; and detention charges for containers. Thus, we have recorded an extraordinary loss of 18,588 million yen.

(*3) Loss related to Chinese operations

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

In China, although MMC affiliate GAC Mitsubishi Motors Co., Ltd. has engaged in manufacturing and retail, its financial circumstances have taken a turn for the worse amid lagging volume-based sales due to the lingering effects of the COVID-19 pandemic, intensifying competition, and rapid changes in the market, for example semiconductor shortages and the popularization of electric vehicles. To address these conditions, based on the results of discussion among our shareholders, we resolved at the Board of Directors meeting to increase the framework of support for MMC's funding commitment to GAC Mitsubishi Motors Co., Ltd.

As such, concern has developed over the collection of receivables from GAC Mitsubishi Motors Co., Ltd. held by MMC. Moreover, we believe that there is a strong possibility of MMC's guarantee obligations for the borrowings by GAC Mitsubishi Motors Co., Ltd. being executed, and furthermore a strong possibility that the funds provided will not be able to be recovered.

As a result of the above, we have recorded loss related to Chinese operations of 22,569 million yen under extraordinary losses, which is composed of 8,701 million yen in allowance for doubtful accounts, 3,859 million yen in provision for loss on guarantees, and 10,009 million yen in provision for contingent loss for the funds provided that cannot be recovered.

Furthermore, based on the results of future discussion among our shareholders, there may also be additional funding support from the fiscal year ending March 31, 2024 onward.

Securities

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

The fair values of the shares of subsidiaries and affiliates (balance sheet amounts of 151,431 million yen and 21,575 million yen for the shares of subsidiaries and those of affiliates, respectively) are not stated as they are stocks, etc., without a readily determinable market price.

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

The fair values of the shares of subsidiaries and affiliates (balance sheet amounts of 164,072 million yen and 21,575 million yen for the shares of subsidiaries and those of affiliates, respectively) are not stated as they are stocks, etc., without a readily determinable market price.

Tax-effect accounting

1. Significant components of deferred tax assets and liabilities

	(Millions of yen)	
	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Deferred tax assets:		
Net operating losses carried forward	270,924	251,609
Excess amount over limitation of taxable allowance for doubtful accounts	2,828	4,320
Excess amount over limitation of taxable provision for retirement benefits	17,630	17,795
Denial of loss on valuation of subsidiaries and associates' stocks	119,593	122,396
Liabilities related to market quality measures	9,583	5,171
Provision for product warranties	8,760	9,491
Foreign tax credit carried forward	8,687	10,317
Non-current assets (including impairment losses)	34,300	31,107
Other	21,994	30,861
Subtotal	494,303	483,071
Valuation allowance related to net operating losses carried forward	(270,924)	(249,933)
Valuation allowance related to total deductible temporary differences	(222,021)	(203,045)
Subtotal valuation allowance	(492,945)	(452,978)
Total deferred tax assets	1,357	30,092
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(407)	(301)
Other	(1,971)	(1,398)
Total deferred tax liabilities	(2,379)	(1,699)
Net deferred tax assets (liabilities)	(1,021)	28,392

2. The reconciliation of significant differences between the effective statutory tax rate and effective income tax rate after application of tax-effect accounting

	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Effective statutory tax rate	30.3%	30.3%
Reconciliations:		
Non-deductible items (entertainment expenses, etc.)	2.3	0.2
Non-taxable items (dividend income)	(6.7)	(14.3)
Foreign withholding taxes	0.4	3.7
Tax credit for experimental research expenses	(1.8)	(2.2)
Tax credit for increase in amount of payment in salaries, etc.	–	(1.6)
Foreign tax credit	(14.8)	(0.1)
Change in valuation allowance	(4.8)	(22.9)
Other	(0.9)	(1.2)
Actual effective income tax rate after application of tax-effect accounting	4.0	(8.2)

3. Accounting of corporate tax, local corporate tax and tax effect accounting for these items

In the fiscal year under review, MMC shifted from the consolidated taxation system to the group tax sharing system. Accordingly, we conduct accounting of corporate tax and local corporate tax, or accounting and disclosure of tax effect accounting for these items in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021).

Change in presentation

In 2. the reconciliation of significant differences between the effective statutory tax rate and effective income tax rate after application of tax-effect accounting, “Foreign withholding taxes,” which was included in “Other” in the previous fiscal year is independently recorded starting from the fiscal year under review due to an increase in importance.

“Foreign tax,” which was independently recorded in the previous fiscal year, has been included in “Other” from the fiscal year under review, due to a decrease in importance. Notes for the previous fiscal year have been restated to reflect these changes in the presentation method.

Consequently, (0.6)% of “Foreign tax” and 0.1% of “Other” in the previous fiscal year have been reclassified as 0.4% of “Foreign withholding taxes” and (0.9)% of “Other.”

Revenue Recognition

Information that serves as a basis for understanding revenue from contracts with customers is as stated in “Notes (Significant accounting policy) 4. Recognition standard for significant revenues and expenses.”

Subsequent events

Not applicable.

4) Non-consolidated supplementary schedules

Detailed schedule of non-current assets

(Millions of yen)

Type of assets		Balance at beginning of current period	Increase in current period	Decrease in current period	Balance at end of current period	Accumulated depreciation or amortization at end of current period	Depreciation or amortization for current period	Carrying amount at end of current period
Property, plant and equipment	Buildings	136,010	2,518	2,106 (47)	136,422	106,117	2,249	30,305
	Structures	34,961	2,149	286 (52)	36,825	30,984	477	5,840
	Machinery and equipment	339,181	6,703	(*3) 26,649 (0)	319,235	262,890	2,986	56,345
	Vehicles	4,524	556	401	4,679	3,814	213	865
	Tools, furniture and fixtures	187,158	6,245	6,110 (264)	187,292	148,455	12,228	38,837
	Land	69,381	2	4,619	64,763	–	–	64,763
	Construction in progress	6,380	(*1) 17,004	(*4) 15,313	8,071	–	–	8,071
Total property, plant and equipment		777,598	35,179	55,487 (365)	757,291	552,262	18,155	205,028
Intangible assets	Patent right	608	–	0	608	457	58	150
	Software	33,773	(*2) 22,922	8,503 (1)	48,192	19,689	6,293	28,503
	Other	22,272	7,983	(*5) 22,948	7,307	154	28	7,153
Total intangible assets		56,654	30,906	31,452 (1)	56,108	20,301	6,380	35,807

(Notes) 1. The figures in parentheses in the “Decrease in current period” column represent the amounts of impairment losses included.

2. Major changes during the fiscal year under review are as follows:

(*1) Major increases in construction in progress

Passenger car production facilities	2,530 million yen
Minicar production facilities	2,551 million yen
Engine production facilities	3,536 million yen
Research and development facilities	3,321 million yen
Other facilities	5,066 million yen

(*2) Major increases in software

Passenger car production facilities	32 million yen
Engine production facilities	8 million yen
Research and development facilities	71 million yen
Other facilities	22,811 million yen

(*3) Major decreases in machinery and equipment

Passenger car production facilities	776 million yen
Minicar production facilities	1,252 million yen
Engine production facilities	23,588 million yen
Research and development facilities	552 million yen
Other facilities	481 million yen

(*4) Major decreases in construction in progress

Passenger car production facilities	2,895 million yen
Minicar production facilities	2,374 million yen
Engine production facilities	3,419 million yen
Research and development facilities	3,189 million yen
Other facilities	3,436 million yen

(*5) Major decreases in other

Passenger car production facilities	32 million yen
Engine production facilities	2 million yen
Research and development facilities	72 million yen
Other facilities	22,842 million yen

Detailed schedule of allowances and provisions

(Millions of yen)

Account	Balance at beginning of current period	Increase in current period	Decrease in current period	Balance at end of current period
Allowance for doubtful accounts	9,339	8,092	3,159	14,272
Provision for product warranties	28,931	13,727	11,302	31,356
Provision for contingent loss	–	10,009	–	10,009
Provision for loss on guarantees	–	3,859	–	3,859

(2) Details of major assets and liabilities

This information is omitted because MMC prepares consolidated financial statements.

(3) Other

1) Information after the balance sheet date

There are no noteworthy matters to report.

2) Significant lawsuits, etc.

There are no noteworthy matters to report.

VI. Overview of Operational Procedures for Shares

Fiscal year	From April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders	June of each year
Record date	March 31
Record dates for dividends of surplus	September 30 and March 31
Number of shares per unit	100 shares
Purchases of shares less than one unit	
Address where handling office	(Special account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division
Administrator of shareholders register administrator	(Special account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Forwarding office	–
Charges for purchases	Amount specifically determined as brokerage fees for the purchase and sale of shares
A method of public notice	Public notices are published electronically. In case the method of electronic public notice is not available due to any troubles or unavoidable circumstances, such a notice will be given by Nihon Keizai Shimbun published in Tokyo. [MMC's Website Address for Public Notices] (https://www.mitsubishi-motors.com/jp/investors/stockinfo/koukoku.html)
Special benefits to shareholders	Not applicable

(Note) According to the MMC's Articles of Incorporation, the MMC's shareholders of shares less than one unit shall not be entitled to exercise the rights of shareholders in connection with such shares less than one unit other than those rights listed below:

- (1) The rights stipulated in each item of Article 189, paragraph (2) of the Companies Act
- (2) The rights to request an acquisition of shares with put option
- (3) The rights to receive an allotment of offered shares or offered share acquisition rights

VII. Reference Information of Reporting Company

1. Information about parent company, etc. of reporting company

MMC has no parent company, etc. as prescribed in Article 24-7, paragraph (1) of the Financial Instruments and Exchange Act.

2. Other reference information

MMC filed the following documents between the beginning of the fiscal year under review and the date when this Annual Securities Report was filed.

(1) Annual Securities Report and Accompanying Documents and Confirmation Letter

FY2021 (from April 1, 2021 to March 31, 2022)

Submitted to the Director-General of the Kanto Local Finance Bureau on June 24, 2022

(2) Internal Control Report and Accompanying Documents

Submitted to the Director-General of the Kanto Local Finance Bureau on June 24, 2022

(3) Quarterly Securities Reports and Confirmation Letter

First Quarter of FY2022 (from April 1, 2022 to June 30, 2022)

Submitted to the Director-General of the Kanto Local Finance Bureau on August 4, 2022

Second Quarter of FY2022 (from July 1, 2022 to September 30, 2022)

Submitted to the Director-General of the Kanto Local Finance Bureau on November 9, 2022

Third Quarter of FY2022 (from October 1, 2022 to December 31, 2022)

Submitted to the Director-General of the Kanto Local Finance Bureau on February 9, 2023

(4) Extraordinary Report

Submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2022

The Extraordinary Report according to the provision of Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (ix)-2 (results of exercise of voting rights at the general meetings of shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Submitted to the Director-General of the Kanto Local Finance Bureau on July 4, 2022

The Extraordinary Report according to the provision of Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (xii) (events giving significant impact on financial position, operating results and conditions of cash flow) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Submitted to the Director-General of the Kanto Local Finance Bureau on July 15, 2022

The Extraordinary Report according to the provision of Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (xii) (events giving significant impact on financial position, operating results and conditions of cash flow) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Submitted to the Director-General of the Kanto Local Finance Bureau on December 21, 2022

The Extraordinary Report according to the provision of Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (xii) and (xix) (events giving significant impact on financial position, operating results and conditions of cash flow) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Submitted to the Director-General of the Kanto Local Finance Bureau on February 27, 2023

The Extraordinary Report according to the provision of Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (ix) (changes of the representative executive officers) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Submitted to the Director-General of the Kanto Local Finance Bureau on April 26, 2023

The Extraordinary Report according to the provision of Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (xii) and (xix) (events giving significant impact on financial position, operating results and conditions of cash flow) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Submitted to the Director-General of the Kanto Local Finance Bureau on May 9, 2023

The Extraordinary Report according to the provision of Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (xii) and (xix) (events giving significant impact on financial position, operating results and conditions of cash flow) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Submitted to the Director-General of the Kanto Local Finance Bureau on May 9, 2023

The Extraordinary Report according to the provision of Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (xii) (events giving significant impact on financial position, operating results and conditions of cash flow) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Submitted to the Director-General of the Kanto Local Finance Bureau on May 22, 2023

The Extraordinary Report according to the provision of Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (ix) (changes of the representative executive officers) of the Cabinet Office Order on Disclosure of Corporate Affairs.

B. Information on Guarantors for the Company

Not applicable.

Independent Auditors' Audit Report and Internal Control Audit Report

(English Translation)

June 23, 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

<Financial statements audit>

Opinion

We have audited, pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act of Japan, the consolidated financial statements included in "Financial Information," which consist of the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in net assets, consolidated statement of cash flows, material basis of the preparation of consolidated financial statements and other notes, and consolidated supplementary schedules of MITSUBISHI MOTORS CORPORATION ("MMC") for the fiscal year ended March 31, 2023 (April 1, 2022 through March 31, 2023).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of MMC and its consolidated subsidiaries as of March 31, 2023, and their consolidated financial performance and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are matters which in the auditor's professional judgement are considered to be particularly important in the audit of the consolidated financial statements for the fiscal year under review. Key audit matters are matters that were dealt with in the process of undertaking the audit and forming the opinion for the entire consolidated financial statements, and we do not represent the individual opinion of such matters.

Liabilities related to market quality measures	
Description of the Key Audit Matter and Reason for Determining the Matter	How We Addressed the Matter in Our Audit
<p>As stated in the Notes “Significant accounting estimates,” MMC recorded 19,495 million yen of liabilities related to market quality measures in the fiscal year ended March 31, 2023. Such liabilities related to market quality measures are included in accounts payable - other, and accrued expenses in the consolidated balance sheet.</p> <p>MMC reasonably estimates the future expenses for measures relating to the voluntary recall and repair of sold products that are non-compliant under an individual country’s regulatory requirements concerning safety and the environment. In cases where such expenditures are likely to be incurred and can be reasonably estimated, the MMC group calculates future expenses, considering expenses to be incurred per unit, number of units, occurrence rate of recall and repair of subject vehicles, and other factors.</p> <p>The significant assumption used in the calculation of future expenses is the occurrence rate, which is based on past experience and other factors by sales region and vehicle age. However, due to the long estimation period, the complexities and uncertainties of the estimated calculations are high and are based on significant judgements of management. In addition, in the event of large-scale recalls, remedial measures, etc., due to product defects or failures, the recording of significant liabilities due to market quality measures may seriously impact the consolidated financial statements. Furthermore, to comprehensively reflect the expenses relating to market quality measures determined following the end of the fiscal year and up until the day on which the consolidated financial statements are submitted, whether or not there are such cases need to be promptly identified with the impact on the consolidated financial statements evaluated.</p> <p>Therefore, the Accounting Auditors determined that such matters are key audit matters.</p>	<p>The Accounting Auditors primarily conducted the following audit procedures in relation to the liabilities related to market quality measures.</p> <ul style="list-style-type: none"> • Evaluated the comprehensive recording of liabilities related to market quality measures and the effectiveness of the preparation and operations for internal controls relating to the evaluation of such estimates. • To investigate the completeness of liabilities related to market quality measures, asked questions to the quality control division of each country overseas in response to market quality measures, inspected minutes of meetings for bodies such as the Board of Directors and important approval/decision documents relating to market quality measures, and inspected public information such as submissions to the Ministry of Land, Infrastructure, Transport and Tourism and press releases, etc. • To evaluate the assumptions used in calculating future expenses, investigated the consistency of the occurrence rate and the expenses per unit with materials that substantiate estimates such as for the results of similar projects. • To evaluate the effectiveness of the process for estimating liabilities related to market quality measures, the amount recorded for liabilities related to market quality measures at the end of the previous fiscal year is compared to actual expenses. • Investigated the assumptions used in calculating the completeness of the liabilities related to market quality measures and future expenses in light of the details for the market quality measures determined following the end of the fiscal year and up until the day on which the consolidated financial statements were submitted.

Other Information

Other information comprises information contained in the Annual Securities Report other than consolidated financial statements, non-consolidated financial statements, and audit report of the consolidated financial statements and the non-consolidated financial statements. Management is responsible for the preparation and disclosure of the other information. In addition, the responsibility of the Audit Committee is to oversee the execution concerning establishment and operation of the Company's reporting process of the other information, and the Directors' execution of their duties.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

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

In preparing the 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 generally accepted in Japan, matters related to going concern.

The 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 Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit 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.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the fiscal year under review and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of

doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Internal control audit>

Opinion

We also have audited, pursuant to the provisions of Article 193-2, paragraph (2) of the Financial Instruments and Exchange Act of Japan, the internal control report as of March 31, 2023 of MMC.

In our opinion, the internal control report referred to above, which represents that the internal control over financial reporting of MMC as of March 31, 2023 is effective, presents fairly, in all material respects, the result of management's assessment on internal control over financial reporting in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under auditing standards for internal control over financial reporting are described in the Auditor's Responsibilities for Audit of the Internal Control section of our report. We are independent of MMC and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the internal control report in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that we have obtained sufficient and appropriate audit evidence to support our audit opinion.

Responsibilities of Management and Audit Committee for the Internal Control Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the internal control report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit & Supervisory Board is responsible for supervising and inspecting the provision and status of operation of internal control over financial reporting.

Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibilities for Audit of the Internal Control

Our responsibilities are to obtain reasonable assurance about whether the internal control report is free from material misstatement and to issue an auditor's report of internal control that expresses our opinion on the internal control report based on our audit from an independent point of view.

In accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. Our audit of the internal control involves the following:

- We perform auditing procedures to obtain audit evidence about the results of the assessment of internal control over financial reporting in the internal control report. The procedures selected depend on our judgment as the Independent Auditor, including the significance of effects on reliability of financial reporting.
- We evaluate the overall internal control report presentation, including the appropriateness of the scope, procedures and result of the assessment determined and presented by management.
- We obtain sufficient and appropriate audit evidence about the results of the assessment of internal control over financial reporting in the internal control report. We are responsible for the direction, supervision and performance of the audit of the internal control report. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding the planned scope and timing of the audit of the internal control and significant findings of the audit of the internal control, significant deficiencies in internal control that we identified requiring disclosure, results of the correction of such deficiencies and other matters required by auditing standards for internal control.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit 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.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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

2. The original version of the Independent Auditors' Audit Report presented above is kept separately by MMC (the filing company of the Annual Securities Report.)

3. XBRL data is not included in the scope of audit.

Independent Auditors' Audit Report
(English Translation)

June 23, 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

Opinion

We have audited, pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act of Japan, the non-consolidated financial statements included in “Financial Information,” which consist of the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, significant accounting policy and other notes, and non-consolidated supplementary schedules of MITSUBISHI MOTORS CORPORATION (“MMC”) for FY2022 (April 1, 2022 through March 31, 2023).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations applicable to the fiscal year ended March 31, 2023, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of MMC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are matters which in the auditor’s professional judgement are considered to be particularly important in the audit of the financial statements for the fiscal year under review. Key audit matters are matters that were dealt with in the process of undertaking the audit and forming the opinion for the entire financial statements, and we do not represent the individual opinion of such matters.

Liabilities Related to Market Quality Measures

As stated in the Notes “Significant accounting estimates,” MMC recorded 17,083 million yen of liabilities related to market quality measures in the fiscal year under review.

Descriptions of the “Key Audit Matter and Reason for Determining the Matter,” as well as “How We Addressed the Matter in Our Audit,” for this matter are omitted since the details are the same as the key audit matters (Liabilities related to market quality measures) described in the auditor’s report to the consolidated financial statements.

Other Information

Other information comprises information contained in the Annual Securities Report other than the consolidated financial statements, the non-consolidated financial statements, and the audit report of the consolidated financial statements and the non-consolidated financial statements. Management is responsible for the preparation and disclosure of the other information. In addition, the responsibility of the Audit Committee is to oversee the execution concerning establishment and operation of the Company’s reporting process of the other information, and the Directors’ execution of their duties.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so,

consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of MMC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on MMC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause MMC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit 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.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the fiscal year under review and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in MMC which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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

2. The original version of the Independent Auditors' Audit Report presented above is kept separately by MMC (the filing company of the Annual Securities Report.)

3. XBRL data is not included in the scope of audit.

[Cover page]

Document title:	Internal Control Report (“ <i>Naibutousei-Houkokusho</i> ”)
Clause of stipulation:	Article 24-4-4, paragraph (1) of the Financial Instruments and Exchange Act
Place of filing:	Director-General of the Kanto Local Finance Bureau
Filing date:	June 23, 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. Basic framework of internal control over financial reporting

Takao Kato, Representative Executive Officer, President & CEO and Koji Ikeya, Representative Executive Officer, Executive Vice President (CFO) have the responsibility for the design and operation of internal control over financial reporting of MITSUBISHI MOTORS CORPORATION (“MMC”) and manage the design and operation of such internal control in accordance with the basic framework set forth in the document “On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” published by the Business Accounting Council.

Internal control aims at achieving its objectives to a reasonable extent given that all individual components of internal control are effectively integrated, and function as a whole. Thus, it is possible that internal control over financial reporting may not be able to completely prevent or detect false statements in financial reporting.

2. Scope of assessment, assessment date and assessment procedure

Assessment of internal control over financial reporting was performed as of March 31, 2023 (i.e., the closing date of the fiscal year under review) in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In this assessment, evaluation was first made of company-level control which would have a material impact on the reliability of financial reporting on a consolidated basis, and based on such result, business processes to be assessed were then selected. In the business process-level control assessment, the effectiveness of internal control was assessed by analyzing the business processes in scope, identifying key controls that would have a material impact on the reliability of the financial reporting, and evaluating the designs and operations of these key controls.

The scope of internal control assessment for financial reporting was determined by selecting MMC, consolidated subsidiaries and entities accounted for using equity method based on the materiality of their impacts on the reliability of financial reporting. The materiality of the impacts on the reliability of financial reporting was determined in consideration of both financial and qualitative aspects, and the scope of assessment of process-level control was reasonably determined based on the result of the company-level control assessment, which included MMC, 15 consolidated subsidiaries, and three entities accounted for using equity method. Also, 20 consolidated subsidiaries and 14 entities accounted for using equity method were determined to be of minimal financial and qualitative materiality and were not included in the scope of evaluation of company-level control.

For the purpose of determining the scope of process-level control assessment, net sales (after elimination of intercompany transaction) of each business site for the previous fiscal year were totaled in order based on the business site that had the highest net sales amount, and the ten business sites that contributed approximately two-thirds of MMC’s consolidated net sales in the previous fiscal year were designated as significant business sites. In selected significant business sites, all business processes related to the accounts that are closely associated with MMC’s business objectives, such as net sales, accounts receivable - trade, and inventories were included in the scope of assessment. Furthermore, not only at the selected significant business sites, but also at other business sites, certain other business processes with a high probability of there being major false statements which are related to significant accounts involving estimates and forecasts, or related to businesses or operations dealing with high-risk transactions were added to the scope of assessment as “business processes having greater materiality,” taking into account their impacts on financial reporting.

3. Assessment result

Based on the above mentioned assessment results, it was concluded that the internal control over financial reporting at the end of the fiscal year under review was effective.

4. Supplementary information

Not applicable.

5. Special affairs

Not applicable.

[Cover page]

Document title:	Confirmation Letter (“ <i>Kakuninsho</i> ”)
Clause of stipulation:	Article 24-4-2, paragraph (1) of the Financial Instruments and Exchange Act
Place of filing:	Director-General of the Kanto Local Finance Bureau
Filing date:	June 23, 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 Annual Securities Report

Takao Kato, Representative Executive Officer, President & CEO and Koji Ikeya, Representative Executive Officer, Executive Vice President (CFO) of MITSUBISHI MOTORS CORPORATION, have confirmed that this annual securities report for FY2022 (April 1, 2022 through March 31, 2023) 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 annual securities report.