

July 23, 2024

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 [Japan GAAP]

Company name: **Mitsubishi Motors Corporation**

Listing: Prime Market, the Tokyo Stock Exchange

Stock code: 7211

URL: <https://www.mitsubishi-motors.co.jp/>

Representative: Takao Kato, Representative Executive Officer, President and Chief Executive Officer

Contact: Keiko Sasaki, Vice President and General Manager, IR Office, Corporate Strategy Management Div.

TEL: +81-3-3456-1111 (from overseas)

Scheduled date to deliver cash dividends: —

Earnings supplementary explanatory documents: Yes

Earnings presentation: Yes

1. Consolidated performance for the first quarter of fiscal year ending March 31, 2025 (April 1, 2024 to June 30, 2024)

(Figures less than one million yen are rounded down)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024 1st quarter	627,522	(1.3)	35,519	(21.3)	42,388	(31.4)	29,468	(38.5)
FY2023 1st quarter	635,753	20.2	45,158	46.7	61,811	24.9	47,949	24.3

Note: Comprehensive income FY2024 1st quarter: ¥54,729 million ((28.8)%) FY2023 1st quarter: ¥76,848 million (4.9%)

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
FY2024 1st quarter	19.82	19.82
FY2023 1st quarter	32.22	32.21

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	2,383,654	1,091,780	44.2
March 31, 2024	2,454,470	1,044,456	41.2

Reference: Net assets excluding share subscription rights and non-controlling interests

As of June 30, 2024: ¥1,053,957 million As of March 31, 2024: ¥ 1,010,213million

2. Cash dividends

	Cash dividend per share				
Record Date	First quarter	Second quarter	Third quarter	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2023	—	5.00	—	5.00	10.00
FY2024	—				
FY2024 (Forecast)		7.50	—	7.50	15.00

Note: Revisions to the forecasts of cash dividends in the current quarter: No

3. Consolidated earnings forecasts for fiscal year 2024 (from April 1, 2024 to March 31, 2025)

(Percentages indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,880,000	3.2	190,000	(0.5)	190,000	(9.1)	144,000	(6.9)	96.85

Note: Modifications in the consolidated earnings forecasts from the latest announcement: No

Note

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Application of specific accounting treatment for preparing the quarterly consolidated financial statements: Yes
Please refer to "2. Quarterly consolidated financial statements (3) Notes to quarterly consolidated financial statements - Notes to specific accounting policies for quarterly consolidated financial statement" in page 5 for details.
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards: Yes
 - (ii) Changes in accounting policies other than (i): No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatement: No
Please refer to "2. Quarterly consolidated financial statements (3) Notes to quarterly consolidated financial statements - Notes to changes of accounting policies" in page 5 for details.
- (4) Number of shares issued and outstanding (common stocks)
 - (i) Total number of shares issued and outstanding at the end of the period (including treasury stock)

As of June 30, 2024:	1,490,282,496 shares
As of March 31, 2024:	1,490,282,496 shares
 - (ii) Number of shares of treasury stock at the end of the period

As of June 30, 2024:	3,413,138 shares
As of March 31, 2024:	3,474,193 shares
 - (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

FY 2024 1st quarter:	1,486,833,781 shares
FY 2023 1st quarter:	1,488,359,935 shares

Note: The number of treasury shares at the end of each period includes shares of the Company held by the BIP Trust Account (2,607,451 shares as of June 30, 2024 and 2,668,506 shares as of March 31, 2024). The shares of the Company held by the BIP Trust Account is included in the number of treasury shares deducted in the calculation of average number of shares during each period (2,643,028 shares as of June 30, 2024 and 1,081,923 shares as of June 30, 2023).

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* Proper use of earnings forecasts, and other special matters:

(Note for the description about financial forecasts)

This material contains forward-looking statements, based on judgments and estimates that have been made on the basis of currently available information. By nature, such statements are subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned statements due to changes in economic environments related to our business, market trends, fluctuations in interest rates and exchange rates, changes in laws, regulations and government policies, etc.

Potential risks and uncertainties are not limited to the above and Mitsubishi Motors Corporation (MMC) is not under any obligation to update the information in this material to reflect any developments or events in the future.

If you are interested in investing in MMC, you are requested to make a final investment decision at your own risk, taking the foregoing into consideration. Please note that neither MMC nor any third party providing information shall be responsible for any damage you may suffer due to investment in MMC based on the information shown in this material.

(How to obtain additional information materials / details of the earnings release conference)

Additional information materials are disclosed on the MMC web site on the same day as publication of the results. In addition, an audio recording of the earnings release conference held on the same day will, together with the materials used for the conference, be posted on the MMC website promptly following the conference.

1. Overview of Financial Results, etc.

(1) Overview of Financial Results

Competition is returning to its previous state as production constraints due to a shortage of semiconductor and other parts have been resolved and inventories have been filled in general. Against this backdrop, we recognize that the sales environment surrounding us is becoming increasingly severe in areas such as our focus areas where demand for automobiles is sluggish due to the delay in economic recovery.

Due to intensifying sales competition, rising costs associated with inflation, and a temporary increase in quality-related expenses, the number of vehicles sold for the three months ended June 30, 2024 was 194,000 units globally, down 1% year on year, and consolidated net sales were down 1% year on year to 627.5 billion yen. Consolidated operating profit was 35.5 billion yen (a decrease of 9.7 billion yen year on year).

Consolidated ordinary profit was 42.4 billion yen (a decrease of 19.4 billion yen year on year) and quarterly net income attributable to the owners of the parent company was 29.5 billion yen (a decrease of 18.4 billion yen year on year).

The operating status by business segment is as shown below.

(i) Automobile business

Net sales for the three months ended June 30, 2024 were 622.1 billion yen (a decrease of 7.1 billion yen year on year), and operating profit was 34.6 billion yen (a decrease of 10.0 billion yen year on year).

(ii) Financial service business

Net sales for the three months ended June 30, 2024 were 10.7 billion yen (an increase of 1.6 billion yen year on year), and operating profit was 1.2 billion yen (an increase of 0.2 billion yen year on year).

(2) Financial Position

Total assets as of June 30, 2024 amounted to 2,383.7 billion yen (down 70.8 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 562.0 billion yen (down 112.2 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,291.9 billion yen (down 118.1 billion yen from the end of the previous fiscal year). Of total liabilities, the interest-bearing debt balance was 412.3 billion yen (down 80.1 billion yen from the end of the previous fiscal year). Net assets amounted to 1,091.8 billion yen (up 47.3 billion yen from the end of the previous fiscal year). As a result, the equity ratio was 44.2% (41.2% at the end of the previous fiscal year).

(3) Summary of earnings forecasts

MITSUBISHI MOTORS CORPORATION has decided to leave unchanged its consolidated forecasts announced on May 8, 2024 for the full-year of fiscal year 2024 (April 1, 2024 through March 31, 2025).

2. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	674,234	562,033
Notes and accounts receivable – trade, and contract assets	151,006	143,444
Finance receivables	240,517	240,673
Merchandise and finished goods	317,485	341,078
Work in process	24,684	27,159
Raw materials and supplies	69,717	66,806
Other	151,538	158,673
Allowance for doubtful accounts	(1,333)	(1,096)
Total current assets	1,627,849	1,538,774
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	92,079	93,590
Machinery, equipment and vehicles, net	187,469	190,355
Tools, furniture and fixtures, net	66,496	63,786
Land	122,506	123,379
Construction in progress	29,583	30,999
Total property, plant and equipment	498,135	502,110
Intangible assets	44,904	44,607
Investments and other assets		
Investment securities	104,094	111,042
Other	183,996	191,788
Allowance for doubtful accounts	(4,511)	(4,669)
Total investments and other assets	283,579	298,161
Total non-current assets	826,620	844,879
Total assets	2,454,470	2,383,654

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	337,434	309,574
Electronically recorded obligations - operating	102,141	94,138
Short-term borrowings	68,053	52,230
Commercial papers	43,500	25,000
Current portion of long-term borrowings	224,612	70,379
Accounts payable - other, and accrued expenses	232,510	201,082
Income taxes payable	9,540	11,657
Provision for product warranties	68,048	70,803
Other	89,360	106,773
Total current liabilities	1,175,202	941,638
Non-current liabilities		
Long-term borrowings	127,781	234,706
Retirement benefit liability	20,367	20,384
Other	86,662	95,143
Total non-current liabilities	234,811	350,234
Total liabilities	1,410,014	1,291,873
Net assets		
Shareholders' equity		
Capital stock	284,382	284,382
Capital surplus	199,585	199,585
Retained earnings	478,239	500,261
Treasury shares	(1,688)	(1,666)
Total shareholders' equity	960,518	982,562
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,045	2,328
Deferred gains or losses on hedges	(739)	(5,322)
Foreign currency translation adjustment	35,454	62,725
Remeasurements of defined benefit plans	12,933	11,663
Total accumulated other comprehensive income	49,694	71,394
Share acquisition rights	23	23
Non-controlling interests	34,219	37,800
Total net assets	1,044,456	1,091,780
Total liabilities and net assets	2,454,470	2,383,654

(2) Quarterly consolidated statements of income and Consolidated statements of Quarterly comprehensive income

Quarterly consolidated statements of income

(Millions of yen)

	FY2023 1st quarter (from April 1, 2023 to June 30, 2023)	FY2024 1st quarter (from April 1, 2024 to June 30, 2024)
Net sales	635,753	627,522
Cost of sales	507,952	497,501
Gross profit	127,801	130,020
Selling, general and administrative expenses		
Advertising and promotion expenses	13,647	13,866
Freightage expenses	19,268	23,964
Provision of allowance for doubtful accounts	(520)	(188)
Remuneration, salaries and allowances	19,567	21,510
Retirement benefit expenses	1,058	1,050
Depreciation	3,848	4,471
Research and development expenses	13,439	15,325
Other	12,334	14,499
Total selling, general and administrative expenses	82,643	94,500
Operating profit (loss)	45,158	35,519
Non-operating income		
Interest income	3,342	3,597
Foreign exchange gains	14,521	8,222
Share of profit of entities accounted for using equity method	1,023	-
Other	591	731
Total non-operating income	19,478	12,551
Non-operating expenses		
Interest expenses	1,357	1,735
Litigation expenses	511	901
Share of loss of entities accounted for using equity method	-	824
Other	956	2,222
Total non-operating expenses	2,825	5,683
Ordinary profit (loss)	61,811	42,388
Extraordinary income		
Gain on sales of non-current assets	18	31
Other	9	4
Total extraordinary income	28	36

	(Millions of yen)	
	FY2023 1st quarter (from April 1, 2023 to June 30, 2023)	FY2024 1st quarter (from April 1, 2024 to June 30, 2024)
Extraordinary losses		
Loss on retirement of non-current assets	160	550
Other	34	332
Total extraordinary losses	194	883
Profit (loss) before income taxes	61,645	41,540
Income taxes	13,244	9,761
Profit (loss)	48,400	31,778
Profit (loss) attributable to non-controlling interests	451	2,309
Profit (loss) attributable to owners of parent	47,949	29,468

Quarterly consolidated statements
of comprehensive income

	(Millions of yen)	
	FY2023 1st quarter (from April 1, 2023 to June 30, 2023)	FY2024 1st quarter (from April 1, 2024 to June 30, 2024)
Profit (loss)	48,400	31,778
Other comprehensive income		
Valuation difference on available-for-sale securities	583	283
Deferred gains or losses on hedges	(3,596)	(4,572)
Foreign currency translation adjustment	29,049	23,725
Remeasurements of defined benefit plans, net of tax	(988)	(1,246)
Share of other comprehensive income of entities accounted for using equity method	3,400	4,760
Total other comprehensive income	28,447	22,950
Comprehensive income	76,848	54,729
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	73,991	51,169
Comprehensive income attributable to non-controlling interests	2,856	3,560

(3) Notes to quarterly consolidated financial statements

Notes to changes of accounting policies

(Application of the Accounting Standard for Current Income Taxes)

The Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. have been adopted from the beginning of the first quarter ended June 30, 2024.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter ended June 30, 2024. This change in accounting policies was applied retrospectively.

Hence, the quarterly consolidated financial statements for the same quarter of the prior fiscal year and the consolidated financial statements for the prior fiscal year have been modified retrospectively. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the prior fiscal year and the consolidated financial statements for the prior fiscal year.

Notes to specific accounting policies for quarterly consolidated financial statements

(Income tax expenses calculation)

Income tax expenses were calculated by multiplying profit (loss) before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to a projected annual profit (loss) before income taxes for the fiscal year including the first quarter ended June 30, 2024. In case where an estimated effective tax rate is unavailable, the statutory effective tax rate is used.

Notes on segment Information

I. For the Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1. Net sales and profit (loss) for each reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers					
Revenue from contracts with customers	627,540	3,050	630,590	-	630,590
Other income	128	5,034	5,163	-	5,163
Subtotal	627,668	8,085	635,753	-	635,753
(2) Intersegment sales & transfers	1,580	1,016	2,597	(2,597)	-
Total	629,249	9,101	638,351	(2,597)	635,753
Segment profit (loss)	44,563	1,045	45,609	(451)	45,158

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.

(Supplementary information about geographic information)

1. Change in geographic information

For geographic information, please refer to "II. For the Three months ended June 30, 2024 (Supplementary information about geographic information) - "1. Change in geographic information."

2. Net sales to the external customers, classified by the geographic location of the external customers

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers							
Revenue from contracts with customers	125,497	169,557	48,772	130,663	61,522	94,576	630,590
Other income	5,061	88	-	-	13	-	5,163
Total	130,558	169,646	48,772	130,663	61,536	94,576	635,753

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

II. For the Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Net sales and profit (loss) for each reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers					
Revenue from contracts with customers	617,675	4,056	621,732	-	621,732
Other income	145	5,644	5,789	-	5,789
Subtotal	617,821	9,700	627,522	-	627,522
(2) Intersegment sales & transfers	4,264	989	5,253	(5,253)	-
Total	622,085	10,689	632,775	(5,253)	627,522
Segment profit (loss)	34,560	1,195	35,755	(236)	35,519

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.

(Supplementary information about geographic information)

1. Change in geographic information

National and regional groupings have been classified by "geographical proximity and mutual relevance of business activities." However, for the consistency with in-house management, Ukraine and Kazakhstan, which had been included in "Europe" until the previous fiscal year are reclassified in "Other" from the first quarter ended June 30, 2024. As a result of this change, the reclassified geographic information is presented for the first quarter ended June 30, 2023.

2. Net sales to the external customers, classified by the geographic location of the external customers

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers							
Revenue from contracts with customers	118,966	179,300	30,709	116,123	90,282	86,350	621,732
Other income	5,671	111	-	-	7	-	5,789
Total	124,637	179,411	30,709	116,123	90,289	86,350	627,522

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

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

Notes on significant changes in the amount of shareholders' equity

There is no item to be reported.

Notes on the going concern assumption

There is no item to be reported.

Notes on the quarterly consolidated cash flow statement

There is no quarterly consolidated statement of cash flows for the three months ended June 30, 2024. Depreciation for the three months ended June 30, 2024 is as follows:

(Millions of yen)

	FY2023 1st quarter (from April 1, 2023 to June 30, 2023)	FY2024 1st quarter (from April 1, 2024 to June 30, 2024)
Depreciation	15,452	17,957