

Financial Information as of March 31, 2024

(The English translation of the
“Yukashoken-Houkokusho” for
the year ended March 31, 2024)

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		FY2019	FY2020	FY2021	FY2022	FY2023
Fiscal year ended		March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Net sales	Millions of yen	2,270,276	1,455,476	2,038,909	2,458,141	2,789,589
Ordinary profit (loss)	Millions of yen	(3,843)	(105,203)	100,969	182,022	209,040
Profit (loss) attributable to owners of parent	Millions of yen	(25,779)	(312,317)	74,037	168,730	154,709
Comprehensive income	Millions of yen	(67,458)	(259,691)	106,757	202,703	232,786
Net assets	Millions of yen	788,363	525,251	630,301	830,376	1,044,456
Total assets	Millions of yen	1,938,123	1,856,279	1,928,443	2,201,524	2,454,470
Net assets per share	Yen	519.15	341.44	407.82	538.28	679.45
Basic earnings (loss) per share	Yen	(17.32)	(209.88)	49.76	113.38	103.97
Diluted earnings per share	Yen	–	–	49.74	113.36	103.96
Equity-to-asset ratio	%	39.87	27.36	31.46	36.39	41.16
Return-on-equity ratio	%	(3.14)	(48.78)	13.28	23.97	17.08
Price/earnings ratio	Times	–	–	6.65	4.60	4.86
Net cash provided by (used in) operating activities	Millions of yen	18,786	(41,537)	118,114	173,576	140,806
Net cash provided by (used in) investing activities	Millions of yen	(105,712)	(101,323)	(69,123)	(53,145)	(138,865)
Net cash provided by (used in) financing activities	Millions of yen	9,624	168,291	(10,234)	(61,865)	37,674
Cash and cash equivalents at end of period	Millions of yen	399,588	444,619	511,473	595,930	674,204
Number of employees [Annual average number of temporary employees not included in the above figures]	Number	32,171 [7,558]	30,091 [6,434]	28,796 [7,948]	28,428 [8,123]	28,982 [8,967]

(Notes) 1. The number of employees is the number of employees currently on duty. Number of temporary employees indicated changed from the number at the end of the fiscal year to annual average in FY2023.

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, 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		FY2019	FY2020	FY2021	FY2022	FY2023
Fiscal year ended		March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Net sales	Millions of yen	1,802,415	1,092,242	1,614,787	2,045,567	2,348,961
Ordinary profit (loss)	Millions of yen	6,456	(145,996)	52,093	196,864	190,792
Profit (loss)	Millions of yen	(7,037)	(273,405)	40,149	189,066	166,108
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	550,106	277,260	318,125	506,999	657,491
Total assets	Millions of yen	1,093,709	985,314	985,999	1,226,610	1,361,425
Net assets per share	Yen	369.39	186.15	213.68	340.63	442.20
Dividend per share [Interim dividend per share included in the above amount]	Yen [Yen]	10.00 [10.00]	– [–]	– [–]	5.00 [–]	10.00 [5.00]
Basic earnings (loss) per share	Yen	(4.73)	(183.73)	26.99	127.04	111.63
Diluted earnings per share	Yen	–	–	26.97	127.02	111.62
Equity-to-asset ratio	%	50.27	28.10	32.24	41.33	48.29
Return-on-equity ratio	%	(1.23)	(66.15)	13.50	45.84	28.53
Price/earnings ratio	Times	–	–	12.26	4.11	4.53
Dividend payout ratio	%	–	–	–	3.94	8.96
Number of employees [Annual average number of temporary employees not included in the above figures]	Number	14,407 [3,276]	13,951 [2,574]	13,829 [3,441]	13,671 [3,530]	13,844 [3,637]
Total shareholder return [Comparative indicator: TOPIX (Dividend-Included)]	% [%]	53.74 [90.50]	55.27 [128.63]	57.99 [131.18]	91.33 [138.81]	90.27 [196.19]
Highest share price	Yen	649.0	352.0	426.0	665.0	681.0
Lowest share price	Yen	268.0	187.0	253.0	301.0	419.5

- (Notes)
1. The number of employees is the number of employees currently on duty. Number of temporary employees indicated changed from the number at the end of the fiscal year to annual average in FY2023.
 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 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.
 4. 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.
 5. Since FY2020, for the calculation of the “net assets per share,” the shares of MMC held by the Board Incentive Plan (BIP) Trust, 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.
 6. 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 operational authority from MHI to MMC
August 1977	MMC constructed Nagoya Motor Vehicle Works Okazaki Plant
December 1979	MMC constructed 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 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 shut 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 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 up to 100% (15% stake held by MMC associates included))
March 2000	MMC signed Memorandum of Understanding 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 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 with regard to 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 transitioned to a company with a Nomination Committee, and others
August 2021	Production ended at PMC and factories shut 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 implemented by Tokyo Stock Exchange.

3. Description of business

The MITSUBISHI MOTORS CORPORATION group (the “MMC group”) comprises MMC, 34 consolidated subsidiaries and 17 equity-method associates (as at March 31, 2024). 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.

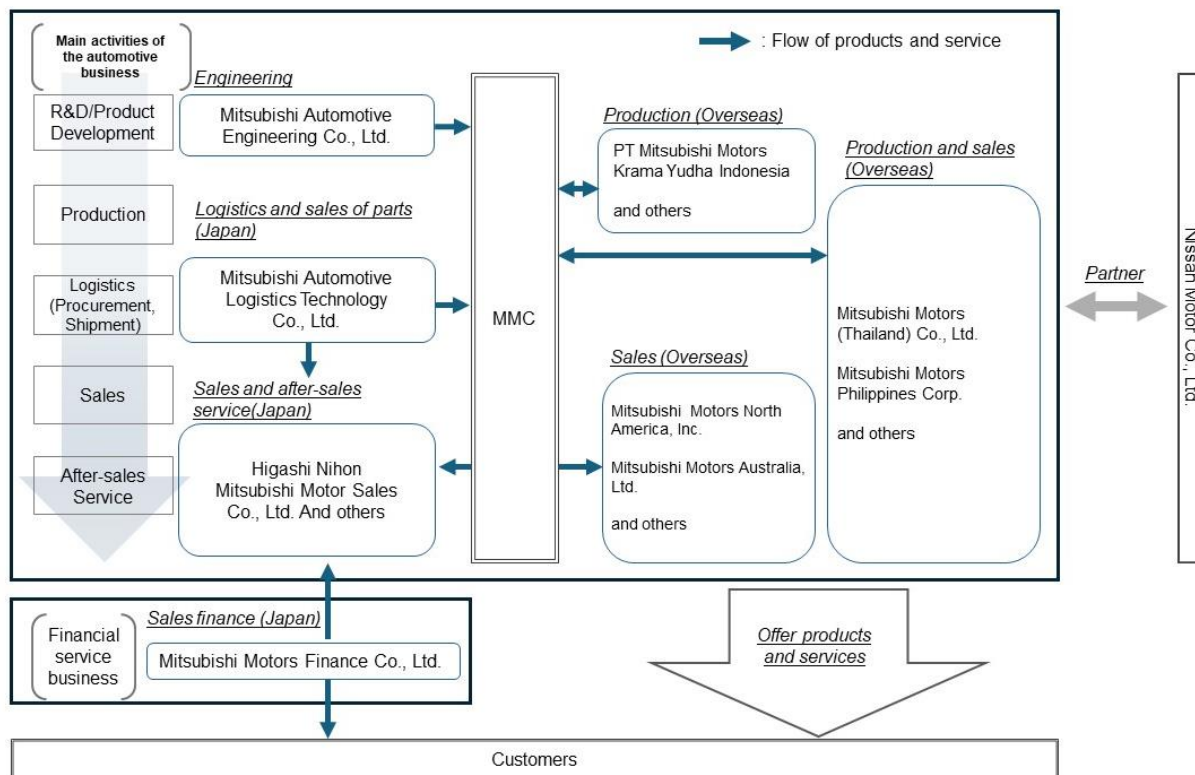
In Japan, MMC produces standard and small passenger vehicles and Kei-cars and Mitsubishi-brand vehicles are sold in Japan by Higashi Nihon Mitsubishi Motor Sales Co., Ltd. and Nishi Nihon Mitsubishi Motor Sales Co., Ltd. Mitsubishi Automotive Engineering Co., Ltd. undertakes some of the development of 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. Moreover, Pajero Manufacturing Co., Ltd., MMC’s consolidated subsidiary, which has ended its production in August 2021 for the reorganization of production system, was excluded from the scope of consolidation due to its completion of liquidation in the second quarter ended September 30, 2023.

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. Due to the structural reforms of China business, GAC Mitsubishi Motors Co., Ltd, which was an affiliate of the MMC group in China, was excluded from the scope of the application of the equity method due to the sales of equity interests in the fourth quarter ended March 31, 2024.

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).



(Major products)

●: Models on the market

	Product	Japan	Overseas
Electric vehicles	OUTLANDER (PHEV)	●	●
	ECLIPSE CROSS (PHEV)	●	●
	<u>XPANDER (HEV)</u>	—	●
	<u>XPANDER CROSS (HEV)</u>	—	●
	<u>ASX (PHEV/HEV)*</u>	—	●
	<u>COLT (HEV)*</u>	—	●
	eK X EV	●	—
	MINICAB EV/ <u>L100 EV</u>	●	●
SUVs and pickup trucks	<u>RVR/OUTLANDER SPORT/ASX</u>	●	●
	<u>ASX*</u>	—	●
	ECLIPSE CROSS	●	●
	OUTLANDER	—	●
	<u>TRITON/L200/L200 SPORTERO/STRADA</u>	●	●
	<u>PAJERO/MONTERO</u>	—	●
	<u>PAJERO SPORT/MONTERO SPORT</u>	—	●
	<u>XFORCE</u>	—	●
Passenger cars and minivans	<u>MIRAGE/SPACE STAR</u>	—	●
	<u>ATTRAGE/MIRAGE G4</u>	—	●
	DELICA D:2*	●	—
	DELICA D:5	●	—
	<u>XPANDER</u>	—	●
	<u>XPANDER CROSS</u>	—	●
	<u>COLT*</u>	—	●
Minicars	eK X	●	—
	eK wagon	●	—
	eK space	●	—
	DELICA MINI	●	—
	TOWNBOX*	●	—
	MINICAB Truck*	●	—
	MINICAB Van*	●	—

- (Notes) 1. Underlined names are those used solely outside Japan.
 2. Those marked with asterisks (*) are vehicle models provided by OEM.

4. Status of subsidiaries and associates

(1) Parent company

Not applicable.

(2) Consolidated subsidiaries

(As of March 31, 2024)

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
10 other subsidiaries in addition to the above					

(3) Equity-method associates

(As of March 31, 2024)

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	43.48	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	37.11	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
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
8 other associates in addition to the above					

(4) Other related companies

(As of March 31, 2024)

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. 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	417,601	million yen
(2) Ordinary profit (loss)	19,236	
(3) Profit (loss)	20,563	
(4) Net assets	115,856	
(5) Total assets	205,806	

*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, 2024)

Name of business segment	Number of employees	
Automobile	28,788	(8,888)
Financial service	194	(79)
Total	28,982	(8,967)

- (Notes) 1. The number of employees is the number of employees currently on duty (excluding corporate officers).
 2. The annual average number of temporary employees (part-time employees, fixed-term employees, dispatched employees, etc.) shown in the bracket () is not included in total.

(2) Number of employees at reporting company

(As of March 31, 2024)

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	9,816 (1,712)	4,028 (1,925)	13,844 (3,637)	42.1	15.3	7,863,000

- (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 annual average number of temporary employees (part-time employees, fixed-term employees, dispatched employees, etc.) shown in the bracket () is not included in total.
 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
6.3	70.6	78.5	78.9	68.6

- (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) 1	Ratio for male employees taking childcare leave (%)		Workers' gender wage gap (%) (Note) 1		
				All workers	(of which full-time employees)	(of which part-time employees and fixed-term employees)
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.	5.2	100.0	(Note) 3	80.9	80.1	70.2
Nishi Nihon Mitsubishi Motor Sales Co., Ltd.	2.2	12.5	(Note) 2	78.8	76.0	99.7
Mitsubishi Automotive Logistics Technology Co., Ltd.	5.1	–	(Note) 4	78.4	75.9	88.1
Mitsubishi Automotive Engineering Co., Ltd.	0.9	78.8	(Note) 2	66.7	64.2	120.0
Suiryo Plastics Co., Ltd.	3.4	100.0	(Note) 3	75.9	78.5	80.3
Mitsubishi Motors Finance Co., Ltd.	19.0	–	(Note) 4	72.2	75.9	129.6

- (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. 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).
 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).
 4. 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, 2024.

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 March 2023, the MMC group unveiled "Challenge 2025," the mid-term business plan for FY2023 through FY2025. On the basis of the resilient and agile business structure put in place through structural reforms enacted thus far, "Challenge 2025" consists of expanding our business in a manner suitable for the uniqueness of each region and country. We will establish a stable revenue base through the continuation of company-wide revenue improvement activities. Furthermore, to realize further growth and tackle challenges heading into the next generation, we plan to steadily increase research and development expenses as well as capital expenditure. The following are specific initiatives towards achieving 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 Europe and the United States
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)

During the fiscal year under review, the initial year of the mid-term business plan, we primarily implemented the following initiatives.

Firstly, on the product front, we continuously introduced strategic vehicles for the ASEAN market: the new 1-ton pickup truck *TRITON*, the new compact SUV *XFORCE*, and HEV models of the crossover MPVs *XPANDER* and *XPANDER CROSS*. Moving forward, we will intensify the sales of these models and expand their distribution to other regions. Additionally, we commenced sales of the Kei-car super height wagon *DELICA MINI* in Japan. Moreover, we received OEM supply from the Renault group, our alliance partner, for the new *ASX* and the new *Colt*, and launched their sales in the European market. The success of these new models is viewed as a crucial step towards MMC's sustainable growth.

Secondly, regarding the improvement in sales quality, in addition to the "revenue improvement activities" leading to sales price improvement, favorable exchange rates have also contributed to an increase in revenue per vehicle. In terms of regional strategy, while some parts of the ASEAN market are experiencing delayed recovery, profitability has improved in Latin America and the Middle East/Africa, where ASEAN-targeted products can be deployed. Additionally, in North America, success in sales that highlight the value has resulted in a positive shift in the car model mix. On the other hand, due to rapid market changes in the Chinese automotive industry, we have fundamentally reassessed the MMC group's strategy in China and discontinued local production of completed vehicles. Regarding assembly and production of completed vehicles in Russia, which was suspended due to Russia's military invasion of Ukraine, we have decided not to resume production.

Furthermore, as part of our investment towards achieving sustainable growth, we have decided to invest in Ampere, an EV & software company established by the Renault group, to strengthen electric vehicle development and alliances for the accelerated phase of electrification.

Moving forward, under the MMC group's vision of "Create a vibrant society by realizing the potential of mobility," we aim to realize a sustainable society and the MMC group's sustainable growth. We will organize the materiality in conducting business, aiming to achieve carbon neutrality, establish a workplace where human rights are respected and diverse talent can thrive, and conduct transparent management for all stakeholders.

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, 2024.

(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.

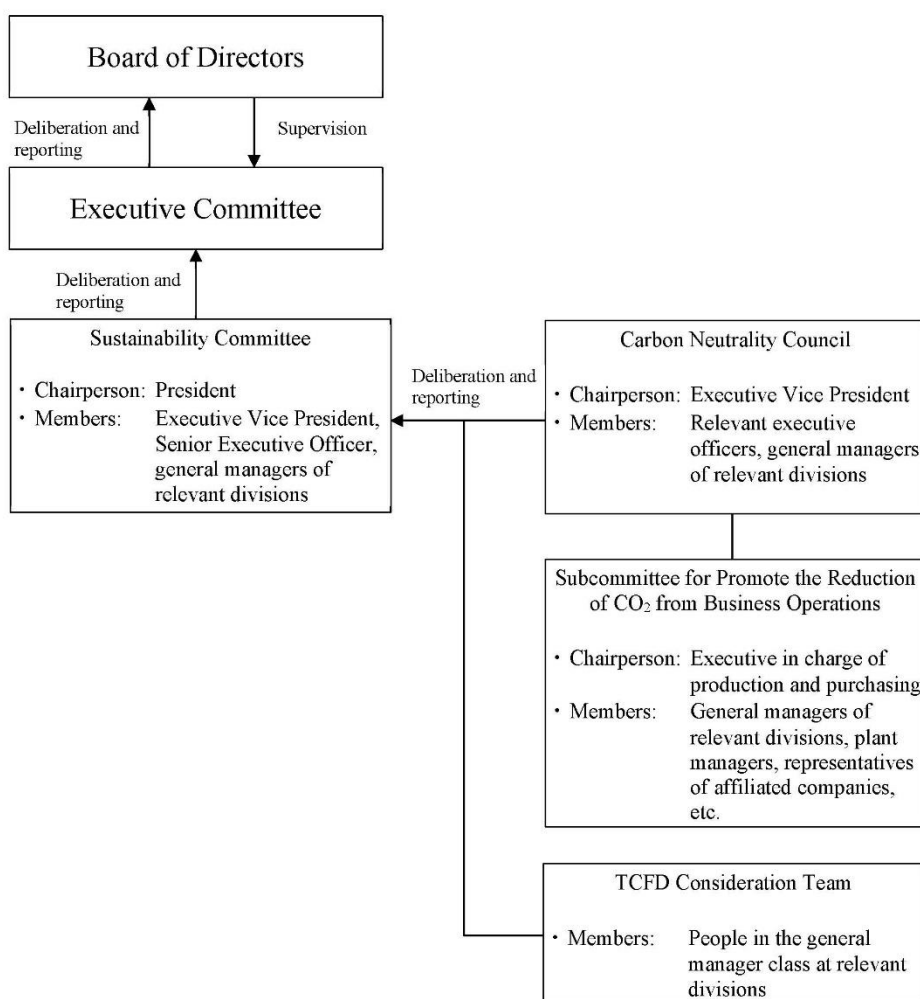
Particularly regarding "Responding to Climate Change and Energy Issues," we have established the Carbon Neutral Council consisting of the heads of the departments in charge of management strategy, products, production, logistics, etc. and the Executive Officer, Executive Vice President, who serves as Chairperson, under the Sustainability Committee, which considers concrete measures in each domain and proposes medium- and long-term response policies and goals based on the assessment of 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"

Structure of Promoting Carbon Neutrality



	Roles	Meeting frequency
Sustainability Committee	Monitoring Progress toward the Environmental Targets 2030	Three times a year
Carbon Neutral Council	Formulate medium- and long-term policies and targets toward the realization of carbon neutrality by 2050	Four times a year
Subcommittee to Promote the Reduction of CO ₂ from Business Activities	Draft action plans for reducing CO ₂ in areas of business activity, promotion of specific measures, etc.	Twice a year
TCFD Consideration Team	Identify and assess climate-related risks and opportunities, consider scenario analysis, etc.	Meets as necessary (Six times for FY2023)

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 by considering scenarios of external factors such as IEA^(Note) and each country's policy, regulations, etc., 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.

(Note) International Energy Agency

(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)^(Note 2).” For these items, we analyze the impact on our business and consider the countermeasures by referring to multiple scenarios announced by the IEA, the IPCC^(Note 3), etc. We recognize that climate-related issues may affect its business, strategies, and financial plans, and reviews its strategies and plans from time to time in light of climate-related risks and opportunities.

By reflecting the countermeasures for climate change risks and opportunities in the Environmental Plan Package^(Note 4), 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 February 2023 as a milestone for the realization of becoming carbon neutral by 2050.

We are promoting the development of electrified vehicles and the improvement of fuel efficiency of vehicles with internal combustion engines while leveraging the technologies of our Alliance partners, and actively bringing to market electrified vehicles 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 suppliers’ production phase of raw material and components and in the logistics domain for items including finished vehicles and components, 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 by FY 2028. So far, we have introduced three models, ASX (PHEV/HEV), Colt (HEV) and XPANDER / XPANDER CROSS (HEV).

(Notes) 1. ZEV is an abbreviation for “Zero Emission Vehicle.” These include electric and fuel cell vehicles that do not emit any emissions

2. Battery electric vehicles, plug-in hybrid electric vehicles (PHEVs), and hybrid electric vehicles (HEVs)

3. IPCC: Intergovernmental Panel on Climate Change

4. For details about the Environmental Plan Package, see our website below.
<https://www.mitsubishi-motors.com/en/sustainability/environment/initiatives/>

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), 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), 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.

(Note) 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)

• 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 (FY2022) (Note 1)
CO ₂ emissions from new vehicles (Tank to Wheel)	-40% (compared with FY2010)	-18% (compared with FY2010)
Ratio of electric vehicles sales	50% (100% by FY2035)	11%
CO ₂ emissions from business activities (Scope 1 and 2 total emissions)	-50% (Note 2) (compared with FY2018)	-33% (compared with FY2018)

<Amount of actual Scope 1 and 2 CO₂ emissions>

(Unit: 1,000t-CO₂)

	FY2018	FY2019	FY2020	FY2021	FY2022 (Note 1)
Scope 1	119	110	80	92	95
Scope 2	469	416	285	319	271
Total	(Note 2) 588	526	365	411	366

- (Notes) 1. For actual results of FY2023, please refer to the Sustainability Report to be issued in the summer of 2024.
 2. The actual emission volume of FY2018, which was 588 thousand t-CO₂, includes 43 thousand t-CO₂ emissions from some equity-method associates. At the review of the target in February 2023, we have set the target of minus 50% with our base figure of 545 thousand t-CO₂, as the latest method of selecting environmental management target companies excluding the emissions from these equity-method associates.

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

i) Strategy

The MMC has set the Three Principles, which are positioned as the MMC Group's common basic philosophy, as the guideline for corporate activities. Considering that human resources are the key to achieve the Group's sustainable growth and improvement of corporate value in an environment that is changing rapidly, we are proceeding with various initiatives based on the policy to promote 1) the development of the talents who can practice the MMC WAY, which is the behavior guidelines to realize vision and mission, and 2) the achievement of a work environment where the each and every person can perform meaningful work demonstrating his/her full abilities and high engagement and where people can work enthusiastically and in good health, both physically and mentally.

We will work for the attainment of the medium-term business plan "Challenge 2025" by having "Build a better place to work," "Enhance learning opportunities/reskilling programs," and "Secure/cultivate a diverse workforce" as priorities. To promote and implement these priorities, we have established the Human Resources Development Council, which consists of Executive Officer & President and executives. The council discusses and considers issues, tactics and measures concerning the securement and development of human resources, which are directly connected to corporate competitiveness, once a month as scheduled.

**Establish Great Workplace to Nurture Employee Engagement and HR Development
as the Base for Action Guidelines "MMC WAY"**

Action Guidelines "MMC WAY" (Updated in FY22)	Strategic HR Priorities
 THINK OF OUR CUSTOMERS, STRENGTHEN TRUST お客様を第一に考え、常に信頼を得続ける	<div style="background-color: #f8766d; padding: 2px; text-align: center;">Build Better Place to Work</div> <ul style="list-style-type: none"> ■ Adopt location-free work arrangements ■ Introduce flexible working style in consideration of childcare and family nursing care
 ENRICH SOCIETY 社会の発展に貢献する	<div style="background-color: #f8766d; padding: 2px; text-align: center;">Enhance Learning Opportunities/Reskilling Programs</div> <ul style="list-style-type: none"> ■ Expand mutual talent exchanges between Japan and overseas and global career development programs ■ Launch digital reskilling programs to support DX ■ Embed technical expertise into HR system and processes
 WELCOME ALL FACTS, SHARE DIFFICULT NEWS FIRST 事実を直視し、悪い情報は迅速に共有する	
 CONDUCT AND CHALLENGE YOURSELF PROFESSIONALLY プロとして、自ら行動し枠を超えて挑戦する	<div style="background-color: #f8766d; padding: 2px; text-align: center;">Secure/Cultivate Diverse Workforce</div> <ul style="list-style-type: none"> ■ Implement flexible total rewards strategy and structure ■ Develop vibrant workplaces in which employees appreciate the differences to fulfill their potential
 RESPECT ALL, WORK AS A BROADER TEAM 互いに敬意を払い、組織や関性を越えて共働する	

ii) Index and Target

“Build a better place to work”

- Promotion of no-designated workspace arrangement

In FY2021, we have established remote work system for each employee’s achievement of work-life balance. The system has been widely used among employees and is contributing to the improvement of their engagement. While recruitment-related competition becomes fierce these days, we are currently considering the introduction of the no-designated workspace arrangement that allows employees to work anywhere and not to be bound to work at a designated place or commute to an office as a flexible work style to acquire highly specialized talents and disabled people and maintain their employment.

- Flexible working system that takes into account parenting and elderly care

MMC is enhancing our work-life balance assistance programs to create the basis for our employees to work comfortably accommodating their diverse work styles and life events. In FY2017, we introduced the telecommuting and accompanying leave systems. In FY2018, we established the “Work-life Balance Support Concierge” within the Company, from which employees can seek advice on the programs suitable for their individual childcare and nursing care needs. Following feedback from employees who had sought advice, we relaxed the criteria for child nursing leave, short-term nursing care leave and the telecommuting system. Utilizing the telecommuting system together, we are creating an environment that fosters more productive and highly flexible working styles.

-Helping Employees to Balance Work, Childcare, and Nursing Care

As for the support of work-parenting balance, to further promote male employees’ utilization of parenting leave, we have conducted training for executives, seminar for expectant fathers and mothers and e-leaning. As a result, the use rate of parenting leave by male employees recorded 70.6% (up 2.2% year on year) in FY2023. We will proceed with the initiative by targeting increasing the use rate of parenting leave by male employees to become closer to that by female employees.

With regard to the support of work-elderly care balance, we provide nursing consultation service that allows employees to contact a nursing specialist via email or phone as required. In addition, we have been distributing online seminar, “Nursing On-demand Video Seminar,” through which we can learn the basic knowledge on how to manage both work and nursing well from external lecturer(s). In 2023, we also started providing “Nursing Short Video,” which employees can view when it is convenient for them to understand the important points of nursing.

“Enhance learning opportunities/reskilling programs”

- Expansion of overseas employee exchange and training system

We offer overseas business training programs by dispatching young employees mainly to ASEAN countries, our focus area, for one or two years. In FY2022, we have a newly added open application system to allow qualified employees to apply. In addition, we have expanded this measure to overseas affiliates. In FY2023, the MMC

started receiving trainees from affiliates and promoting human resources development, including overseas affiliates' employees.

- DX reskilling program

After having all officers discuss what we should aim for in the IT/digital domain in 15 years, we identified the development of digital-savvy human resources as a priority theme to achieve the Medium-term Management Plan, considering that it is crucial that all employees acquire IT/Digital literacy to move toward the future by making the most of technology. In 2023, as the first step of the development of digital-savvy human resources, we conducted IT/Digital literacy improvement training (total six hours) for all officers and all indirect employees to nurture all employees' mindset to drive reform. We will define the requirements for IT/digital-savvy human resources and implement the necessary education to develop advanced digital-savvy human resources in stages.

- Link between expertise evaluation and salary raise/promotion system

In FY2022, we added "expertise" to behavior criteria and started assessing the proficiency level of specialized knowledge and skills required by each organization and the actual behavior/performance level based on the expertise, aiming to improve each employee's achievement and performance. With this system, there is a sequence of the recognition of expertise, motivation, practice, feedback, ability development and growth, which is linked to salary raise/promotion in the form of the results of appraisal. In FY 2023, departmental criteria were defined. To strengthen expertness based on the departmental criteria, we will work on the enhancement of educational measures implementing both OJT and Off-JT training programs as a company and a department.

"Secure/cultivate a diverse workforce"

- Introduction of more flexible salary system

To promote the securement of diverse and broad-ranging human resources, the MMC has introduced the role grade system as management-level employees' grade/remuneration system. By clarifying the link between role and remuneration and providing appropriate remuneration based on roles, we made it possible to properly treat employees based on truly desired roles in any fiscal year and easily obtain the human resources required for the MMC's sustainable growth internally and externally. We will further utilize the application of role grade to be able to cope with changes in the environment in a flexible manner.

- Creation of workplace where diverse human resources can play an active role

To secure diverse talents, we are strengthening hiring mid-career candidates. The target number of new employees in FY2023 was 675, and we hired 448 people. We implement measures to follow up mid-career candidates, such as the reinforcement of the workplace induction activities (compulsive mentor and 1on1 systems), the creation of opportunities to understand production sites by visiting a plant and a development facility, and the arrangement of groups training to support connecting with other colleagues who entered the Company during the same period for them to get used to the MMC immediately and start demonstrating their capabilities.

The MMC has been working on the promotion of the utilization of female employees as a priority issue. In FY2023, female manager ratio was 6.3% (up 0.2% year on year). In accordance with the Act on the Promotion of Women's Active Engagement in Professional life, we newly developed the Action Plan to Promote Women's Active Engagement in April 2024 to promote the activities to decrease the gap between female manager ratio and female indirect employee ratio by March 2029.

As for the employment of disabled people, in addition to the promotion of hiring at our special subsidiary company, we are aiming to infuse inclusion at a larger number of workplaces by promoting recruitment and long-term employment at the parent company, the MMC.

Moreover, we are considering reviewing employment and labor conditions including the age limit for senior workers to play more active roles than ever. In production departments, we will drive the creation of work with less burden that is suitable to senior workers, renew facilities to create the environment that employees can work comfortably, and introduce and update IT tools at administrative departments.

"Reinforcement of occupational safety and health"

Considering the assurance of employees' safety and health is the foundation of corporate activities, we are constantly working on the measures based on the MMC Safety and Health Management Policy including our business partners' site located within the MMC.

Each employee with healthy mind and body is the driving force for the improvement of corporate value and sustainable growth. Positioning the maintenance and enhancement of employees' health as one of essential management issues, the MMC is handling health management with the concerted effort of domestic sites posing

“The Health Declaration” described below. In March 2024, continuing from the previous fiscal year, the MMC received the Excellent Health Company Certificate under the large enterprise category from the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi.

<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.

“Employee engagement”

Since FY2013, the MMC has been implementing the employee engagement survey. The survey is intended to visualize the status of the whole company/organization and employees to activate people and organizations by dealing with the issues identified in the results and improving employee engagement.

In 2023, the employee engagement score was up 1 point year on year. After analyzing research results, we provided officers, organization heads and departments in charge with the feedback for their responsible domain, and urged them to take action to improve engagement. Notably, to improve organization/human resources management, we held a workshop at their workplace and a seminar inviting external experts, “Drive your team,” for organization heads to improve the quality of management. In addition, we use the survey results as reference data to discuss the future course of human resources development at the Human Resources Development Council, which the senior management attends, to promote the Company’s action to improve employee engagement continuously.

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 operating results, financial position, cash flow status, 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.

In every country, the enactment of laws and regulations to demand companies to take human rights initiatives has progressed. Accordingly, the need for companies to respond to the human rights risk of supply chain is rapidly increasing. When the MMC Group cannot take proper and timely action on these laws and regulations, the repercussions extend beyond just legal violations as our brand image will be damaged due to a decrease in social credibility, which would affect our business activities, including production, development, purchase and sales, as well as the MMC Group's operating results, financial position and/or cash flow status.

Since these risks would also significantly impact the MMC group's medium- and long-term business plans, we are reinforcing our risk initiatives related to the supply chain to minimize such an impact on our business and performance. 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, financial position and/or cash flow status 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 an impact on the MMC group's compliance reputation, and consequently, on the operating results, financial position and/or cash flow status 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 judgment that is unfavorable to us is made, the operating results, financial position and/or cash flow status 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, financial position and/or cash flow status of the MMC group. As for the status of individual product liability lawsuit, please refer to "V. Financial Information, 1. Consolidated financial statements, Notes, Consolidated balance sheet, 6. Contingent liabilities."

(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, financial position and/or cash flow status 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 operating system and services, adverse effect on the electronic control function of our products, improper paperwork or destruction/falsification of important data. If they result 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, financial position and/or cash flow status 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, financial position and/or cash flow status 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 operating results, financial position and/or cash flow status 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, financial position and/or cash flow status 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 operating results, financial position and/or cash flow status 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, financial position and/or cash flow status 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, financial position and/or cash flow status 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, financial position and/or cash flow status 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, financial position and/or cash flow status 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, financial position and/or cash flow status 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, financial position and/or cash flow status 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, 2024.

(1) Financial position and operating results

(i) Operating results

In the second half of the fiscal year under review, an inventory shortage stemming from a shortage of semiconductors, etc. was generally eliminated, and the competitive environment on the sales scene began to normalize. On the other hand, in the ASEAN region to which MMC gives priority, the business environment surrounding the MMC group was severe in general mainly due to a considerable decrease in overall demand for automobiles in some countries.

In this harsh business environment, the MMC group clarified the priority order of costs, and focused on improvement of sales quality or “net revenue strategy”. However, the results slightly fell below the revised forecasts.

As a result, full-year global sales volume was 815,000 units, down 2% from the previous fiscal year, and full-year net sales were 2,789.6 billion yen, up 13% from the previous fiscal year. Sluggish overall demand in some areas of ASEAN, fiercer competition due to alleviation of constraints on supply of vehicles, and a deterioration in material expenses and transportation expenses were overcome by improvements in selling prices in line with the improvement of sales quality and favorable exchange rates, resulting in operating profit of 191.0 billion yen for the full fiscal year (up 0.5 billion yen year on year). Ordinary profit was 209.0 billion yen (up 27.0 billion yen year on year), and net income (profit attributable to owners of parent) was 154.7 billion yen (down 14.0 billion yen year on year).

The fiscal year under review, which was the first fiscal year of the mid-term business plan “Challenge 2025,” became the starting point that significantly changed the course from the past, through review of the regional portfolio including China and Russia, launch of new models/review of the product mix including introduction of models from alliance partners, launch of HEVs for the first time in the MMC group, and other means. As it was a period of transition for model change and the ASEAN market was stagnant, MMC struggled to cope with the situation. On the other hand, the net revenue strategy steadily progressed, and a certain amount of revenue was generated mainly through the hit of *DELICA MINI* and *TRITON*, which embody the appeal of Mitsubishi Motorsness, and the hit of HEVs of which the development was advanced in the past few years. As such, the fiscal year under review was also a year in which MMC got confidence about next growth.

As for FY2024, the external environment remains unstable principally due to heightened geopolitical risks and concerns about the future of the economy of each country. Furthermore, in the automotive industry, while demand for BEVs has once leveled off, there have been movements that are completely different from those just 6 months ago, such as the increasing presence of HEVs and PHEVs. Although changes in the world are extremely rapid and sharp, MMC believes that the direction of major changes remains unchanged. In any case, MMC will further realize measures for growth in FY2024 to appropriately capture a turning point for changes and turn it into an opportunity.

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 2,771.6 billion yen (up 329.6 billion yen year on year) with operating profit of 187.9 billion yen (up 1.8 billion yen year on year).

ii) Financial service business

Net sales for the fiscal year under review were 38.0 billion yen (up 2.9 billion yen year on year), and operating profit was 4.4 billion yen (down 0.5 billion yen year on year).

(ii) Financial position

Total assets as of March 31, 2024 amounted to 2,454.5 billion yen (up 253.0 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 674.2 billion yen (up 78.2 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,410.0 billion yen (up 38.9 billion yen from the end of the previous fiscal year). Of total liabilities, the interest bearing debt balance was 492.4 billion yen (up 64.1 billion yen from the end of the previous fiscal year). Net assets as of March 31, 2024 amounted to 1,044.5 billion yen (up 214.1 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, in order to fund the 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), and the needs of its capital investments including those for next-generation technologies and compliance with environmental regulations, and those for improving productivity, the MMC group will in principle cover such outlays with the cash flows it newly generates each year. When necessary, the Group also uses internal funds accumulated over the past fiscal years or external financing such as borrowings from financial institutions.

(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 140.8 billion yen from operating activities (down 32.8 billion yen year on year), a net outflow of 138.9 billion yen from investing activities (up 85.8 billion yen year on year), and a net inflow of 37.7 billion yen from financing activities (up 99.6 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 78.3 billion yen from the end of the previous fiscal year to 674.2 billion yen, partially due to an increase of 38.7 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 1.9 billion yen (down 118.6 billion yen year on year).

Cash flows from operating activities

Net cash provided by operating activities was 140.8 billion yen, a decrease of 32.8 billion yen compared to cash provided by operating activities of 173.6 billion yen for the previous fiscal year. This decrease in inflow is due mainly to a decrease in trade payables.

Cash flows from investing activities

Net cash used in investing activities was 138.9 billion yen, an increase of 85.8 billion yen compared to cash used in investing activities of 53.1 billion yen in the previous fiscal year. This was primarily due to a decrease in inflow from proceeds from sale of property, plant and equipment and an increase in acquisition of property, plant and equipment.

Cash flows from financing activities

Net cash provided by financing activities was 37.7 billion yen, an increase of 99.6 billion yen compared to cash used in financing activities of 61.9 billion yen in the previous fiscal year. This was primarily due to an increase in 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 674.2 billion yen and 492.4 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 830.0 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 the rating agencies: the Rating and Investment Information, Inc., and S&P. 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	499,497	109.2
Overseas	510,856	90.9
Asia	497,628	91.7
Other	13,228	67.1
Total	1,010,353	99.1

(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	265,077	609,100	107.7	110.2
Overseas	763,968	2,180,489	100.2	114.4
North America	182,796	711,099	122.4	132.2
Europe	79,795	219,377	151.0	142.3
Asia	257,988	537,039	78.8	90.0
Oceania	88,938	318,988	103.2	113.2
Other Regions	154,451	393,984	105.1	117.9
Total	1,029,045	2,789,589	102.0	113.5

(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. 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 and contingent liabilities (provision for loss on litigation) 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 which 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)	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		

(Note) Significant business contracts that ended during the fiscal year under review, are as follows.

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 (Ended on February 27, 2024)
	Mitsubishi Corporation	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 114,583 million yen.

The Group’s R&D structure, the status of development of next-generation technologies and the major new products released from April 2023 through March 2024 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, OUTLANDER PHEV, we are expanding the markets by adding Europe. In the ASEAN, our priority strategic region, we launched XPANDER (HEV) and XPANDER CROSS (HEV), which uses HEV system, which was newly developed utilizing PHEV technology in Thailand in February 2024. The system is also added to the XFORCE series, accelerating electrification. As for BEVs, we launched MINICAB-EV, of which product functionality was enhanced by increasing the capacity of installed batteries for the Japan market, and we began the production of MINICAB-EV in Indonesia in December 2023. In addition to the EV Kei-cars in the markets, we will introduce BEVs in developed countries utilizing alliances to enhance the lineup. 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 are upholding the safety philosophy towards a car society with zero traffic accidents, and formulated an automobile safety framework as our approach to safety technology. We are making efforts under the following three axes: 1. Technology to help prevent traffic accidents (active safety), 2. Technology to mitigate damage from traffic accidents (passive safety) and 3. Avoidance of dangers, both in hardware and software, assumed as industrial products (fundamental product safety). By reflecting various safety technologies into our products, we are trying to have our customers drive safely and comfortably with peace of mind. 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 to provide innovative driving performance and

reliability on almost any road surface. In particular, MMC has continued their development of the combination of electric technology and S-AWC as the technology to improve our targeted properties, “Eco-friendly x Safety Technology, Peace of Mind and Comfort.” To provide safe, comfortable and exciting driving experience for customers in the world, MMC plans to implement and incorporate this technology further.

- 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. Our continuous effort in developing technology for endurance reliability made it possible for us to participate in the Asia Cross Country Rally 2023 with our all-new TRITON, finish in third place overall and win the Team Award. This award is given to the team that all entries completed the rally and is based on the total time of the top two entries.

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 reflecting the changes in social environment and lifestyle, introducing IT technology that is changing every day, and leading the advancement of information presenting and driving systems and driver assistance 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 2023 to March 2024

- 1) New DELICA MINI super height-wagon Kei-car
- 2) New TRITON One-ton Pickup Truck
- 3) New MINICAB-EV
- 4) New XFORCE compact SUV
- 5) HEV models of the XPANDER and XPANDER CROSS CROSSOVER MPVs

The features of each model are as described below.

- 1) We have released the new DELICA MINI super height-wagon Kei-car. The new DELICA MINI is a new addition to the DELICA series, which was developed based on the concept of being a reliable and active super height-wagon kei-car. The DELICA MINI features an SUV-like styling with DELICA’s signature powerful design and large-diameter tires, convenient and spacious interior room, road performance that supports driving and safety equipment for both outdoor recreation and everyday use. It widens the scope of your activities, and offers an enjoyable time with family and friends through leisure use, etc.

Main product features are as follow:

- i) Exterior and interior based on the design theme of Daily Adventure
 - A) SUV-like tough exterior
 - The combination of the three-dimensional Dynamic Shield, expressive of power and security, with headlights that have distinctive semicircular LED position lights built in gives an elegant yet friendly look.
 - The front bumper and liftgate garnish adopt an embossed DELICA logo. In addition to the glossy black wheel arches, the bottoms of the front and rear bumpers employ a skid-plate form conveying the DELICA's powerfulness and quality feel of an SUV.
 - The aluminum wheels feature a form conveying toughness and stylish dark-silver paint, giving a firm impression at the lower part of the vehicle.
 - The body color was freshly developed along with the concept of the new DELICA MINI, using Ash Green Metallic suitable in every setting, from outdoor recreation sites to the middle of the city. The lineup consists of 12 colors, six two-tone and six monotone.
 - B) User-friendly and comfortable interior, including for outdoor activities
 - The horizontally-themed instrument panel with a black base color is accented by an ivory color that gives an active, bright impression, emphasizing the feeling of width and functionality with the interior.
 - The seats feature breathable, water-repellant fabric, with use in outdoor activities and by families with small children in mind. In addition, the application of raised embossment to the sitting surface and center of the seatbacks makes for functional seats that are comfortable and resist moisture.
- ii) Spacious, convenient interior room
 - A) Long rear-seat slider tracks and a variety of seat arrangements
 - The rear seats ensure a sliding range of 320 mm front and back, with foot space guaranteeing that passengers have plenty of room to sit, even with the front seats pushed back their furthest. Seats on each side also slide and recline, making various seat arrangements possible according to the number of passengers and the amount of luggage.
 - B) Rear sliding doors for easy ingress and egress
 - The rear sliding doors offer an opening width of 650 mm, as well as boarding efficiency thanks to the level floor. In addition, the adoption of hands-free auto sliding doors allows for opening and closing even with both hands full of luggage, simply by covering the kick sensor making getting on and out of the vehicle easy.
 - C) Stain-resistant cargo room
 - Thanks to the use of a luggage board and rear seatbacks made of material that easily wipes clean*4, wet items and muddy outdoor supplies can be loaded without worry.
- iii) Road performance and safety equipment that support both outdoor activities and everyday life
 - A) Large-diameter tires and specially tuned suspension
 - Employment of large-diameter, 165/60R15-size tires and exclusive shock absorber tuning creates a firm grip on the road surface while making it harder for vibrations to be felt in the car, improving stability and comfort when driving on unpaved surfaces such as gravel roads (4WD models only).
 - B) Grip Control and Hill Descent Control that enhance sense of security
 - The DELICA MINI comes standard with Grip Control to support the driver move off on slippery road surfaces, for the experience of secure driving in both outdoor activities and everyday life. If the drive wheel on one side spin out on a snowy or muddy road, the slipping

wheel is controlled by a brake. Departure is supported by ensuring the driving force of the gripping wheel.

- Hill Descent Control is a standard feature, keeping the vehicle at a low speed electronically to allow for secure driving when going down steep hills or slippery roads.

C) Excellent driver assistance function, MI-PILOT, and advanced safety feature, Mitsubishi e-Assist

- The vehicle comes equipped with the MI-PILOT same-lane driver assistance technology for highways*⁴. The Adaptive Cruise Control (ACC) assists maintaining distance between cars even with the driver's foot off the gas pedal, and Lane Keep Assist (LKA) controls steering, aiding operation and taking burden off the driver by supporting keeping the vehicle near the center of the lane.
- The vehicle features advanced safety feature, Mitsubishi e-Assist, making it a Safety Support Car S Wide. The installation of eight types of driver assistance function, including Forward Collision Mitigation system (FCM) and Emergency Assist for Pedal Misapplication (EAPM) supports safe everyday driving.

*4: Standard feature for the T Premium and G Premium.

- 2) We have released the new TRITON One-ton Pickup Truck. The new TRITON (Japanese model) is a double-cab body type with two rows of seats offering both the comfort of an SUV and the robustness and utility of a pickup truck. The main components, including a ladder frame and a suspension, were newly developed exclusively by MMC. It employs a newly developed 2.4L clean diesel turbo engine that uses 2-stage turbo system, which achieves high environmental performance and power that is easy to handle in the range of practical use. Active Yaw Control (AYC*⁵), which is brake control system, and Active LSD (brake control type) combined with SS4-II system realize the road performance that a driver wants despite the large size of the body. In addition, it has seven drive modes to select for each 4WD mode, which attain excellent road handling under various road conditions. It also adopts safety features such as Forward Collision Mitigation system (FCM) as well as MITSUBISHI CONNECT, which supports safe, confident and comfortable driving, making it a secure, reliable and pleasant pickup truck not only in terms of its hardware, but also in terms of its software. TRITON is offered in two grades, basic GLS and superior GSR. GSR's standard features include front under garnish, fender arch mole, bed liner and styling bar.

*5: Active Yaw Control

Main product features are as follow:

- i) Large body and driver friendly high power clean diesel engine are mounted on an exclusively developed ladder frame that provides maximum durability and reliability
- A newly developed ladder frame has improved durability while weight increase has been minimized by increasing the ratio of high-tensile steel used. As well as offering significantly better road performance and ride comfort, the all-new TRITON also boasts increased robustness by improving durability during loading and energy dispersion in the event of a collision.
 - Just like a ladder frame, the weight of body is reduced by using super high-tensile steel. It employs RISE*⁶, a body of which safety is reinforced against collision by achieving high energy absorption at collision and suppressing cabin deformation.
 - The cargo bed can accommodate JIS standard pallets*⁷ to be loaded even when a bed liner (cargo bed cover) is attached. In addition, the specifications such as 820mm*⁸ of the cargo bed height and the upper surface of bumper corner that is reinforced with a frame to be used as a foot space makes the vehicle practical. It also has a 2x4 lumber attachment that allows the cargo space to be freely divided with 2x4 lumber to easily organize loaded items.
 - The newly developed 4N16 type clean diesel engine employees 2-stage turbo system that enables high power at all rpm by utilizing two turbines depending on rpm and load. It enables highly-responsive driving with abundant torque in the range of practical use by a maximum output of 150 kW and a maximum torque of 470 Nm which is produced by

approximately 1,500rpm flat. It also adopts urea SCR system that purifies emissions. With the system, urea solution, AdBlue®*9, is used to stabilize and purifies nitrogen oxide (NOx). The combine transmission is 6-speed sport mode A/T.

*6: Reinforced Impact Safety Evolution

*7: 1100mm×1100mm×144mm

*8: In case of GLS. In case of GSR, it is 825mm.

*9: AdBlue® is a registered trademark of Verband der Automobilindustrie (VDA).

ii) A newly developed suspension that provides excellent ride comfort and steering stability, SS4-II system employed by PAJERO and seven drive modes that achieve high road performance

- It has a double wishbone structure for the front suspension. The upper suspension mounting arm has been moved higher to secure the stroke, providing improved road-holding and ride comfort. The rear suspension provides greater ride comfort while retaining its strength and uses a lighter leaf spring system together with thicker shock absorbers.
- MMC's original SS4-II system is used for its 4WD system. The 4WD system offers four options of 2H (rear-wheel drive), 4H (full-time four-wheel drive), 4HLc (locked center differential) and 4LLc (locked center differential with lower gears). A dial-type selector allows easy shift of 4WD mode during driving*10. As for the center differential, the allocation ratio of driving power is 40% for the front and 60% for the rear. It has torque responsive LSD that achieves both excellent traction and cornering performance.
- Each 4WD mode has seven drive modes. Along with Normal mode that is available in all 4WD modes, 2H offers Eco mode for prioritization of economy, 4H offers Gravel and Snow modes, 4HLc offers Mud and Sand modes for traction performance, while 4LLc provides Rock mode, allowing drivers to select the optimum drive mode for any road condition.
- It newly adopts Active Yaw Control (AYC), which improves cornering performance by applying light braking to the inside front wheel when cornering. Combining with Active LSD (brake control type), which applies the brake to a spinning wheel and distributes the driving torque to wheels gripping the road surface, it achieves the road performance that a driver wants despite its large body. In addition, to reduce a driver's burden, it uses systems such as Hill Descent Control (HDC), which maintains a set speed on downhill slopes to enable driving with confidence, and Hill Start Assist (HSA), which prevents roll-back in hill starts.

*10: 100km/h or less, The shift between 4HLc and 4LLc is possible only while the vehicle is stopped.

iii) A front face with a strong sense of presence and reliability, a wide and robust styling, and a classy interior offering excellent functionality and operability

- "Beast Mode" is a design concept that aims powerful and mighty design, which combines agility with its robust design to create an imposing look while expressing the toughness and powerfulness expected of a pickup truck. The horizontally-themed body sides are composed of large, solid surfaces that emphasize the robust doors, while contrasting with the sharply overhanging fender panels to tighten them and make them appear wider, emphasizing stability and toughness. The front face design concept of Dynamic Shield that expresses powerful performance and the peace of mind protecting both the people and the car is optimized for a pickup truck through a powerful form based on a robust, three-dimensional front grille and fenders, and a protector that emphasizes this form.
- Functional design has been incorporated in all aspects to increase utility, including a cabin shape that improve aerodynamics, more durable door handles that are now bigger and easier to grip, and wider side steps with improved water drainage. The daytime running lights featuring three L-shaped LED lights resemble a sharp gaze of a hawk, and in combination with the three-dimensional 3-light headlights below them, the design gives the all-new TRITON an overwhelming presence. As for the rear, while ensuring the cargo bed is of an ample size, the solid surfaces continue along the side of the body up to the rear end. T-shaped tail lights on both sides emphasize width while also robustly displaying the sturdy rear design.

- The instrument panel is designed with the Horizontal Axis concept, which uses horizontally-themed and strong shapes to allow drivers to easily see changes in the posture of the vehicle when driving. With a nod to professional use, soft pads have been incorporated in the main areas that protect passengers to ensure utility. In terms of design, the interior uses many geometric shapes and metallic elements to create a high-contrast, modern space while keeping utility feature. Particular attention has been paid to visibility for the monitor, meters, and switches that make use of contrast of metallic and black, and the dials and switches all have the optimum level of sensitivity to allow them to be operated while wearing gloves. The steering wheel, grips, and door handles have all been designed based on an approach called Mitsubishi Touch, with a focus on grip comfort and sturdiness.
 - The front seats provide firm lower back support while the shoulder areas provide ease of movement with an open shape, which helps to reduce driver fatigue. The hip point is high and an upright posture has been adopted to improve visibility from inside the vehicle. In addition, ingress and egress have been made easier by designing the front pillar to be more vertical to widen the door openings and widening the side steps while making them a shape that reduces the risk of slipping.
 - Newly rolled out body colors are the vivid and metallic Yamabuki Orange Metallic and the Blade Silver Metallic that offers increased brilliance. The lineup also includes the high-quality basic colors – White Diamond, Solid Red, Graphite Gray Metallic, and Jet Black Mica.
 - With GSR, the front grille is the same color as the body, while the door mirrors, Dynamic Shield garnish, plated components including the door handles, bumper, and other parts are black, and the underside of the front, sides, and rear is dark titanium. A styling bar on the black roof rails, fender arch mole, and cargo bed brings a sharper look. The use of black as the base color for the metallic embellishments in the interior brings sleekness, while orange accents bring a sense of class and sharpness.
- iv) In addition to advanced safety features such as Forward Collision Mitigation (FCM) and high levels of safety and comfort through connected car technology, a wide range of accessories are available.
- The e-Assist driver assistance system features nine functions, including Adaptive Cruise Control (ACC), which tracks the acceleration or deceleration of the vehicle in front and cruises while maintaining a preset distance between vehicles.
 - [1] Forward Collision Mitigation system (FCM)
 - [2] Adaptive Cruise Control (ACC)
 - [3] Emergency Assist for Pedal Misapplication (EAPM)
 - [4] Lane Departure Warning (LDW) & Lane Departure Prevention (LDP)
 - [5] Blind Spot Warning (BSW) with Lane Change Assist (LCA)
 - [6] Rear Cross Traffic Alert (RCTA)
 - [7] Automatic High Beam (AHB)
 - [8] Traffic Sign Recognition system (TSR)
 - [9] Driver Attention Alert (DAA)
 - The advanced Mitsubishi Connect connected car service provides convenient functions such as remote climate control and door lock/unlock, as well as SOS emergency assistance and a drive monitoring function that informs the driver of the vehicle's driving status. These features reduce the burden on the driver and provide safety and security to all passengers.
 - A wide range of accessories are available to enhance the features of the new TRITON. The robust and refined design of the sport bar, broader and stronger fender arch moldings, and side door garnishes create a solid image. In addition to the bed liner, essential for protecting the cargo bed, there are dress-up accessories such as fuel-lid garnish and support items, including tonneau cover and tailgate assist kit.

3) We have released the new MINICAB-EV. The new MINICAB-EV is based on the MINICAB-MiEV and has undergone significant improvements. By leveraging the expertise gained from the development and maintenance of the MINICAB-MiEV, the new MINICAB-EV offers an improved cruising range as well as enhanced safety and convenience features to answer the needs of commercial customers. In response to the accelerating efforts for decarbonization aimed at achieving carbon neutrality by 2050, and the growing demand for kei-car class electric commercial vehicles from the logistics industry and government agencies, Mitsubishi Motors will contribute to the reduction of CO₂ emissions in the last mile of commercial use with the new MINICAB-EV.

i) Main product features

- The MINICAB-EV is a kei-car class electric commercial vehicle with a monobox design and is equipped with a new generation of electric components including the motor and drive battery. The cruising range has been extended to 180 km (in WLTC mode) per charge, which is an increase of approximately 35 percent compared to the previous model. A normal charging at AC200V (15A) takes approximately 7.5 hours to fully charge the battery, so if the battery is charged after work, it will be fully charged and ready to use when work begins the next day. In addition, up to 80 percent of the battery can be charged in approximately 42 minutes^{*12} with quick charging^{*11}.
- The new electric motor produces a maximum torque of 195 Nm instantly, so even when the vehicle is heavily loaded with cargo, it retains the smooth and powerful driving performance unique to an electric vehicle, delivering a crisp, stress-free driving. Moreover, the new motor and inverter have been integrated into a single unit for enhanced quietness, allowing users to drive early in the morning or late at night with no fear of disturbing others. The price has been kept at the same level as the previous model, while improving the cruising range and enhancing the safety features.

*11: Available as a factory option

*12: When the maximum output current of the quick charger is 60 A or higher

ii) Major improvement

A) A new generation of Mitsubishi Motors' unique EV system

- Compared to the previous model, the capacity of the drive battery has been increased by 25 percent. The motor and inverter have been integrated into a single unit to improve motor efficiency, resulting in a cruising range of 180 km^{*13} per charge, which is a 35 percent increase over the previous model.

*13: WLTC mode one-charge cruising range.

B) Safety features

- "Mitsubishi e-Assist" active safety technologies such as the Forward Collision Mitigation system (FCM)^{*14}, Lane Departure Warning (LDW)^{*15}, Automatic High Beam (AHB)^{*16}, and Ultrasonic misacceleration Mitigation System (UMS)^{*17} when driving forward have been adopted to improve safety performance. With the enhanced safety features, the new MINICAB-EV qualifies for the Safety Support Car S Wide promoted by the Japanese government and supports safe daily driving.
- Hill Start Assist (HSA)^{*18}, which prevents the vehicle from rolling backwards when starting on a steep hill, has been added for safe and worry-free starting.

*14: Forward Collision Mitigation System

*15: Lane Departure Warning

*16: Automatic High Beam

*17: Ultrasonic misacceleration Mitigation System

*18: Hill Start Assist

C) Convenience features

- A power outlet^{*19} (AC100V, maximum 1500W) is provided at the rear of the floor console to allow electricity to be drawn from the vehicle at any time. This allows for the use of electronics and appliances with high power consumption even during disasters or other emergencies.

- At the instrument panel, Type C and Type A USB charging outlet^{*20} are available as factory options, and a smartphone tray has been added for user convenience.

*19: Available as a factory option for the two-seater model

*20: 3A output for Type C, 2.4A output for Type A

D) Road performance

- The damping performance of the front and rear shock absorbers has been improved to enhance passenger comfort and decrease cabin sway, thereby reducing the stress placed on the cargo.
 - Actual power consumption is improved by increasing the regenerative power when in the B position, which makes active use of the regenerative brake.
- 4) We have released the all-new XFORCE compact SUV. The all-new XFORCE is a five-passenger compact SUV that was developed with a focus on the way compact SUVs are used in the ASEAN region. Based on the concept “Best-suited buddy for an exciting life,” the all-new model uplifts the owner’s everyday life with its stylish yet robust, authentic SUV styling as well as comfort and practicality including a spacious cabin and versatile storage spaces well-balanced in a maneuverable, compact body size, and road handling that allows safe, secure ride in a variety of weather or road conditions.

Main product features are as follow:

i) Interior and exterior design based on the concept of Silky & Solid

A) An exterior with a stylish yet powerful, authentic SUV design

- Based on the design concept of Silky & Solid, the stylish yet powerful, authentic SUV design combines elegance and robustness, thereby realizing styling that creates a commanding presence in scenes from ASEAN cities to the great outdoors. The upper part of the body expresses an airy silkiness with a floating roof and a sleek surface that begins from the three-diamond emblem up front and flows along the side to the rear. The lower part of the body adopts the solid and powerful proportions of an SUV – the muscular fender flares express the agility of an athlete, while a top-class ground clearance of 222 mm^{*21} plus 18-inch wheels and large-diameter tires enhance road handling on rough roads.
- At the front, the Dynamic Shield front face has been evolved in line with the design concept. The design consisting of left and right bumpers that protect the front grille which symbolizes the performance of the powertrain, is three-dimensionally integrated to create a sporty front face with a sense of depth. The LED daytime running lights combine an L-shape with slitted accents to emit light in an iconic T-shape, making the SUV instantly recognizable as a Mitsubishi model even from a distance, while also emphasizing the wide stance.
- On the body sides, the rich, muscular surfaces combine with front and rear sculpted fender flares and character lines to express the strength and dynamism of the SUV. By adopting the same T-shaped design for the LED tail lights as the front, the rear attains a wide and stable look.

*21: 18-inch tire models. Figure does not include under cover.

B) A sophisticated interior with a cutting-edge feel

- The instrument panel has been designed based on the Horizontal Axis concept. While increasing forward visibility, it allows drivers to easily see changes in the position of the vehicle when driving on rough surfaces. The dynamic form of the instrument panel that runs all the way to door trim creates an open, spacious area.
- For the first time in a Mitsubishi model, a mélange fabric is used for the padding of the instrument panel, providing a sense of enclosure by its continuous coverage up to the door trim. The highly practical fabric exudes modernity and sophistication while being resistant to stains, thereby creating a comfortable space in which passengers can relax as if they are

in their own living room. A large monolithic display panel integrates a 12.3-inch Smartphone-link Display Audio and a digital driver display to express a cutting-edge feel.

ii) Comfort for everyone on board

A) A spacious interior room among the best in class

- Despite its compact body size, the XFORCE offers a roomy interior space that enables all passengers to relax while on board. For the front seats, a top-class seating space including a spacious shoulder area has been secured to enhance comfort. Also, the seats provide both support and comfort, thereby preventing lateral body movement in situations such as lane changes and on rough roads, while enabling passengers to relax comfortably even in traffic jams.
- For the rear seats, close attention was paid to creating a space that allows a comfortable ride even with three passengers. By ensuring a seating space that is among the best in class, the rear seats boast ample legroom to offer comfort even with three passengers. Moreover, with eight-levels of reclining adjustment, the seats accommodate a wide range of needs, spanning angles that allow passengers to relax, to angles that maximize cargo carrying capacity.

B) Dynamic Sound Yamaha Premium sound system for greater excitement

- For the first time, the XFORCE comes equipped with Dynamic Sound Yamaha Premium developed in collaboration with Yamaha Corporation. The system is comprised of eight speakers, with front tweeters on the A-pillars on both sides, woofers in the front doors, and coaxial two-way speakers in the rear doors. In order to maximize speaker performance, measures have been taken to optimize sound quality in the car itself. With volume and sound quality adjusted according to vehicle speed, passengers can enjoy well-defined mids and highs and dynamic bass even on rough roads. For a more enjoyable driving experience, the sound system also offers four sound types that can be selected according to musical taste and mood – Lively (factory setting), Signature, Powerful and Relaxing.

iii) Practicality for making every day comfortable

A) 12.3-inch Smartphone-link Display Audio and 8-inch digital driver display offering intuitive operation

- The all-new XFORCE comes equipped with a 12.3-inch Smartphone-link Display Audio that exudes a cutting-edge feel while providing a comfortable driving environment. With multi-widget function, the screen is divided into three sections to display various information on a single screen. The multimeter display pays homage to the triple meter that was used in the legendary PAJERO, and combines information including altitude, tilt angle, and direction to increase the joy of driving. Other features include Mitsubishi Motors' first driving score function developed with Hiroshi Masuoka, a former two-time Dakar Rally champion driver. Also offered for the first time in a Mitsubishi model, WebLink™*22 allows users to connect their smartphone and project applications on the large display.
- The digital driver display clearly shows a wide variety of content on a large screen. When the driver switches drive modes, a graphic indicating the selected mode is shown in the center of the display, making it easy to intuitively select the drive mode even while driving. Depending on their preference, drivers can also select whether the screen displays information in an enhanced mode with a cutting-edge feel or in a classic mode that uses analog-like meters.

*22: WebLink™ is trademark of Abalta Technologies, Inc.

B) Versatile storage spaces and multi-arrange cargo space

- In consideration of user-friendliness for passengers, the XFORCE offers ample and convenient storage spaces in many locations around the vehicle. It has drink holders able to accommodate a total of 21 600 mL plastic bottles in the door trims, floor console, and other places, and a console box with drink cooler that uses the cool air from the air conditioning to chill drinks has been also incorporated. Various storage spaces are secured for

smartphones, with a wireless charger in the center console, USB Type-A and Type-C ports on the front and rear rows, as well as spaces to place a smartphone in each seat.

- Despite its compact body size and spacious cabin space, the XFORCE offers ample cargo area. By securing floor area that is among the best in its class and making the floor of the cargo space height-adjustable, the XFORCE provides sufficient cargo room for large items such as suitcases. The rear seats enable a 40:20:40 split to achieve a high loading capacity that allows the loading of lengthy items while also providing enough space for four passengers to sit comfortably.
- iv) Road handling that offers safe, secure ride in various weather or road conditions, even on rough or flooded roads
- A) A high-efficiency CVT for low fuel consumption and quietness
- A high-efficiency CVT is combined with a proven 1.5 L DOHC 16-valve MIVEC. When the accelerator is deeply depressed, a powerful and sharp acceleration is delivered, with a gear shifting feel added to allow the driver to feel the acceleration. When the accelerator is lightly depressed, smooth shifting unique to CVT maximizes engine performance while realizing low fuel consumption and quietness. For uphill, driving force is improved to enable powerful climbing even when the accelerator is not pressed down hard, while for downhill, the engine brake is increased to reduce the need for frequent brake operation.
- B) Well-tuned suspension for ride comfort on ASEAN roads
- Having repeated testing in Japan on a course that mirrored the road conditions of the ASEAN region as well as undertaking thorough tuning on actual roads in the ASEAN region, the all-new XFORCE ensures a comfortable ride even on rough or undulating roads. In the front, steering feel and straight-line stability are improved by optimizing the caster trail and quickening the steering gear ratio, while in the rear, steering stability is enhanced by optimizing the suspension bushings and the shock absorber cylinder size.
- C) Class-leading ground clearance of 222 mm^{*23} for confidence even on rough roads
- With an 18-inch tire and wheel, the XFORCE achieves a class-leading ground clearance of 222 mm^{*23}. The broad field of vision at the front of the vehicle offers excellent visibility and makes driving easy, allowing the driver to handle a rough or a flooded road with confidence. With an approach angle and departure angle among the best in class at 21.0 degrees and 30.5 degrees, respectively, the XFORCE gives drivers a sense of security even when going over a pavement edge. With a minimum turning radius of 5.2 m that is one of the smallest in its class, the XFORCE offers excellent handling even in the U-turns that are common in ASEAN cities.
- *23:18-inch tire models. Figure does not include under cover.
- D) Four drive modes including a new Wet mode, first on a Mitsubishi model
- As a 2WD model, the XFORCE has utilized Mitsubishi Motors' four-wheel control technology to achieve the road handling of an SUV. The four drive modes of Normal, Wet, Gravel and Mud allow the car to deal with a range of road conditions by integrating Active Yaw Control (AYC) that adjusts the driving force on the front left and right wheels to improve controllability, traction control that controls tire skidding, engine control, and power steering control. Adopted by Mitsubishi Motors for the first time, the Wet mode improves cornering and stability on wet roads during rain makes it less likely to lose control of the steering wheel for worry-free driving even on roads flooded by sudden showers.
- 5) Hybrid electric vehicle (HEV) models have been newly added to the XPANDER and XPANDER CROSS CROSSOVER MPVs. The newly-added HEV models combine Mitsubishi Motors' trademark electrification and all-wheel control technologies to raise the appeal of the XPANDER series to another level. Newly developed based on the brand's plug-in hybrid electric vehicles (PHEVs), the HEV system delivers an eco-friendly and exhilarating driving experience unique to electrified vehicles. In addition, Active Yaw Control (AYC) and other all-wheel control technologies complement the two-wheel drivetrain to enable safe, secure driving at will, and a variety of drive modes provide optimal driving on any road surface and in any weather condition.

Moreover, drivers can actively choose EV driving according to the situation, such as driving in quiet residential areas early in the morning.

Main product features are as follow:

- i) An eco-friendly, exhilarating and powerful motor drive made possible by an HEV system derived from PHEVs
 - The newly developed HEV system features EV driving, hybrid driving and regenerative braking. High fuel efficiency and a powerful, exhilarating motor drive are achieved by having the system automatically switch to the optimal driving mode according to the driving conditions and remaining drive battery. When starting and driving at low speeds, the vehicle is powered by the motor using electricity from the drive battery alone for EV driving. The system switches to hybrid driving when driving uphill or accelerating to run using the motor with electricity generated by the engine as well as power from the drive battery. Hybrid driving also kicks in when driving at high speeds to run using the engine with assistance from the motor. Because the engine starts smoothly, drivers can enjoy the smooth, comfortable ride of motor drive even during hybrid driving. During deceleration, kinetic energy is recovered from regenerative braking and converted into electric power, which is then stored in the drive battery. This HEV system derived from PHEVs is what made it possible to deliver both the quiet, clean ride of an EV with no fuel consumption or CO₂ emissions, and the convenient, comfortable ride of an HEV for enjoying long drives without concerns about remaining battery.
 - The new HEV system delivers the smooth yet powerful acceleration with good response that is characteristic of an electrified vehicle. A generator and a motor with a maximum output of 85 kW are combined with a 1.6 L gasoline engine, along with a dedicated drive battery developed particularly for these models. Thanks to the powerful electric motor and battery output, torque kicks in swiftly when starting and the acceleration has good response when stepping on the pedal, thereby helping drivers smoothly change lanes on highways and merge after U-turns on city streets.
 - The newly developed 1.6 L DOHC 16-valve MIVEC^{*24} engine adopts a high expansion ratio cycle (Atkinson cycle) to achieve a higher level of combustion efficiency while also incorporating the first electric water pump ever used in a Mitsubishi Motors engine to reduce mechanical loss. This improves the stand-alone fuel economy of the engine by around 10% compared to the gasoline engine CVT model while also improving the fuel consumption by approximately 34% in urban driving in the New European Driving Cycle (NEDC) test procedure, and approximately 15% in urban and extra-urban driving combined.

*24: MIVEC (Mitsubishi Innovative Valve timing Electronic Control system) is a term for Mitsubishi Motors' variable valve timing mechanism.
- ii) Seven newly developed drive modes for EV driving at will and for safe, secure road performance in various weather and road conditions
 - The seven newly developed drive modes comprise two modes for EV driving and five modes for optimal drive control according to road conditions.
 - Two drive modes are provided for drivers to be able to choose EV driving at will, according to the situation. EV Priority mode drives the motor on power from the battery without activating the engine. Since this mode is highly quiet in addition to being eco-friendly, it frees drivers from concerns about their surroundings when driving in environments such as residential areas early in the morning. If remaining battery is low, switching to Charge mode enables charging so that EV driving can be enjoyed again.
 - The other five drive modes deliver optimal handling and driving force according to road conditions. Based on a front, two-wheel drive system, various controls are integrated together – the Active Yaw Control (AYC), which controls the braking force between the left and right front wheels; traction control, which controls driving force when front wheel slippage is detected; acceleration control, which adjusts the output of the motors and engine during acceleration; and steering control, which adjusts steering response according to the speed range and road conditions. Normal mode is well-balanced for everyday driving, Wet

mode reduces tire slippage and provides high stability even in heavy rains, Gravel mode reduces skidding and delivers secure handling on unpaved roads, Tarmac mode offers nimble driving and precise handling on winding roads, and Mud mode achieves powerful road handling even on muddy, rough roads. Together, these modes achieve safe, secure road performance in various types of weather and road conditions for daily driving.

- The interior features an 8-inch color liquid crystal display (LCD) meter, with a variety of information displayed on the screen for even greater ease of use. Information particular to an HEV is shown, such as the power meter that indicates Eco, Power, and Charge statuses in sync with accelerator control, in addition to energy flow, EV driving efficiency and remaining battery. When switching drive modes, the selected mode is shown as a graphic in the center of the display to make it more intuitively easy to select between drive modes even while driving. According to preferences, the screen can either be set to enhanced mode with an advanced feel, or to classic mode which replicates an analog gauge configuration.
- iii) An even more comfortable cabin space for driving with family and friends, plus a dedicated exterior accent for a distinctive look
- The XPANDER and XPANDER CROSS HEV models deliver powerful, quiet motor drive thanks to the HEV system that prioritizes EV driving. Also, sound absorbing and soundproofing materials have been added to key locations on the vehicle to keep the interior quiet not only during EV driving but also when the engine activates during acceleration or when driving at high speeds, allowing for conversations to continue stress-free in the passenger cabin.
 - To accommodate the HEV system, the drive battery has been positioned under the floor of the front seats, thereby maintaining the XPANDER series' top-class, three-row interior space that is roomy enough for seven passengers, despite its body size that is easy to maneuver in city driving. The flooring of the engine compartment and around the battery has been changed, and the battery has been enclosed by front side members and front crossmember for protection, resulting in the improvement of body rigidity. Along with a special tuning of the suspension, these measures contribute to achieving outstanding steering stability and excellent ride comfort.
 - The exterior features “HEV” badges on the front grille and liftgate, plus “HYBRID EV” badges on the front doors, while blue accent color has been added to the lower part of the front side as well as the side garnishes, rear bumper, and wheels. White Diamond was newly added as a body color to express the clean character of an electrified vehicle with its rigid yet luminous and vivid color, joining Blade Silver Metallic, Graphite Gray Metallic and Jet Black Mica in the lineup of color options. For the XPANDER CROSS HEV model, Green Bronze Metallic is also available.

III. Information about Facilities

1. Outline of capital expenditure

The MMC group (MMC and its consolidated subsidiaries) invested a total of 93,628 million 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	26,958
		Development and research equipment of automobiles	4,780
		Equipment of automobile sales outlets	1,107
		Other	15,918
	Sub total		48,765
Automobile sales companies (two companies)	Automobile	Equipment of automobile sales outlets	1,770
Mitsubishi Motors Finance Co., Ltd.	Financial service	Investment of systems	650
Other domestic subsidiaries (three companies)	Automobile	Production equipment of parts, design and testing equipment of automobiles and parts, and transport and storage equipment of automobiles, etc.	2,317
Mitsubishi Motors North America, Inc. and two other companies	Automobile	Equipment of automobile sales outlets, etc.	690
Mitsubishi Motors Europe B.V.	Automobile	Equipment of parts sales outlets, etc.	252
Mitsubishi Motors Australia, Ltd.	Automobile	Equipment of automobile sales outlets, etc.	1,351
Mitsubishi Motors (Thailand) Co., Ltd. and another company	Automobile	Equipment of automobile sales outlets and production equipment of automobiles, etc.	17,407
Mitsubishi Motors Philippines Corp. and another company	Automobile	Equipment of automobile sales outlets and production equipment of automobiles, etc.	2,498
PT Mitsubishi Motors Krama Yudha Indonesia	Automobile	Production equipment of automobiles, etc.	17,130
Other overseas subsidiaries (18 companies)	Automobile	Equipment of automobile sales outlets and production equipment of parts, etc.	798
Total			93,628

(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, 2024)

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	6,332	13,709	(22) [3] 424	390	33,382	53,815	3,407
	Kyoto Plant (Ukyo-ku, Kyoto-shi, etc.)	Automobile	Production equipment of automobile engines	4,524	16,908	(6) [3] 488	11,154	3,044	35,632	1,374
	Mizushima Plant (Kurashiki-shi, Okayama)	Automobile	Production equipment of automobiles	6,160	16,266	[1] 966	7,486	5,869	35,783	3,224
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	14,700	15,876	[1] 10,673	11,889	3,783	46,249	3,594
	Parts Center (Ama-gun, Aichi, etc.)	Automobile	Supply of parts and management equipment	1,501	856	(127) [0] 67	4,327	105	6,791	54
	Motor Pool (Minato-ku, Nagoya-shi, Kurashiki-shi, Okayama, etc.)	Automobile	Storage equipment of automobiles	433	28	(77) [94] 559	18,292	15	18,770	–
	Welfare Facility (Okazaki-shi, Aichi, etc.)	Automobile	Company dormitory, company condominium, etc.	1,660	94	(105) [7] 122	6,919	77	8,751	–
	Sales company (Neyagawa-shi, Osaka, Atsuta-ku, Nagoya-shi, etc.)	Automobile	Sales company	626	0	(23) [99] 76	6,109	0	6,736	–
	Others (Takatsu-ku, Kawasaki-shi, etc.)	Automobile	Training facility, etc.	2,047	526	(42) [42] 51	3,773	2,540	8,888	2,191

- (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, 2024)

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	10,108	5,899	(114) [22] 300	16,151	1,118	33,277	3,006
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.	89	52	(10) [0] 5	243	66	452	301
Mitsubishi Automotive Engineering Co., Ltd. (Okazaki-shi, Aichi)	Automobile	Design and testing equipment of automobiles and parts, etc.	6	9	(10) 1	117	59	192	952
Suiryo Plastics Co., Ltd. (Kurashiki-shi, Okayama)	Automobile	Production equipment of parts	959	1,859	(7) [0] 98	1,184	4,953	8,956	653
Mitsubishi Motors Finance Co., Ltd. (Minato-ku, Tokyo)	Financial service	Car rentals, etc.	23	23,341	–	–	54	23,419	194

- (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, 2024)

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.	2,133	1,997	(173) [4] 123	462	99	4,693	341
Mitsubishi Motors Europe B.V. (Netherlands)	Automobile	Equipment of parts sales outlets, etc.	1,208	94	–	–	211	1,513	182
Mitsubishi Motors Australia, Ltd. (Australia)	Automobile	Equipment of automobile sales outlets, etc.	5,122	856	–	–	206	6,185	208
Mitsubishi Motors (Thailand) Co., Ltd. (Thailand) and another company	Automobile	Equipment of automobile sales outlets, production equipment of automobiles, etc.	15,036	74,226	(1,502) 205	14,294	3,961	107,519	4,609
Mitsubishi Motors Philippines Corp. (Philippines) and another company	Automobile	Equipment of automobile sales outlets, production equipment of automobiles, etc.	4,641	2,633	301	2,554	919	10,749	1,316
PT Mitsubishi Motors Krama Yudha Indonesia (Indonesia)	Automobile	Production equipment of automobiles, etc.	11,164	10,277	[209] 509	8,943	35,367	65,753	1,999
Other overseas subsidiaries (19 companies)	Automobile	Equipment of automobile sales outlets, production equipment of parts, etc.	4,092	4,596	(36) [15] 59	3,103	1,053	12,845	1,377

- (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 (FY2024), the MMC group is planning to make capital investments totaling 100,000 million 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, 2024.

Company name	Segment	Details of capital expenditure	Planned amount (Millions of yen)	Method of financing
MMC	Automobile	Production equipment of automobiles	28,150	Own capital and loans payable
		Development and research equipment of automobiles	8,610	
		Equipment of automobile sales outlets	4,640	
		Other	13,050	
	Sub total		54,450	
Automobile sales companies (2 companies)	Automobile	Equipment of automobile sales outlets	4,180	Own capital and loans payable
Mitsubishi Motors Finance Co., Ltd.	Financial service	Investment of systems, etc.	1,930	Own capital and loans payable
Other domestic subsidiaries (3 companies)	Automobile	Production equipment of parts, design and testing equipment of automobiles and parts, and transport and storage equipment of automobiles, etc.	4,510	Own capital and loans payable
Mitsubishi Motors North America, Inc. and two other companies	Automobile	Equipment of automobile sales outlets, etc.	600	Own capital and loans payable
Mitsubishi Motors Europe B.V.	Automobile	Equipment of parts sales outlets, etc.	350	Own capital and loans payable
Mitsubishi Motors Australia, Ltd.	Automobile	Equipment of automobile sales outlets, etc.	950	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.	17,540	Own capital and loans payable
Mitsubishi Motors Philippines Corp. and another company	Automobile	Equipment of automobile sales outlets and production equipment of automobiles, etc.	2,570	Own capital and loans payable
PT Mitsubishi Motors Krama Yudha Indonesia	Automobile	Production equipment of automobiles, etc.	11,630	Own capital and loans payable

Company name	Segment	Details of capital expenditure	Planned amount (Millions of yen)	Method of financing
Other overseas subsidiaries (18 companies)	Automobile	Equipment of automobile sales outlets and production equipment of parts, etc.	1,290	Own capital and loans payable
Total			100,000	

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, 2024) (Shares)	Number of issued shares (As of the filing date: June 21, 2024) (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 *	150
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 *	47,573 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, 2024). As of the end of the month before the month of the filing date (May 31, 2024) 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, 2024)

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	–	34	54	1,414	404	384	228,667	230,957	–
Number of shares held (Units)	–	1,739,747	228,425	8,536,038	1,690,785	3,098	2,702,632	14,900,725	209,996
Percentage of voting shares (%)	–	11.67	1.53	57.29	11.35	0.02	18.14	100	–

- (Notes) 1. The 805,488 treasury shares stated in the shareholders register, are presented as follows: 8,054 voting units are included in “Individuals, etc.” and 88 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, 2024)

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)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	104,746,400	7.03
Custody Bank of Japan, Ltd. (Trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	27,795,920	1.86
Mitsubishi Heavy Industries, Ltd.	3-2-3, Marunouchi, Chiyoda-ku, Tokyo	21,572,455	1.44
MUFG Bank, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	14,877,512	0.99
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch, Custodian Service Division)	10 RUE DU CHATEAU D'EAU L-3364 LEUDELANGE GRAND DUCHY OF LUXEMBOURG (3-11-1, Nihonbashi, Chuo-ku, Tokyo)	12,240,000	0.82
THE BANK OF NEW YORK MELLON 140044 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A. (Tower A SHINAGAWA INTERCITY, 2-15-1, Konan, Minato-ku, Tokyo)	11,611,400	0.77
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)	7,914,200	0.53
Custody Bank of Japan, Ltd. (Trust account 4)	1-8-12, Harumi, Chuo-ku, Tokyo	7,348,900	0.49
Total	—	1,012,739,578	67.99

(7) Voting rights

i) Issued shares

(As of March 31, 2024)

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 805,400		
	<Reciprocal holding>		
	Common stock 400		
Shares with complete voting rights (Other)	Common stock (Note) 1 1,489,266,700	14,892,667	Same as above
Shares less than one unit	Common stock (Note) 2 209,996	-	Same as above
Total number of issued shares	1,490,282,496	-	-
Total number of voting rights	-	14,892,667	-

(Notes) 1. The number of “Shares with complete voting rights (Other)” includes 2,668,506 shares (26,685 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 26,685 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 88 treasury shares held by MMC and 6 shares of MMC held by the Board Incentive Plan (BIP) Trust.

ii) Treasury shares, etc.

(As of March 31, 2024)

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	805,400	-	805,400	0.05
<Reciprocal holding> Nagano Mitsubishi Motor Sales Co., Ltd.	865-1, Aza- Imuraminamioki, Higashiwada, Nagano-shi, Nagano	400	-	400	0.00
Total	-	805,800	-	805,800	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. As the trust agreement period entered into at the inception of the plan in 2020 was set to expire in August 2023, it was renewed in August 2023, and the new trust period was set from August 14, 2023, to August 31, 2026. In December 2023, an additional trust was placed and the shares of MMC were acquired accordingly. If the trust agreement is amended or if there is an additional trust when this trust period expires, the trust period will be extended. The voting rights of the shares of MMC under 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. In December 2023, an additional trust was established to acquire 1.76 million shares of MMC for 784 million yen. 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	107	49,530
Treasury shares acquired during the period from April 1, 2024 to the filing date	–	–

(Note) The number of shares of treasury shares acquired during the period from April 1, 2024 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, 2024 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, 2024 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)	47,573	41,742,893	–	–
Treasury shares held	805,488	–	805,488	–

(Notes) 1. The number of “Other (disposal through exercise of share acquisition rights)” and “Treasury shares held” during the period from April 1, 2024 to the filing date does not reflect changes during the period from June 1, 2024 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, 2024 to the filing date does not include the number of shares of MMC held by Board Incentive Plan (BIP) Trust.

3. Dividend policy

Concerning shareholder returns, there is great demand for capital in order 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 conditions 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.

On the basis of the above policy, MMC would like to set the end-of-term dividend at 5 yen per share. Including the interim dividend of 5 yen, this will make the dividend for the term 10 yen per share.

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)
Meeting of the Board of Directors held on November 28, 2023	7,447	5.0
Ordinary General Meeting of Shareholders held on June 20, 2024	7,447	5.0

- (Notes)
1. The total amount of dividend based on the resolution at the Meeting of the Board of Directors on November 28, 2023 includes 4 million yen of dividend for the shares of MMC held by the Board Incentive Plan (BIP) Trust Account.
 2. The total amount of dividend based on the resolution at the Ordinary General Meeting of Shareholders on June 20, 2024 includes 13 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 21, 2024, 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 10 Executive Officers (including the President) as of June 21, 2024.

(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.

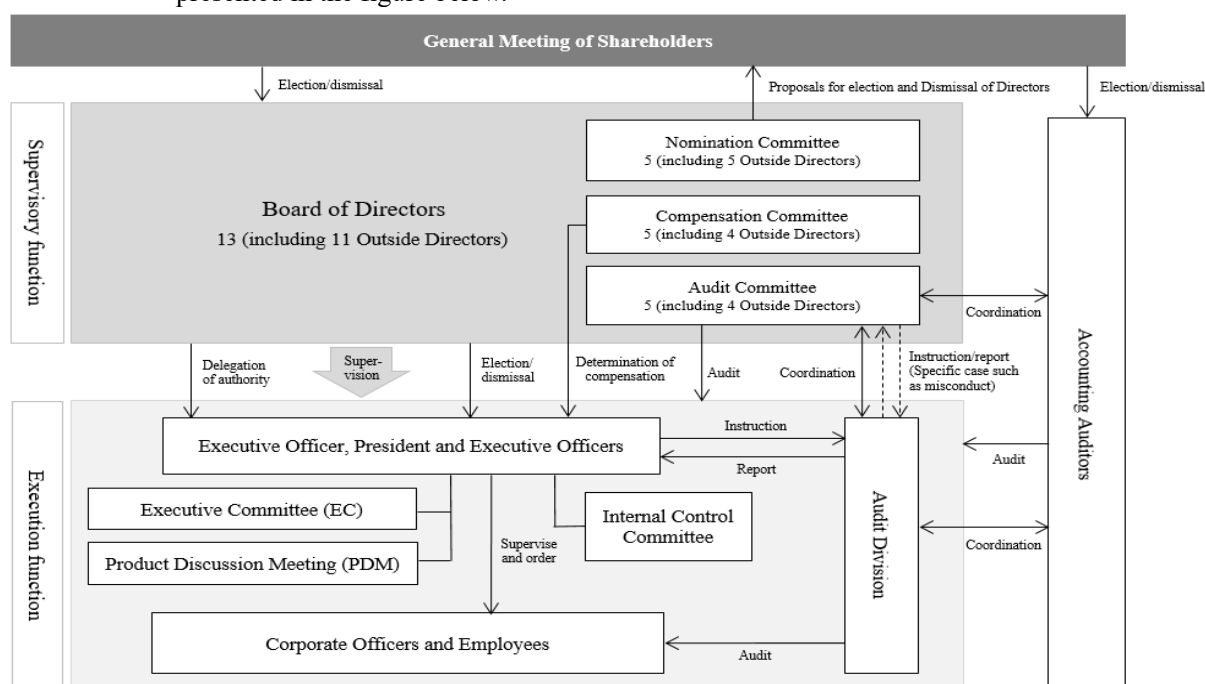
Furthermore, important matters related to product projects are decided after deliberation at the “Product Meeting (PDM).”

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 21, 2024, are presented in the figure below.



iii) Other matters related to corporate governance

(i) 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, as follows.

(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.
- (ii) 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, geopolitical risks, economic security risks, and business and human rights risks 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.

MMC's basic policy in preparation for disaster, such as earthquake or other large-scale natural disaster or an outbreak of infectious disease, is to ensure the safety of customers, as well as employees and their families and to assist local communities. To this end, MMC prepares disaster countermeasures and Business Continuity Management (BCM).

In FY2020, the BCM Committee was newly established as a permanent meeting body. In FY2022, MMC consolidated its existing internal initiatives to strengthen BCM activities during peacetime and took company-wide cross-functional measures.

MMC has formulated an emergency response manual and company-wide BCP operating procedures that include the establishment of an emergency response organization and clarification of the chain of command in the event of a major incident and has established a system to ensure an appropriate response framework. Assuming an emergency in peacetime, we are conducting company-wide BCP drills in which a company-wide task force is established, all our bases report employees' safety and damage status, and the task force gives instructions once a year.

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.

To support those who have difficulty returning home, the Head Office has, in accordance with the Metropolitan Tokyo Ordinance on Measures for Stranded Persons, stockpiled supplies assuming that employees will be on standby within the company for three days. Plants are also working with neighboring municipalities to prepare supplies and receive visitors.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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 MMC and/or its subsidiaries. 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 and its subsidiaries.

(vii) 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: 17	Nomination Committee Number of meetings held: 11	Compensation Committee Number of meetings held: 9
	Attendance rate (%)		
Tomofumi Hiraku	17/17 (100%)	11/11 (100%)	-
Takao Kato	17/17 (100%)	-	9/9 (100%)
Hitoshi Inada	17/17 (100%)	-	-
Shunichi Miyanaga	16/17 (94%)	-	9/9 (100%)
Main Kohda	17/17 (100%)	11/11 (100%)	9/9 (100%)
Kenichiro Sasae	15/17 (88%)	10/11 (91%)	7/9 (78%)
Hideyuki Sakamoto	16/17 (94%)	10/11 (91%)	-
Yoshihiko Nakamura	17/17 (100%)	-	-
Joji Tagawa	17/17 (100%)	-	9/9 (100%)
Takahiko Ikushima	17/17 (100%)	-	-
Takehiko Kakiuchi	15/17 (88%)	11/11 (100%)	-
Kanetsugu Mike	17/17 (100%)	-	-
Junko Ogushi (Note)	14/14 (100%)	-	-

(Note) Because the date of appointment as Director was June 22, 2023, the number of Board of Directors meetings to be attended in FY2023 differs from that of other Directors.

Ms. Yaeko Takeoka, who resigned from the Board of Directors on June 22, 2023, participated in three out of three meetings of the Board of Directors for which she was to attend.

(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

The Nomination Committee deliberated on the determination of the agenda item for the election of Directors to be proposed to the General Meeting of Shareholders, approval of the proposal for the election of Executive Officers to be proposed by the Executive Officer,

President & CEO to the Board of Directors, and on succession plans for the Executive Officer, President & CEO.

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

The Committee examined and deliberated on the determination of the individual Compensation Plan for Directors and Executive Officers, KPIs and targets for Performance-linked Compensation under the current Compensation Plan for Directors, and other matters.

(2) Status of corporate officers

i) Corporate officers

Male: 19; Female: 3 (women account for 13.6% 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	28,260

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>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	28,159
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	31,472

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	24,512
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.</p> <p>June 2013 Outside Director, LIXIL Group Corporation</p> <p>June 2016 Outside Director, Japan Exchange Group</p> <p>June 2018 Member of the Board, MMC (to the present)</p> <p>June 2024 External Director, CAPCOM CO., LTD. (to the present)</p> <p><Important concurrent positions></p> <p>Novelist</p> <p>External Director, Capcom Co., Ltd.</p>	(Note) 2	18,005

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	16,089

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.</p> <p>July 2023 Director, Executive Officer, Executive Vice President, Manufacturing & SCM, Nissan Purchasing, Nissan Motor Co., Ltd.</p> <p>November 2023 Director, Executive Officer, Executive Vice President, Manufacturing & SCM, Purchasing, Nissan Motor Co., Ltd.</p> <p>April 2024 Director, Executive Officer, Executive Vice President, Chief Monozukuri Officer, Manufacturing & SCM, Purchasing, AFL, Nissan Motor Co., Ltd. (to the present)</p> <p><Important concurrent positions></p>	(Note) 2	16,089

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
			Director, Executive Officer, Executive Vice President, Nissan Motor Co., Ltd. Chairman of the Board, Nissan Motor Kyushu Co., Ltd. Board Member, Chairman, AICHI MACHINE INDUSTRY CO., LTD.		

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	12,999

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>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, External & Government Affairs, IP Customer Business Development, Nissan Motor Co., Ltd.</p> <p>April 2024 Senior Vice President, Chief Sustainability Officer, Corporate Service, Crisis Management and Security, Environment/Sustainability, 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	12,999

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.</p> <p>April 2024 Senior Vice President, Global Controller, Regions' Performance Control, Nissan Motor Co., Ltd. (to the present)</p> <p><Important concurrent positions> Senior Vice President, Nissan Motor Co., Ltd.</p>	(Note) 2	12,999
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	4,574

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	<p>April 1979 Joined The Mitsubishi Bank, Ltd.</p> <p>June 2005 Executive Officer, The Bank of Tokyo-Mitsubishi, Ltd. Executive Officer, Mitsubishi Tokyo Financial Group, Inc.</p> <p>May 2009 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”)</p> <p>May 2011 Managing Officer, Mitsubishi UFJ Financial Group, Inc. (“MUFG”)</p> <p>June 2011 Member of the Board of Directors, Managing Executive Officer, BTMU</p> <p>May 2013 Senior Managing Executive Officer, BTMU</p> <p>October 2015 Executive Chairman of MUFG Americas Holdings Corporation Executive Chairman of MUFG Union Bank, N.A.</p> <p>May 2016 Deputy President, BTMU</p> <p>May 2016 Senior Managing Corporate Executive, MUFG</p> <p>June 2016 Member of the Board of Directors, Deputy President, BTMU</p> <p>June 2017 President & CEO, BTMU Member of the Board of Directors, Deputy Chairman, MUFG</p> <p>April 2019 Member of the Board of Directors, President & Group CEO, MUFG</p> <p>April 2020 Member of the Board of Directors, Deputy Chairman, MUFG</p> <p>April 2021 Member of the Board of Directors, Chairman, MUFG (to the present)</p> <p>June 2022 Member of the Board, MMC (to the present)</p> <p>June 2022 Outside Director, Tokio Marine & Nichido Fire Insurance Co., Ltd. (to the present)</p> <p>April 2023 Vice Chairperson, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (to the present)</p> <p>June 2023 Outside Statutory Auditor, Tokyo Kaikan Co., Ltd. (to the present)</p> <p><Important concurrent positions> Member of the Board of Directors, Chairman, MUFG Outside Director, Tokio Marine & Nichido Fire Insurance Co., Ltd. Vice Chairperson, KEIZAI DOYUKAI (Japan Association of Corporate Executives) Outside Statutory Auditor, Tokyo Kaikan Co., Ltd.</p>	(Note) 2	—

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> Senior Partner, Attorney at Law, Atsumi & Sakai Auditor, Tokyo Metropolitan Industrial Technology Research Institute Outside Director, Hibiya Engineering, Ltd.</p>	(Note) 2	2,209
Total					208,366

- (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 20, 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2025.
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	28,159
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	8,762
Representative Executive Officer, Executive Vice President (CFO)	Kentaro Matsuoka	September 25, 1963	<p>April 1987 Joined The Mitsubishi Bank, Ltd.</p> <p>June 2015 Executive Officer and General Manager of Corporate Banking Credit Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2018 Managing Executive Officer in charge of Corporate Banking Credit Division, Credit Division and Investment Banking Credit Division, MUFG Bank, Ltd.</p> <p>April 2021 Senior Managing Executive Officer in charge of Corporate Banking Credit Division, Credit Division, Structured Finance Credit Office and Credit Policy & Planning Division (credit planning), MUFG Bank, Ltd.</p> <p>June 2022 Member of the Board of Directors, Senior Managing Executive Officer, stationed in Western Japan, MUFG Bank, Ltd.</p> <p>June 2023 Advisor, MMC</p> <p>July 2023 Representative Executive Officer, Executive Vice President (CFO), MMC (to the present)</p>	(Note) 1	2,209

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)
Representative Executive Officer, Executive Vice President (Engineering/TCS/Design)	Takeshi Yamaguchi	December 5, 1965	<p>April 1988 Joined Nissan Motor Co., Ltd</p> <p>April 2017 SVP, R&D Americas (NA & LATAM), Nissan North America Inc.</p> <p>April 2019 Corporate vice president, Customer Performance & CAE / Test Engineering, Alliance Global VP, Nissan Motor Co., Ltd.</p> <p>May 2021 Corporate vice president, Nissan Motor Co., Ltd. Vice president, Dongfeng Motor Co., Ltd. (DFL) Managing director, Dongfeng Nissan Passenger Vehicle Company (DFN)</p> <p>April 2024 Representative Executive Officer, Executive Vice President (Engineering/TCS/Design), MMC (to the present)</p>	(Note) 1	434
Senior 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</p> <p>April 2024 Senior Executive Officer (Product Strategy), and Division General Manager, Product Strategy Div., MMC (to the present)</p>	(Note) 1	15,709

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	18,365

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	April 1985	Joined the Ministry of International Trade and Industry (MITI)	(Note) 1	7,062
			July 1997	Transferred to National Police Agency, Director of Police Administration Department, Ehime Prefectural Police Headquarters (Assistant Commissioner)		
			December 2000	Corporate General Manager of Industrial Property Legislation Revision Deliberation Office, Policy Planning and Coordination Department, Japan Patent Office		
			July 2002	Director, Culture and IT Industry Division, Commerce and Information Policy Bureau, METI		
			February 2006	Director, Gas Market Office, Electricity and Gas Industry Department, Agency for Natural Resources and Energy		
			July 2008	Director, General Coordination Division, Policy Planning and Coordination Department, Japan Patent Office		
			July 2011	Director, Trade Control Policy Division, Trade Control Department, Trade and Economic Cooperation Bureau, METI		
			April 2012	Director-General, Kyushu Bureau of Economy, Trade and Industry		
			July 2014	Senior Managing Executive Officer, Development Bank of Japan Inc.		
			January 2019	Joined MMC Assistant to Corporate General Manager of Corporate Affairs Div., MMC		
			April 2020	Corporate General Manager of Corporate Affairs Div., MMC		
			April 2022	Executive Officer (Internal Control/Corporate Affairs), Division General Manager, Corporate Affairs Division at General Administration, Communication, Sustainability Division (External & Government Relations), MMC		
			April 2023	Executive Officer (Internal Control/Corporate Affairs) Division General Manager, Corporate Affairs Division, MMC (to the present)		

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	<p>April 1989 Joined Showa Ota & Co.</p> <p>July 1993 Joined Moret Ernst & Young (Netherlands)</p> <p>August 1998 Head of the Presidential Administration Office, Mitsubishi Motors Europe B.V.</p> <p>January 2000 Planning Department, Corporate Planning Office, MMC</p> <p>April 2000 Assistant to President, MMC</p> <p>June 2002 Senior Executive Officer, Corporate Vice President, Division General Manager, M&A Asset Management, MMC</p> <p>June 2003 Senior Executive Officer (Responsible for Financial), MMC</p> <p>June 2004 Executive Officer, Assistant to CFO, MMC</p> <p>April 2005 Executive Officer, Vice Corporate General Manager of Controlling & Accounting Office and Vice Corporate General Manager of Corporate Planning Office, MMC</p> <p>April 2006 Executive Officer, Corporate General Manager of Overseas Business Management Office, MMC</p> <p>May 2010 Executive Officer, MMC Member of the Board, Vice President, Mitsubishi Motors North America, Inc.</p> <p>April 2011 Executive Officer, MMC Member of the Board, President, Mitsubishi Motors North America, Inc.</p> <p>March 2014 Executive Officer, Vice Corporate General Manager of Corporate Planning Office, MMC</p> <p>June 2016 Senior Executive Officer, Division General Manager, Corporate Strategy Management Div., MMC</p> <p>September 2018 Managing Director, Nissan-Mitsubishi B.V.</p> <p>June 2019 Senior Executive Officer, Division General Manager, Europe Div., MMC.</p> <p>June 2020 Member of the Board, President, Mitsubishi Motors North America, Inc.</p> <p>April 2022 Corporate Officer, Division General Manager, North Asia Division, MMC</p> <p>April 2023 Executive Officer (Corporate Strategy Management), MMC (to the present)</p>	(Note) 1	29,585

Title and occupation	Name	Date of birth	History	Term of office	Number of MMC shares owned (Shares)	
Executive Officer (Legal & Corporate Governance) and Division General Manager, Legal & Corporate Governance Div.	Yasuko Takazawa	November 20, 1964	April 1987	Joined Nippon Steel Corporation (present: NIPPON STEEL CORPORATION)	(Note) 1	17,389
			December 2009	Joined Soga, URYU & ITOGA		
			October 2010	Joined Kojima Law Offices		
			September 2014	Joined MMC		
			March 2015	General Manager, Legal Department, Corporate Planning Office, MMC		
			April 2019	Corporate Vice President General Manager, Legal Dept., MMC		
			January 2020	Corporate Officer, Assistant to Senior Executive Officer, General Manager, Legal Department, MMC		
			April 2022	Corporate Officer, Division General Manager, Legal & Corporate Governance Div., MMC		
			June 2022	Outside Audit & Supervisory Board Member, Nomura Research Institute, Ltd. (to the present)		
April 2024	Executive Officer (Legal & Corporate Governance) and Division General Manager, Legal & Corporate Governance Div., MMC (to the present)					
Executive Officer (Production)	Yasuhisa Yamamoto	July 29, 1963	April 1986	Joined MMC	(Note) 1	434
			September 2006	Expert, Production Project of RV1, Production Engineering Div., MMC		
			April 2011	General Manager, Production Dept., Nagoya Plant, MMC		
			April 2017	Chief Expert, Production Engineering Div., MMC		
			April 2018	Executive Vice President and LCB Control, Mitsubishi Motors (Thailand) Co., Ltd.		
			April 2021	Division General Manager, Production Engineering Div., MMC		
			April 2024	Executive Officer (Production) (to the present)		
Total					128,108	

(Note) 1. From April 1, 2024 to March 31, 2025.

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^(*) of the Company
2. An executive of a major business partner^(**) 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^(***) 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^(****) 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^(****) 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 total assets 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 sales of automobiles 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. 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, parts purchasing 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 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 Senior Vice President of Nissan Motor Co., Ltd., which is a major shareholder and a major business partner of MMC 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
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.
Junko Ogushi (Independent Outside Director)	She has extensive experience in the legal sector with a high level of knowledge on laws and compliance as an attorney at law.
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.

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 2024, 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 14 resolutions approved, 6 matters discussed, and 51 reports made in total concerning the audit policies and audit plans; audit methods; resolutions on the assignment of audit duties; the status of the improvement and maintenance of the internal control systems; 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); and the 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 a total of 7 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 (%)
Yoshihiko Nakamura	Audit Committee: 15/15	100%
Takahiko Ikushima	Audit Committee: 15/15	100%
Kanetsugu Mike	Audit Committee: 15/15	100%
Junko Ogushi (Note)	Audit Committee: 12/12	100%
Hitoshi Inada	Audit Committee: 15/15	100%

(Note) Because the day Ms. Junko Ogushi took office as a Committee member was June 22, 2023, the number of committee meetings attended in FY2023 differs from that of other members.

Ms. Yaeko Takeoka, who resigned as Member of the Audit Committee on June 22, 2023, participated in three out of three meetings of the Audit Committee for which she was to attend.

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 10 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 held three-officer audit meetings (Audit Committee, Accounting Auditors and internal audit divisions). The status of duties executed by full-time Members of the Audit Committee is reported in the meeting of the Audit Committee.

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 as of March 31, 2024, including professionals with diverse management experience, certified internal auditors, internal auditors, and other qualifications.

The Internal Audit Dept. (15 members) 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. (7 members) 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.

iii) Status of accounting audit

a. Name of audit firm

Ernst & Young ShinNihon LLC

b. Continuous audit period

39 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 15, 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	304	1	329	—
Consolidated subsidiary	81	—	83	—
Total	385	1	413	—

The details of non-audit work for MMC in the previous fiscal year 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	407	27	435	5
Total	407	76	435	5

The details of non-audit work for MMC in the previous fiscal year 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 conducted necessary reviews of the appropriateness of Accounting Auditors' audit plan, system, audit work, basis of calculating estimated compensation, etc., and judged that the amount of compensation for MMC's audit was reasonable.

(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	–	–	–	–	–	–	1
Executive Officers	908	441	235	32	110	38	0	49	12
Outside Directors and Outside Audit & Supervisory Board Members	213	213	–	–	–	–	–	–	12

- (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 12 persons served as Outside Directors or Outside Audit & Supervisory Board Members during the fiscal year under review, received compensation as Members of the Board. In addition, the number includes one Outside Director who resigned during the fiscal year under review.
 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 the fiscal year under review.
 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 FY2023, the above table shows the total amount of expenses recorded for the points (equivalent to 247,559 shares of the Company) granted under the BIP Trust (91 million yen) and the long-term performance-linked compensation and the amounts paid to one officer who resigned during the period (19 million yen) to be paid in cash as a substitute to one overseas resident and one non-Japanese officer who are not eligible for the BIP Trust.
 5. “Deferred Retirement Compensation” is fixed compensation using the “BIP Trust.” The above table shows the total of the 34 million yen posted as expenses for granting points (equivalent to 94,170 shares of MMC) during the fiscal year under review for the BIP Trust and the 4 million yen posted as a provision for deferred retirement compensation for the fiscal year under review that MMC plans to pay in cash as a substitute to one overseas resident and one non-Japanese officer who are not eligible for the BIP Trust.
 6. “Others” is the 49 million yen equivalent to the tax adjustment allowance, housing allowance, etc. 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	172	76	57	–	27	10	0	–
Hiroshi Nagaoka	Executive Officer	MMC	104	50	29	4	14	4	–	–
Tatsuo Nakamura	Executive Officer	MMC	103	50	29	4	14	4	–	–
John Signoriello	Executive Officer	MMC	116	36	16	3	7	2	–	49

- (Notes)
1. The value of “Long-term Performance-Linked Compensation” is the amount posted as expenses related to the number of points granted under the BIP trust or the amount paid in cash as a substitute to one non-Japanese officer who is not eligible for the BIP trust.
 2. 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 under the BIP trust or the amount paid in cash as a substitute to one non-Japanese officer who is not eligible for the BIP trust.
 3. 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 results, etc. for each applicable fiscal year from FY2017 to FY2020 for eligible officers.
 4. “Others” is total amount of tax adjustment allowance, housing allowance, etc.

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 FY2023, the Compensation Committee held a total of 9 meetings, with 4 members having 100% attendance and 1 member having 78% attendance. During FY2023, the Compensation Committee examined and deliberated on KPIs, targets, etc., for Performance-linked Compensation.

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.

E. Partial revision to the officer compensation system

MMC has revised part of the officer compensation system in conjunction with efforts towards the new midterm business plan “Challenge 2025,” reducing the proportion of fixed compensation and increasing the proportion of performance-linked compensation.

F. Approach to compensation of Members of the Board and Executive Officers, specific compensation items and composition of compensation, etc.

- (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 (see “Share-based compensation (BIP trust)” below). 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)
			FY2023
Base Compensation	Fixed	Cash	44 to 58%
Deferred Retirement Compensation		Shares (BIP Trust)	6 to 10%
Additional Individual Compensation	Performance-linked	Cash	0 to 5%
Short-Term Performance-Linked Compensation			16 to 23%
Long-Term Performance-Linked Compensation		Shares (BIP Trust)	16 to 23%

< Deferred Retirement Compensation >

Deferred Retirement Compensation is accrued by deferring a portion of the payment (6 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.

Payment formula = total amount of prescribed remuneration × compensation ratio
× achievement rate (0 to 100%)

Planned payment period July 2024

< 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.

For FY2023, while maintaining profitability, we have established “consolidated operating profit” and “profit attributable to owners of parent” as KPI from the standpoint of aiming to share value with our shareholders and have made our target levels those set forth in 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	Planned payment period
Consolidated operating profit	150.0	191.0	50%	Total amount of prescribed remuneration × compensation ratio × achievement rate (50 to 150%) × percentage weight	July 2024
Profit attributable to owners of parent	100.0	154.7	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.

Furthermore, we have established ESG indicators as KPI and priority items to be addressed in increasing the medium- to long-term corporate value of MMC.

Since FY2023, we have adopted a method (new method) where we set annual targets for each of three fiscal years, including the fiscal year under review, and calculate the payment amount based on the average achievement rate for each year. This amount will be paid after the completion of the three fiscal years. Additionally, for FY2023 and FY2024, we have decided to pay the Executive Officers who were in office at the end of FY2022 an amount that, in addition to achievement rates, is based on two-thirds of the prescribed amount for FY2023

and one-third of the prescribed amount for FY2024, on the basis of the previous system, as an adjustment for the difference due to the transition to the new method.

KPI, targets and percentage weight, and payment formula

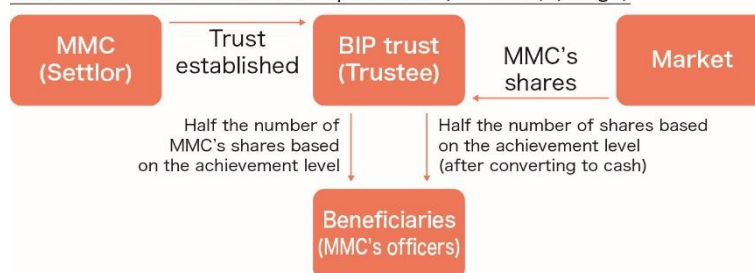
KPI	Classification	Targets for FY2023 (for 100% achievement)	Results	Percentage weight	Payment formula	Planned payment period
EBITDA	Financial	*1	Exceeded the target by 41.7 billion yen	40%	Total amount of prescribed remuneration × compensation ratio × average achievement rate for 3 fiscal years including the fiscal year under review (50% to 150%) × percentage weight	August 2026
ASEAN marginal profit	Financial	*1	Fell short of the target by 28.9 billion yen	40%		
CO ₂ emissions by business activities (FY2023)	ESG	*2	377 thousand ton	10%	Total amount of prescribed remuneration × compensation ratio × average achievement rate for 3 fiscal years including the fiscal year under review (50% to 150%) × percentage weight	
Employee engagement (FY2024)	ESG	*3	+1 point	10%		

- *1 Targets have been set for figures in the fiscal year under review necessary to achieve the mid-term business plan.
- *2 Targets have been set based on the necessary emissions volume in the fiscal year under review to achieve future targets.
- *3 The goal for each fiscal year has been set at +1 point based on the score produced from the employee engagement survey implemented in FY2023.

< 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 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	19	4,874
Shares other than unlisted shares	4	3,520

(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	1	975	Investment was made based on the judgment that strengthening the relationship with the investee would contribute to increasing MMC's corporate value over the medium and long term

(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	0
Shares other than unlisted shares	–	–

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 (Note) 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	Held to maintain and develop the automobile manufacturing and sales business in Taiwan	None
	1,396	637		
FLEETPARTNERS GROUP LTD	2,796,208	–	Newly acquired to strengthen automobile sales business and expand related businesses in Australia	None
	1,036	–		
PT GoTo Gojek Tokopedia	1,423,194,949	1,423,194,949	Held to collaborate in expanding new business domains in the ASEAN region.	None
	942	1,380		
United Motors Lanka PLC	4,937,142	4,937,142	Held to maintain the automobile sales business in Sri Lanka	None
	144	120		

(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 FY2023 (from April 1, 2023 to March 31, 2024) 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, 2023		As of March 31, 2024
Assets				
Current assets				
Cash and deposits	(*)3	595,961		674,234
Notes and accounts receivable - trade, and contract assets	(*)1	184,633	(*)1	151,006
Finance receivables	(*)3	226,042	(*)3	240,517
Merchandise and finished goods		259,848		317,485
Work in process		24,835		24,684
Raw materials and supplies		66,901		69,717
Short-term loans receivable		1,022		7,027
Other	(*)3	121,481	(*)3	144,510
Allowance for doubtful accounts		(5,766)		(1,333)
Total current assets		1,474,959		1,627,849
Non-current assets				
Property, plant and equipment				
Buildings and structures, net		86,288		92,079
Machinery, equipment and vehicles, net		134,524		187,469
Tools, furniture and fixtures, net		56,044		66,496
Land		116,734		122,506
Construction in progress		61,011		29,583
Total property, plant and equipment	(*)2	454,603	(*)2	498,135
Intangible assets		40,003		44,904
Investments and other assets				
Investment securities	(*)4	95,361	(*)4	104,094
Long-term loans receivable		2,760		5,013
Retirement benefit asset		4,045		17,224
Deferred tax assets		74,029		86,313
Other	(*)3, (*)4	59,660	(*)3, (*)4	75,445
Allowance for doubtful accounts		(3,898)		(4,511)
Total investments and other assets		231,959		283,579
Total non-current assets		726,565		826,620
Total assets		2,201,524		2,454,470

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	369,495	337,434
Electronically recorded obligations - operating	92,009	102,141
Short-term borrowings	31,330	68,053
Commercial papers	47,500	43,500
Current portion of long-term borrowings	(*) 73,098	(*) 224,612
Lease liabilities	3,519	3,719
Accounts payable - other, and accrued expenses	233,874	232,510
Income taxes payable	13,510	9,540
Provision for product warranties	54,605	68,048
Provision for contingent loss	10,504	-
Other	(*) 77,939	(*) 85,641
Total current liabilities	1,007,389	1,175,202
Non-current liabilities		
Long-term borrowings	(*) 248,048	(*) 127,781
Lease liabilities	24,785	24,690
Deferred tax liabilities	320	203
Retirement benefit liability	36,688	20,367
Other	(*) 53,915	(*) 61,768
Total non-current liabilities	363,758	234,811
Total liabilities	1,371,148	1,410,014
Net assets		
Shareholders' equity		
Share capital	284,382	284,382
Capital surplus	199,620	199,585
Retained earnings	338,424	478,239
Treasury shares	(989)	(1,688)
Total shareholders' equity	821,438	960,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	977	2,045
Deferred gains or losses on hedges	(35)	(739)
Foreign currency translation adjustment	(5,438)	35,454
Remeasurements of defined benefit plans	(15,802)	12,933
Total accumulated other comprehensive income	(20,298)	49,694
Share acquisition rights	29	23
Non-controlling interests	29,208	34,219
Total net assets	830,376	1,044,456
Total liabilities and net assets	2,201,524	2,454,470

(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, 2023		For the fiscal year ended March 31, 2024	
Net sales	(*)	2,458,141	(*)	2,789,589
Cost of sales	(*)	1,935,341	(*)	2,220,743
Gross profit		522,799		568,846
Selling, general and administrative expenses				
Advertising and promotion expenses		51,535		63,009
Freight costs		72,747		93,593
Provision of allowance for doubtful accounts		(605)		(159)
Remuneration, salaries and allowances for directors (and other officers)		74,711		81,438
Retirement benefit expenses		3,982		4,444
Depreciation		14,516		16,690
Research and development expenses	(*)	61,025	(*)	57,642
Other		54,390		61,215
Total selling, general and administrative expenses		332,304		377,874
Operating profit (loss)		190,495		190,971
Non-operating income				
Interest income		7,623		13,412
Dividend income		677		580
Foreign exchange gains		5,421		12,888
Share of profit of entities accounted for using equity method		–		5,259
Other		2,603		2,268
Total non-operating income		16,326		34,409
Non-operating expenses				
Interest expenses		3,559		6,054
Litigation expenses		4,306		5,422
Financing expenses		706		692
Share of loss of entities accounted for using equity method		12,209		–
Other		4,017		4,171
Total non-operating expenses		24,799		16,340
Ordinary profit (loss)		182,022		209,040
Extraordinary income				
Gain on sale of non-current assets	(*)	27,271	(*)	481
Gain on sale of investment securities		24		97
Gain on liquidation of subsidiaries		–	(*)	824
Other		398		103
Total extraordinary income		27,693		1,506
Extraordinary losses				
Loss on retirement of non-current assets		1,941		3,348
Loss on sale of non-current assets	(*)	1,713	(*)	119
Impairment losses	(*)	5,015	(*)	1,294
Loss related to Russian operations	(*)	19,928	(*)	1,313
Loss related to Chinese operations	(*)	10,504	(*)	23,002
Other		2,483		635
Total extraordinary losses		41,586		29,714
Profit (loss) before income taxes		168,129		180,832
Income taxes - current		36,410		27,577
Income taxes - deferred		(44,642)		(7,307)
Total income taxes		(8,232)		20,270
Profit (loss)		176,361		160,562
Profit (loss) attributable to non-controlling interests		7,630		5,852
Profit (loss) attributable to owners of parent		168,730		154,709

Consolidated statement of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit (loss)	176,361	160,562
Other comprehensive income		
Valuation difference on available-for-sale securities	(134)	1,067
Deferred gains or losses on hedges	(10)	(732)
Foreign currency translation adjustment	20,773	38,388
Remeasurements of defined benefit plans, net of tax	(1,670)	28,720
Share of other comprehensive income of entities accounted for using equity method	7,384	4,781
Total other comprehensive income	(*1) 26,342	(*1) 72,224
Comprehensive income	202,703	232,786
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	194,190	224,703
Comprehensive income attributable to non-controlling interests	8,512	8,083

(c) Consolidated statement of changes in net assets

(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

(Millions of yen)

For the fiscal year ended March 31, 2024	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	284,382	199,620	338,424	(989)	821,438
Changes during period					
Dividends of surplus			(14,894)		(14,894)
Profit (loss) attributable to owners of parent			154,709		154,709
Purchase of treasury shares				(785)	(785)
Disposal of treasury shares				43	43
Exercise of share acquisition rights		(35)		41	6
Net changes in items other than shareholders' equity					
Total changes during period		(35)	139,815	(699)	139,080
Balance at end of period	284,382	199,585	478,239	(1,688)	960,518

For the fiscal year ended March 31, 2024	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	977	(35)	(5,438)	(15,802)	(20,298)	29	29,208	830,376
Changes during period								
Dividends of surplus								(14,894)
Profit (loss) attributable to owners of parent								154,709
Purchase of treasury shares								(785)
Disposal of treasury shares								43
Exercise of share acquisition rights								6
Net changes in items other than shareholders' equity	1,067	(704)	40,893	28,736	69,993	(5)	5,011	74,999
Total changes during period	1,067	(704)	40,893	28,736	69,993	(5)	5,011	214,079
Balance at end of period	2,045	(739)	35,454	12,933	49,694	23	34,219	1,044,456

(d) Consolidated statement of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	168,129	180,832
Depreciation	60,132	67,737
Impairment losses	5,015	1,294
Loss related to Russian operations	19,928	1,313
Loss related to Chinese operations	10,504	23,002
Loss (gain) on liquidation of subsidiaries	–	(824)
Increase (decrease) in allowance for doubtful accounts	(3,632)	(4,258)
Increase (decrease) in retirement benefit liability	8,003	3,560
Interest and dividend income	(8,300)	(13,993)
Interest expenses	3,559	6,054
Foreign exchange losses (gains)	(5,354)	(7,861)
Share of loss (profit) of entities accounted for using equity method	12,209	(5,259)
Loss (gain) on sale and retirement of non-current assets	(23,616)	2,987
Decrease (increase) in trade receivables	(59,282)	43,597
Decrease (increase) in finance receivables	(3,496)	(14,335)
Decrease (increase) in inventories	(38,739)	(25,751)
Increase (decrease) in trade payables	63,702	(58,946)
Increase (decrease) in accounts payable - other, and accrued expenses	6,639	1,119
Other, net	(19,341)	(41,426)
Subtotal	196,058	158,843
Interest and dividends received	13,447	18,833
Interest paid	(3,620)	(5,877)
Income taxes paid	(32,309)	(30,992)
Net cash provided by (used in) operating activities	173,576	140,806
Cash flows from investing activities		
Purchase of property, plant and equipment	(71,041)	(113,964)
Proceeds from sale of property, plant and equipment	36,389	1,768
Purchase of intangible assets	(8,601)	(12,881)
Other, net	(9,891)	(13,788)
Net cash provided by (used in) investing activities	(53,145)	(138,865)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	8,797	34,768
Increase (decrease) in commercial papers	4,500	(4,000)
Proceeds from long-term borrowings	238,541	117,602
Repayments of long-term borrowings	(306,549)	(87,436)
Dividends paid	(16)	(14,845)
Dividends paid to non-controlling interests	(2,633)	(3,104)
Other, net	(4,504)	(5,310)
Net cash provided by (used in) financing activities	(61,865)	37,674
Effect of exchange rate change on cash and cash equivalents	25,890	38,658
Net increase (decrease) in cash and cash equivalents	84,456	78,274
Cash and cash equivalents at beginning of period	511,473	595,930
Cash and cash equivalents at end of period	(*1) 595,930	(*1) 674,204

Notes

Material basis of the preparation of consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 34

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 consolidation

1) Excluded from the scope of consolidation: 1

Company excluded due to liquidation

Pajero Manufacturing Co., Ltd.

(2) Names of major unconsolidated subsidiaries

MITSUBISHI MOTORS WING CO., LTD. (the trade name was changed from MMC Wing Co., Ltd. on December 1, 2023), 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) Newly included in the scope of equity method: 1

Company included in the scope of equity method due to the acquisition of equity interests

GAC Mitsubishi Motors Sales Co., LTD.

2) Excluded from the scope of equity method: 1

Company excluded from scope of equity method due to its sale of equity interests

GAC Mitsubishi Motors Co., Ltd.

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

Unconsolidated subsidiaries

MITSUBISHI MOTORS WING CO., LTD. (the trade name was changed from MMC Wing Co., Ltd. on December 1, 2023), 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

1. Liabilities related to market quality measures

1) Amount recorded in the consolidated financial statements as of March 31, 2024

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)
Liabilities related to market quality measures	19,495	20,925

(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, 2025

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.

2. Contingent liabilities (provision for loss on litigation)

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. While some of these have recorded provisions based on estimated future losses, others have a certain degree of likelihood that loss would occur going forward, but it is not possible to make a reasonable estimation of such loss for the future at this point in time. Therefore, MMC has not recorded any provisions with regard to the latter.

The estimation of contingent liabilities (provision for loss on litigation) is also described in "Notes, Consolidated balance sheet, 6 Contingent liabilities."

(Unapplied accounting standards, etc.)

1. 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 statement of income)

“Gain on reversal of asset retirement obligations,” which was separately presented in “Extraordinary income” for the fiscal year ended March 31, 2023, has been included in “Other” from the fiscal year ended March 31, 2024, due to the decreased importance of the amount. The consolidated financial statements for the fiscal year ended March 31, 2023, have been reclassified to reflect this change in the presentation method.

Consequently, 268 million yen of “Gain on reversal of asset retirement obligations” of “Extraordinary income” and 129 million yen of “Other” thereof on the consolidated statement of income for the fiscal year ended March 31, 2023, have been reclassified as 398 million yen of “Other.”

(Consolidated statement of cash flows)

“Decrease (increase) in time deposits,” which was separately presented in “Cash flows from investing activities” for the fiscal year ended March 31, 2023, has been included in “Other” from the fiscal year ended March 31, 2024, due to the decreased importance of the amount. The consolidated financial statements for the fiscal year ended March 31, 2023, have been reclassified to reflect this change in the presentation method.

Consequently, (2) million yen of “Decrease (increase) in time deposits” of “Cash flows from investing activities” and (9,889) million yen of “Other” thereof on the consolidated statement of cash flows for the fiscal year ended March 31, 2023, have been reclassified as (9,891) 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, 2024, is 981 million yen, and the number of shares is 2,668,506 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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Accumulated depreciation of property, plant and equipment	907,382	941,387

(*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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Finance receivables	99,536	111,174
Other	802	905
Total	100,339	112,079

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

	(Millions of yen)	
	For the fiscal year ended March 31, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Current portion of long-term loans payable	25,981	29,026
Long-term loans payable	59,508	65,356
Total	85,489	94,382

(*4) Investments in unconsolidated subsidiaries and associates

	(Millions of yen)	
	For the fiscal year ended March 31, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Investment securities	88,210	94,935
Other (investments and other assets)	17,883	18,720
(of which investment in joint ventures)	(20,950)	(24,657)

5. Guarantee obligation

(1) Guarantee recipients

For the fiscal year ended March 31, 2023 (As of March 31, 2023)			For the fiscal year ended March 31, 2024 (As of March 31, 2024)		
Guaranteed	Guaranteed amount (Millions of yen)	Description of guaranteed obligation	Guaranteed	Guaranteed amount (Millions of yen)	Description of guaranteed obligation
MM Automobile Schweiz AG	–	–	MM Automobile Schweiz AG	877	Liquidation of receivables
Mitsubishi Corporation	–	–	Mitsubishi Corporation	425	Liquidation of receivables
Employees	184	(Note)	Employees	147	(Note)
Total	184		Total	1,450	

(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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)	
	631	1,081

6. Contingent liabilities

In a product liability lawsuit filed in the Philadelphia Court of Common Pleas, Pennsylvania, the United States in November 2018, the judgment was awarded on May 6, 2024 (U.S. local time) against MMC’s North American subsidiary, Mitsubishi Motors North America, Inc. (MMNA), ordering MMNA to pay damages in the amount of 1,010 million US dollars. On May 28, 2024 (U.S. local time), MMNA filed an appeal against the above judgment to the Superior Court of Pennsylvania, the United States.

While the MMC group has been developing its business in various countries around the world, it has been cooperating with regard to various lawsuits, including the case above, tax inquiries by tax authorities, administrative researches by regulatory agencies, etc. While some of these have recorded provisions based on estimated future losses, others have a certain degree of likelihood that loss would occur going forward, but it is not possible to make a reasonable estimation of such loss for the future at this point in time. Therefore, MMC has not recorded any provisions with regard to the latter.

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 judgment that is unfavorable to us is made, the operating results and/or financial position of the MMC group for subsequent fiscal years may be affected.

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, 2024 based on this agreement is as follows.

	(Millions of yen)	
	For the fiscal year ended March 31, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
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, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Buildings and structures	3,118	7
Machinery, equipment and vehicles	125	125
Tools, furniture and fixtures	5	3
Land	24,021	339
Intangible assets	–	5
Total	27,271	481

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

	(Millions of yen)	
	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Buildings and structures	25	14
Machinery, equipment and vehicles	16	7
Tools, furniture and fixtures	1	–
Land	1,669	88
Intangible assets	–	8
Total	1,713	119

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

(Millions of yen)	
For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
107,236	114,583

(*5) Impairment losses

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

For the previous fiscal year (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
<u>Total</u>	<u>5,015</u>

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

This information is omitted because it is immaterial.

(*6) Gain on liquidation of subsidiaries

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

This resulted from completing the liquidation of Pajero Manufacturing Co., Ltd., a domestic consolidated subsidiary of MMC.

(*7) Loss related to Russian operations

For the previous fiscal year (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.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

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

As a result, MMC has incurred costs such as disposal loss of components for production and arrears for the return of containers, etc., and has recorded extraordinary losses of 1,313 million yen.

(*8) Loss related to Chinese operations

For the previous 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.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

Although GAC Mitsubishi Motors Co., Ltd., which was an affiliate of the MMC group in China, tried to recover its sales volume by releasing a new model in December 2022, it continued to fall short of its plan and has suspended its production since March 2023 in order to adjust its inventory. In light of this situation, we decided to fundamentally review our China strategy and implement structural reforms.

To this end, we recorded a loss related to Chinese operations of 23,002 million yen, which included compensation to related business partners and suppliers, and other associated costs.

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, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Valuation difference on available-for-sale securities:		
Amount arising during the period	(2,498)	1,456
Reclassification adjustments	2,274	-
Before tax-effect adjustment	(223)	1,456
Amount of tax effects	88	(389)
Valuation difference on available-for-sale securities	(134)	1,067
Deferred gains or losses on hedges:		
Amount arising during the period	(15,665)	(7,474)
Reclassification adjustments	15,658	6,776
Before tax-effect adjustment	(6)	(698)
Amount of tax effects	(3)	(34)
Deferred gains or losses on hedges	(10)	(732)
Foreign currency translation adjustment:		
Amount arising during the period	20,773	36,135
Reclassification adjustments	-	2,253
Foreign currency translation adjustment	20,773	38,388
Remeasurements of defined benefit plans:		
Amount arising during the period	(1,892)	27,107
Reclassification adjustments	1,275	1,609
Before tax-effect adjustment	(617)	28,717
Amount of tax effects	(1,053)	3
Remeasurements of defined benefit plans	(1,670)	28,720
Share of other comprehensive income of entities accounted for using equity method:		
Amount arising during the period	7,366	7,037
Reclassification adjustments	18	(2,256)
Share of other comprehensive income of entities accounted for using equity method	7,384	4,781
Total other comprehensive income	26,342	72,224

Consolidated statement of changes in net assets

For the previous fiscal year (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 Board Incentive Plan (BIP) Trust (1,137 thousand shares at the beginning of the period and 1,103 thousand shares at the end of the period).

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 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 treasury 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)	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.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

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)	1,956	1,766	248	3,473
Total	1,956	1,766	248	3,473

(Notes) 1. The number of shares of common stock under treasury shares includes the Company's shares held by the Board Incentive Plan (BIP) Trust (1,103 thousand shares at the beginning of the period and 2,668 thousand shares at the end of the period).

2. The increase of 1,766 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 and the increase of 1,766 thousand shares from the delivery of shares from the Board Incentive Plan (BIP) Trust.

3. The decrease of 248 thousand shares in the number of shares of common stock under treasury shares is due to the decrease of 47 thousand shares from the exercise of share acquisition rights and the decrease of 201 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	–	–	–	–	23
Total		–	–	–	–	–	23

3. Dividends

(1) Dividend payment

Resolution date	Class of shares	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividend
Ordinary General Meeting of Shareholders held on June 22, 2023	Common stock	7,447	5.0	March 31, 2023	June 23, 2023	Retained earnings
Board of Directors meeting held on November 28, 2023	Common stock	7,447	5.0	September 30, 2023	December 25, 2023	Retained earnings

(Notes) 1. 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.

2. The total amount of dividend based on the resolution at the Board of Directors on November 28, 2023 includes 4 million yen of dividend for the shares of MMC held by the Board Incentive Plan (BIP) Trust.

(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)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 20, 2024	Common stock	7,447	Retained earnings	5.0	March 31, 2024	June 21, 2024

(Note) The total amount of dividend based on the resolution at the Ordinary General Meeting of Shareholders on June 20, 2024 includes 13 million yen of dividend for the shares of MMC held by the Board Incentive Plan (BIP) Trust.

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

	(Millions of yen)	
	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Cash and deposits	595,961	674,234
Time deposits with maturities of more than three months	(30)	(29)
Cash and cash equivalents	595,930	674,204

Lease transactions

1. Lessees' accounting

(1) Finance lease transactions and right of use assets

Finance lease transactions without ownership transfer for MMC and its domestic consolidated 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, 2023	As of March 31, 2024
Due within one year	2,895	2,892
Due after one year	11,800	8,908
Total	14,695	11,801

2. Lessors' accounting

(1) Operating lease transactions

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

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Due within one year	6,059	7,591
Due after one year	9,501	11,027
Total	15,560	18,619

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, 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.

For the fiscal year under review (as of March 31, 2024)

(Millions of yen)

	Carrying amount	Fair value	Difference
(1) Finance receivables	240,517	236,788	(3,728)
(2) Investment securities (*2) Available-for-sale securities	4,223	4,223	–
Total assets	244,741	241,012	(3,728)
(1) Long-term borrowings	352,394	352,074	(319)
Total liabilities	352,394	352,074	(319)
Derivative transactions (*3)	(2,396)	(2,396)	–

(*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, 2024 (As of March 31, 2024)
Unlisted shares and shares of subsidiaries and associates	99,871

(*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, 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

For the fiscal year under review (as of March 31, 2024)

(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	672,828	–	–	–	–	–
Notes and accounts receivable - trade, and contract assets	151,006	–	–	–	–	–
Finance receivables	76,839	50,433	42,501	32,356	25,695	12,690
Total	900,674	50,433	42,501	32,356	25,695	12,690

(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, 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

For the fiscal year under review (as of March 31, 2024)

(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	68,053	–	–	–	–	–
Commercial papers	43,500	–	–	–	–	–
Long-term loans payable	224,612	51,287	36,649	30,286	8,934	623
Total	336,166	51,287	36,649	30,286	8,934	623

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, 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

For the fiscal year under review (as of March 31, 2024)

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	4,223	–	–	4,223
Derivative transactions				
Currencies	–	557	–	557
Total assets	4,223	557	–	4,780
Derivative transactions				
Currencies	–	2,953	–	2,953
Total liabilities	–	2,953	–	2,953

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

For the fiscal year under review (as of March 31, 2024)

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Finance receivables	–	236,788	–	236,788
Total assets	–	236,788	–	236,788
Long-term borrowings	–	352,074	–	352,074
Total liabilities	–	352,074	–	352,074

(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, 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

For the fiscal year under review (as of March 31, 2024)

(Millions of yen)

	Type	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	4,223	2,125	2,098
	Subtotal	4,223	2,125	2,098
Securities whose carrying amount does not exceed their acquisition cost	Stocks	–	–	–
	Subtotal	–	–	–
Total		4,223	2,125	2,098

2. Available-for-sale securities sold

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

(Millions of yen)

Type	Sales proceeds	Total gain	Total loss
Stocks	63	24	10

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

(Millions of yen)

Type	Sales proceeds	Total gain	Total loss
Stocks	0	0	–

3. Securities for which impairment losses were recognized

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

This information is omitted because it is immaterial.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

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, 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

For the fiscal year under review (as of March 31, 2024)

(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	61,990	–	(2,121)	(2,121)
	AUD	35,262	–	189	189
	JPY	15,417	–	(2)	(2)
Buy:					
USD	506	–	1	1	
Total		–	–	(1,933)	(1,933)

(2) Interest-related transactions

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

Not applicable.

For the fiscal year under review (as of March 31, 2024)

Not applicable.

2. Derivative transactions for which hedge accounting is applied

(1) Currency-related transactions

For the previous fiscal year (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)

For the fiscal year under review (as of March 31, 2024)

(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	49,829	–	(828)
	AUD		22,852	–	119
	Interest rate currency swap contracts: Buy: USD	Borrowings denominated in foreign currency	8,310	7,367	246
Total			–	–	(462)

(2) Interest-related transactions

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

Not applicable.

For the fiscal year under review (as of March 31, 2024)

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, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Retirement benefit obligation at beginning of period	184,833	180,637
Service cost	8,511	8,488
Interest cost	3,636	4,479
Actuarial gains and losses generated	(9,314)	(566)
Retirement benefits paid	(13,008)	(11,345)
Prior service cost generated	1	176
Effect of foreign currency translation	6,341	8,853
Changes from the termination of plans	(1)	-
Other	(362)	(157)
Retirement benefit obligation at end of period	180,637	190,565

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

	(Millions of yen)	
	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Plan assets at beginning of period	157,368	147,994
Expected return on plan assets	5,733	6,092
Actuarial gains and losses generated	(9,856)	28,539
Contribution from employers	758	6,536
Retirement benefits paid	(11,646)	(10,234)
Effect of foreign currency translation	6,036	8,505
Other	(398)	(12)
Plan assets at end of period	147,994	187,422

(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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Retirement benefits obligation for funded plans	166,868	170,890
Plan assets	(147,994)	(187,422)
	18,874	(16,531)
Retirement benefits obligation for unfunded plans	13,768	19,674
Net amount of liabilities and assets reported on the consolidated balance sheet	32,642	3,143
Retirement benefit liability	36,688	20,367
Retirement benefit asset	(4,045)	(17,224)
Net amount of liabilities and assets reported on the consolidated balance sheet	32,642	3,143

(4) The amounts of components of retirement benefit expenses

	(Millions of yen)	
	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Service cost	8,515	8,488
Interest cost	3,636	4,479
Expected return on plan assets	(5,733)	(6,092)
Amortization of actuarial gains and losses	1,651	1,499
Amortization of prior service cost	(384)	(356)
Other	(201)	(134)
Retirement benefit expenses for defined benefit plans	7,484	7,884

(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, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Prior service cost	385	(531)
Actuarial gains and losses	(1,002)	29,248
Total	(617)	28,717

(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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Unrecognized prior service cost	(1,618)	(1,086)
Unrecognized actuarial gains and losses	14,297	(14,951)
Total	12,679	(16,037)

(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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Bonds	56%	55%
Short-term funds	8	0
Stocks	16	16
Cash and deposits	2	2
Life insurance company accounts	2	2
Other	16	25
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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Discount rate		
Domestic companies	0.0% - 0.8%	0.0% - 0.8%
Overseas companies	2.8% - 7.2%	3.0% - 7.1%
Expected rate of return		
Domestic companies	0.8% - 3.0%	0.7% - 3.0%
Overseas companies	4.1% - 6.6%	5.1% - 6.5%
Expected future salary increase		
Domestic companies	1.0% - 6.0%	1.0% - 6.0%
Overseas companies	0.0% - 7.5%	0.0% - 9.0%

3. Defined contribution plans

The required contribution of MMC and its consolidated subsidiaries to the defined contribution plans is 1,861 million yen for the previous fiscal year and 2,075 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, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Selling, general and administrative expenses	2	0

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

(1) Description of stock options

	The 1st 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 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: 47,573 shares
Date of grant	July 14, 2017	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.
Service period	From July 14, 2017 to April 30, 2020	From December 16, 2020 to April 30, 2023
Exercise period	From May 1, 2020 to April 30, 2070	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 4th Stock Options
Non-vested (shares)		
March 31, 2023- Outstanding	–	95,146
Granted	–	–
Forfeited	–	–
Vested	–	95,146
Balance of non-vested	–	–
Vested (shares)		
March 31, 2023- Outstanding	33,522	–
Vested	–	95,146
Exercised	–	47,573
Forfeited	–	–
Balance of non-exercised	33,522	47,573

2) Prices

	The 1st Stock Options	The 4th Stock Options
Exercise price (Yen)	1	1
Average share price at exercise (Yen)	–	459.00
Fair value price at grant date (Yen)	517.42	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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Deferred tax assets:		
Net operating losses carried forward (Note) 2	310,527	303,340
Retirement benefit liability	23,365	14,676
Excess amount over limitation of taxable allowance for doubtful accounts	2,479	1,205
Self-disallowed accrued expenses	14,110	13,986
Liabilities related to market quality measures	5,729	6,132
Excess amount over limitation of taxable provision for product warranties	16,463	21,076
Non-current assets (including impairment losses)	34,842	32,096
Other	61,535	55,187
Subtotal	469,054	447,702
Valuation allowance related to net operating losses carried forward (Note) 2	(286,945)	(265,264)
Valuation allowance related to total deductible temporary differences	(86,300)	(72,354)
Subtotal valuation allowance (Note) 1	(373,246)	(337,618)
Total deferred tax assets	95,808	110,083
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(301)	(749)
Appraisal value of land based on the full fair value method	(1,431)	(1,409)
Reserve for advanced depreciation of non-current assets	(139)	(114)
Accelerated depreciation of overseas subsidiaries	(519)	(764)
Retained earnings of subsidiaries, etc.	(12,116)	(12,938)
Other	(7,591)	(7,998)
Total deferred tax liabilities	(22,099)	(23,974)
Net deferred tax assets (liabilities)	73,708	86,109

(Notes) 1. For the previous fiscal year (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 yen decrease in the valuation allowance for net operating losses carried forward and a 22,628 million yen 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.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

Valuation allowance has decreased by 35,627 million yen. The decrease was mainly due to a 21,681 million yen decrease in the valuation allowance for net operating losses carried forward and a 13,945 million yen decrease in the valuation allowance related to total deductible temporary differences.

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, 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.

For the fiscal year under review (as of March 31, 2024)

(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)	117,875	41,081	7,471	402	30,916	105,592	303,340
Valuation allowance	105,865	41,040	7,432	69	19,960	90,894	265,264
Deferred tax assets	12,010	40	39	332	10,955	14,698	38,076

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

2. Deferred tax assets of 38,076 million yen have been recorded regarding net operating losses carried forward of 303,340 million yen (multiplied by the effective statutory tax rate). These deferred tax assets of 38,076 million yen are mainly recognized portions of net operating losses carried forward of Mitsubishi Motors North America, Inc. of 59,353 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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Effective statutory tax rate	30.3%	30.3%
Reconciliations:		
Share of profit of entities accounted for using equity method	2.2	(0.9)
Permanent differences	2.1	0.3
Difference of applicable tax rates of overseas consolidated subsidiaries, etc.	(2.7)	(2.3)
Retained earnings of subsidiaries, etc.	(1.6)	0.5
Change in valuation allowance	(30.2)	(20.2)
Elimination of unrealized profits on inventories	(4.5)	4.6
Foreign tax credit	(0.1)	(0.1)
Foreign withholding taxes	3.9	1.5
Tax credit for experimental research expenses	(2.3)	(1.3)
Tax credit for increase in amount of payment in salaries, etc.	(1.7)	(0.6)
Other	(0.2)	(0.6)
Actual effective income tax rate after application of tax-effect accounting	(4.9)	11.2

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

MMC and domestic consolidated subsidiaries have applied 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).

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 (0.04)% to 5.55%, 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, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Balance at beginning of period	5,250	4,933
Increase due to acquisition of property, plant and equipment	96	0
Adjustments associated with passage of time	57	57
Decrease due to settlement of asset retirement obligations	(142)	(108)
Other changes (decrease)	(329)	6
Balance at end of period	4,933	4,889

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, 2024, and following fiscal years

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

For the previous fiscal year (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.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	
	Balance at beginning of period	Balance at end of period
Receivables from contracts with customers	173,360	145,069
contract assets	11,695	6,515
contract liabilities	25,913	25,550

The amount of revenue recognized in the fiscal year ended March 31, 2024, that was included in contract liabilities as of the beginning of the period was 15,264 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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Due within one year	6,830	8,243
Due after one year	9,284	13,478
Total	16,114	21,722

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, 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.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

	(Millions of yen)				
	Automobiles	Financial services	Total	Adjustment (*1)	Grand total (*2)
Net sales					
External customers					
Revenue from contracts with customers	2,754,761	12,778	2,767,539	–	2,767,539
Other revenue	539	21,511	22,050	–	22,050
Subtotal	2,755,300	34,289	2,789,589	–	2,789,589
Intersegment sales	16,258	3,666	19,925	(19,925)	–
Total	2,771,559	37,956	2,809,515	(19,925)	2,789,589
Segment profit (loss)	187,918	4,427	192,345	(1,373)	190,971
Segment assets	2,142,655	339,290	2,481,945	(27,475)	2,454,470
Other items					
Depreciation (*3)	62,320	5,416	67,737	–	67,737
Investment in equity method associates	108,048	–	108,048	–	108,048
Increase in property, plant and equipment and intangible assets (*3)	102,042	12,742	114,784	–	114,784

- (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, 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

(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.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

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

(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	587,483	710,708	413,238	219,377	537,039	90,629	318,946	393,984	2,767,539
Other revenue	21,616	391	391	—	—	—	42	—	22,050
	609,100	711,099	413,630	219,377	537,039	90,629	318,988	393,984	2,789,589

(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

(2) Property, plant and equipment

(Millions of yen)

Japan	Thailand	Indonesia	Other	Total
290,400	107,109	65,235	35,390	498,135

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	1,040,863	700,226	214,628	473,065	318,945	19,810	2,767,539	–	2,767,539
Other revenue	21,616	391	–	–	42	–	22,050	–	22,050
Subtotal	1,062,480	700,617	214,628	473,065	318,987	19,810	2,789,589	–	2,789,589
(2) Intersegment sales	1,374,555	1,848	1,045	724,177	4	–	2,101,631	(2,101,631)	–
Total	2,437,036	702,466	215,673	1,197,242	318,992	19,810	4,891,221	(2,101,631)	2,789,589
Operating profit (loss)	116,577	24,088	2,281	45,933	11,552	719	201,153	(10,182)	190,971

(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, 2022 to March 31, 2023)

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment	Grand total
Impairment losses	5,015	–	5,015	–	5,015

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment	Grand total
Impairment losses	1,294	–	1,294	–	1,294

[Information about amortization and unamortized balance of goodwill by reportable segment]

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

This information is omitted because it is immaterial.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

Not applicable.

[Information about the gain recognized on negative goodwill by reportable segment]

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

Not applicable.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

Not applicable.

Information on related party transactions

1. Transactions with related parties

(1) Transactions of MMC with related parties

1) Parent company and major shareholders, etc. of MMC

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

Type	Name	Location	Capital	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.	Kanagawa-ku, Yokohama-city	605,814 million yen	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)	193,935 (*2)	Electronically recorded obligations - operating	61,474
									Notes and accounts payable - trade	25,637

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

Type	Name	Location	Capital	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.	Kanagawa-ku, Yokohama-city	605,814 million yen	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.	Automobile parts purchasing (*1)	253,936 (*2)	Electronically recorded obligations - operating	65,493
									Notes and accounts payable - trade	31,438

2) Unconsolidated subsidiaries and associates, etc. of MMC

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

Not applicable.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

Type	Name	Location	Capital	Business	Percentage of voting rights holding (held) (%)	Relation	Transactions	Amount (Millions of yen)	Account item	Year-end balance (Millions of yen)
Associate	GAC Mitsubishi Motors Co., Ltd.	Hunan Province, China	1,947 million CNY	Production and sales of automobiles	(Held) Direct: 30.00	Financial assistance	Loans (*3)	9,392	-	-
							Underwriting of capital increase (*4)	32,421	-	-

- (Notes)
- 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.
 - 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.
 - MMC determines the interest rates for the loans in a reasonable manner taking market interest rates into consideration.
 - As for underwriting of capital increase, MMC makes contribution of loans in kind through a debt-equity swap based on an agreement on price of equity restructuring concluded between shareholders. In addition, the said company was excluded from the scope of application of the equity method and is no longer qualified as a related party due to sale of equity interest held by MMC in the fiscal year under review. The above amount of transaction represents the amount in the period when the said company was a related party.

Per share information

(Yen)

	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Net assets per share	538.28	679.45
Basic earnings (loss) per share	113.38	103.97
Diluted earnings per share	113.36	103.96

(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.” (1,103 thousand shares for the fiscal year ended March 31, 2023, and 2,668 thousand shares for the fiscal year ended March 31, 2024.)

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. (1,108 thousand shares for the fiscal year ended March 31, 2023 and 1,451 thousand shares for the fiscal year ended March 31, 2024.)

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, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Basic earnings (loss) per share		
Profit (loss) attributable to owners of the parent (Millions of yen)	168,730	154,709
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)	168,730	154,709
Average number of shares of common stock outstanding during the period (Thousands of shares)	1,488,218	1,488,016
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)	230	89
(Of which, share acquisition rights (Thousands of shares))	(230)	(89)
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect	–	–

Subsequent events

In a product liability lawsuit filed in the Philadelphia Court of Common Pleas, Pennsylvania, the United States, the judgment was awarded on May 6, 2024 (U.S. local time) against MMC’s North American subsidiary, Mitsubishi Motors North America, Inc. (MMNA), ordering MMNA to pay damages in the amount of 1,010 million US dollars.

On May 28, 2024 (U.S. local time), MMNA filed an appeal against the above judgment to the Superior Court of Pennsylvania, the United States.

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, 2024 (Millions of yen)	Balance at end of the fiscal year ended March 31, 2024 (Millions of yen)	Average interest rate (%)	Due
Short-term loans payable	31,330	68,053	3.0	–
Current portion of long-term loans payable	73,098	224,612	0.6	–
Current portion of lease liabilities	3,519	3,719	4.8	–
Long-term loans payable (excluding current portion)	248,048	127,781	1.3	2029 to 2030
Lease liabilities (excluding current portion)	24,785	24,690	5.4	2025 to 2052
Other interest-bearing debt				
Other (Commercial papers – current liabilities)	47,500	43,500	0.2	–
Other (Deposits received from employees - current liabilities)	2,750	2,566	0.5	–
Other (Deposits received - current liabilities)	1,700	1,700	0.1	–
Other (Guarantee deposits received - non-current liabilities)	2,282	2,216	0.0	–
Total	435,015	498,840	–	–

(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	51,287	36,649	30,286	8,934
Lease liabilities	2,335	1,793	956	633

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

1) Quarterly financial information and others for the fiscal year under review

(Cumulative period)	First quarter (Three months ended June 30, 2023)	Second quarter (Six months ended September 30, 2023)	Third quarter (Nine months ended December 31, 2023)	Full year (Fiscal year ended March 31, 2024)
Net sales (Millions of yen)	635,753	1,330,817	2,063,855	2,789,589
Profit (loss) before income taxes (Millions of yen)	61,645	93,907	139,424	180,832
Profit (loss) attributable to owners of parent (Millions of yen)	47,949	67,489	102,755	154,709
Basic earnings (loss) per share (Yen)	32.22	45.34	69.04	103.97

(Accounting period)	First quarter (from April 1, 2023 to June 30, 2023)	Second quarter (from July 1, 2023 to September 30, 2023)	Third quarter (from October 1, 2023 to December 31, 2023)	Fourth quarter (from January 1, 2024 to March 31, 2024)
Basic earnings (loss) per share (Yen)	32.22	13.12	23.70	34.93

2) Information after the balance sheet date

There are no noteworthy matters to report.

3) Significant lawsuits, etc.

Significant lawsuits, etc., are described in the “Notes, Consolidated balance sheet, 6 Contingent liabilities.”

2. Non-consolidated financial statements

(1) Non-consolidated financial statements

(a) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2023		As of March 31, 2024	
Assets				
Current assets				
Cash and deposits		263,853		368,435
Accounts receivable - trade	(*)	299,954	(*)	274,098
Finished goods		36,132		37,993
Work in process		12,792		14,099
Raw materials and supplies		33,055		33,700
Prepaid expenses		3,059		3,326
Short-term loans receivable	(*)	26,481	(*)	17,998
Accounts receivable - other	(*)	58,233	(*)	64,163
Other	(*)	13,769	(*)	25,421
Allowance for doubtful accounts		(13,819)		(975)
Total current assets		733,513		838,263
Non-current assets				
Property, plant and equipment				
Buildings	(*)	30,305	(*)	31,634
Structures	(*)	5,840	(*)	6,354
Machinery and equipment	(*)	56,345	(*)	62,582
Vehicles	(*)	865	(*)	1,684
Tools, furniture and fixtures	(*)	38,837	(*)	36,382
Land		64,763		70,344
Construction in progress		8,071		12,436
Total property, plant and equipment		205,028		221,418
Intangible assets				
Intangible assets		35,807		38,770
Total intangible assets		35,807		38,770
Investments and other assets				
Investment securities		6,699		8,394
Shares of subsidiaries and associates		185,648		183,353
Long-term loans receivable		157		2,251
Investments in capital of subsidiaries and associates		6,321		7,733
Guarantee deposits		4,990		4,950
Long-term prepaid expenses		15,900		15,947
Deferred tax assets		28,392		34,614
Other		4,603		6,205
Allowance for doubtful accounts		(453)		(478)
Total investments and other assets		252,261		262,972
Total non-current assets		493,097		523,162
Total assets		1,226,610		1,361,425

(Millions of yen)

	As of March 31, 2023		As of March 31, 2024	
Liabilities				
Current liabilities				
Electronically recorded obligations - operating	(*1)	90,835	(*1)	99,740
Accounts payable - trade	(*1)	248,380	(*1)	224,788
Current portion of long-term borrowings		–		150,000
Lease liabilities		61		114
Accounts payable - other	(*1)	105,572	(*1)	106,572
Accrued expenses	(*1)	9,365	(*1)	9,349
Income taxes payable		8,470		1,479
Deposits received	(*1)	9,300	(*1)	11,153
Provision for product warranties		31,356		41,332
Provision for contingent loss		10,009		–
Provision for loss on guarantees		3,859		–
Other		29,302		30,030
Total current liabilities		546,513		674,559
Non-current liabilities				
Long-term borrowings		150,000		–
Lease liabilities		94		144
Guarantee deposits received	(*1)	1,754	(*1)	1,653
Provision for retirement benefits		13,825		19,218
Asset retirement obligations		3,788		3,810
Other		3,635		4,548
Total non-current liabilities		173,098		29,374
Total liabilities		719,611		703,934
Net assets				
Shareholders' equity				
Share capital		284,382		284,382
Capital surplus				
Legal capital surplus		118,680		118,680
Other capital surplus		84,796		84,760
Total capital surplus		203,477		203,441
Retained earnings				
Legal retained earnings		5,605		5,605
Other retained earnings				
Retained earnings brought forward		13,758		164,971
Total retained earnings		19,363		170,577
Treasury shares		(989)		(1,688)
Total shareholders' equity		506,234		656,712
Valuation and translation adjustments				
Valuation difference on available-for-sale securities		693		1,500
Deferred gains or losses on hedges		42		(745)
Total valuation and translation adjustments		735		754
Share acquisition rights		29		23
Total net assets		506,999		657,491
Total liabilities and net assets		1,226,610		1,361,425

(b) Non-consolidated statement of income

(Millions of yen)

	For the fiscal year ended March 31, 2023		For the fiscal year ended March 31, 2024	
Net sales	(*1)	2,045,567	(*1)	2,348,961
Cost of sales	(*1)	1,730,483	(*1)	2,012,223
Gross profit		315,084		336,737
Selling, general and administrative expenses				
Advertising and promotion expenses		15,155		19,684
Transportation costs		64,131		83,577
Provision of allowance for doubtful accounts		(1,049)		(355)
Remuneration, salaries and allowances for directors (and other officers)		29,703		32,303
Provision for retirement benefits		1,762		1,828
Depreciation		8,565		9,882
Research and development expenses		61,025		57,642
Other		25,956		30,138
Total selling, general and administrative expenses		205,252		234,701
Operating profit (loss)		109,832		102,035
Non-operating income				
Interest and dividend income	(*1)	88,637	(*1)	82,326
Foreign exchange gains		4,018		13,839
Other		1,325		1,044
Total non-operating income		93,981		97,210
Non-operating expenses				
Interest expenses	(*1)	826	(*1)	812
Other		6,122		7,641
Total non-operating expenses		6,949		8,453
Ordinary profit (loss)		196,864		190,792
Extraordinary income				
Gain on sale of non-current assets	(*1)	23,593	(*1)	657
Gain on liquidation of subsidiaries		–	(*2)	1,831
Other		81		96
Total extraordinary income		23,674		2,585
Extraordinary losses				
Loss on retirement of non-current assets		1,610		2,036
Loss related to Russian operations	(*3)	18,588	(*3)	887
Loss related to Chinese operations	(*4)	22,569	(*4)	25,255
Other		3,010		1,064
Total extraordinary losses		45,778		29,244
Profit (loss) before income taxes		174,760		164,133
Income taxes - current		15,020		4,615
Income taxes - deferred		(29,326)		(6,589)
Total income taxes		(14,306)		(1,974)
Profit (loss)		189,066		166,108

(c) Non-consolidated statement of changes in net assets

(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

(Millions of yen)

For the fiscal year ended March 31, 2024	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	84,796	203,477	5,605	13,758	19,363	(989)	506,234
Changes during period									
Dividends of surplus						(14,894)	(14,894)		(14,894)
Profit (loss)						166,108	166,108		166,108
Purchase of treasury shares								(785)	(785)
Disposal of treasury shares								43	43
Exercise of share acquisition rights			(35)	(35)				41	6
Net changes in items other than shareholders' equity									
Total changes during period	-	-	(35)	(35)	-	151,213	151,213	(699)	150,478
Balance at end of period	284,382	118,680	84,760	203,441	5,605	164,971	170,577	(1,688)	656,712

For the fiscal year ended March 31, 2024	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	693	42	735	29	506,999
Changes during period					
Dividends of surplus					(14,894)
Profit (loss)					166,108
Purchase of treasury shares					(785)
Disposal of treasury shares					43
Exercise of share acquisition rights					6
Net changes in items other than shareholders' equity	806	(787)	18	(5)	13
Total changes during period	806	(787)	18	(5)	150,491
Balance at end of period	1,500	(745)	754	23	657,491

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 and plan assets 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

1. Liabilities related to market quality measures

1) Amount recorded in the financial statements as of March 31, 2024

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)
Liabilities related to market quality measures	17,083	18,788

(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, 1. Liabilities related to market quality measures, 2) Information on significant accounting estimates for identified items.”

2. Contingent liabilities (provision for loss on litigation)

Notes are omitted as they are identical to those made in the “Notes to Consolidated Financial Statements, Significant accounting estimates 2. Contingent liabilities (provision for loss on litigation).”

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) Monetary receivables from and payables to subsidiaries and associates (except for those separately disclosed)

	(Millions of yen)	
	For the fiscal year ended March 31, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Short-term monetary receivables	287,483	283,655
Short-term monetary payables	203,417	208,520
Long-term monetary payables	404	404

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

	(Millions of yen)	
	For the fiscal year ended March 31, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Accumulated depreciation of property, plant and equipment	552,262	538,061

3. Guarantee obligation

(1) Guarantee obligation

For the fiscal year ended March 31, 2023 (As of March 31, 2023)			For the fiscal year ended March 31, 2024 (As of March 31, 2024)		
Guaranteed	Guaranteed amount (Millions of yen)	Description of guaranteed obligation	Guaranteed	Guaranteed amount (Millions of yen)	Description of guaranteed obligation
MM Automobile Schweiz AG	-	-	MM Automobile Schweiz AG	877	Liquidation of receivables
Mitsubishi Corporation	-	-	Mitsubishi Corporation	425	Liquidation of receivables
Employees	183	(Note)	Employees	147	(Note)
Total	183		Total	1,449	

(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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
	693	1,565

4. Contingent liabilities

Notes are omitted as they are identical to those made in the "Notes to Consolidated Financial Statements, Consolidated balance sheet, 6. Contingent liabilities."

5. 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, 2024 based on this agreement is as follows.

	(Millions of yen)	
	For the fiscal year ended March 31, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
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, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Operating transactions:		
Sales	1,801,944	1,883,904
Purchase	928,024	1,060,924
Non-operating transactions	105,434	119,640

(*2) Gain on liquidation of subsidiaries

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

This resulted from completing the liquidation of Pajero Manufacturing Co., Ltd., a domestic consolidated subsidiary of MMC.

(*3) Loss related to Russian operations

For the previous fiscal year (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.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

MMC engages in assembly, production, and sales of finished vehicles in Russia through one consolidated subsidiary and multiple affiliates in Russia; however, MMC has decided not to resume production in Russia.

As a result, MMC has incurred costs such as disposal loss of components for production and arrears for the return of containers, etc., and has recorded extraordinary loss of 887 million yen.

(*4) Loss related to Chinese operations

For the previous fiscal year (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.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

Although GAC Mitsubishi Motors Co., Ltd., which was an affiliate of the MMC group in China, tried to recover its sales volume by releasing a new model in December 2022, it continued to fall short of its plan and has suspended its production since March 2023 in order to adjust its inventory. In light of this situation, we decided to fundamentally review our China strategy and implement structural reforms.

To this end, we recorded a loss related to Chinese operations of 25,255 million yen, which included compensation to related business partners and suppliers, and other associated costs.

Securities

For the previous fiscal year (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.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

The fair values of the shares of subsidiaries and affiliates (balance sheet amounts of 161,704 million yen and 21,649 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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Deferred tax assets:		
Net operating losses carried forward	251,609	243,297
Excess amount over limitation of taxable allowance for doubtful accounts	4,320	425
Excess amount over limitation of taxable provision for retirement benefits	17,795	18,457
Denial of loss on valuation of subsidiaries and associates' stocks	122,396	120,996
Liabilities related to market quality measures	5,171	5,689
Provision for product warranties	9,491	12,515
Foreign tax credit carried forward	10,317	11,298
Non-current assets (including impairment losses)	31,107	28,257
Other	30,861	19,118
Subtotal	483,071	460,057
Valuation allowance related to net operating losses carried forward	(249,933)	(231,213)
Valuation allowance related to total deductible temporary differences	(203,045)	(192,610)
Subtotal valuation allowance	(452,978)	(423,823)
Total deferred tax assets	30,092	36,233
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(301)	(651)
Other	(1,398)	(967)
Total deferred tax liabilities	(1,699)	(1,618)
Net deferred tax assets (liabilities)	28,392	34,614

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, 2023 (As of March 31, 2023)	For the fiscal year ended March 31, 2024 (As of March 31, 2024)
Effective statutory tax rate	30.3%	30.3%
Reconciliations:		
Non-deductible items (entertainment expenses, etc.)	0.2	1.5
Non-taxable items (dividend income)	(14.3)	(14.4)
Foreign withholding taxes	3.7	1.6
Tax credit for experimental research expenses	(2.2)	(1.4)
Tax credit for increase in amount of payment in salaries, etc.	(1.6)	(0.7)
Foreign tax credit	(0.1)	(0.1)
Change in valuation allowance	(22.9)	(17.8)
Other	(1.2)	(0.2)
Actual effective income tax rate after application of tax-effect accounting	(8.2)	(1.2)

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

MMC has applied 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).

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

Notes are omitted as they are identical to those made in the “Notes to Consolidated Financial Statements, Subsequent events.”

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	136,422	3,765	5,922 (25)	134,266	102,632	2,306	31,634
	Structures	36,825	1,182	764 (0)	37,243	30,889	632	6,354
	Machinery and equipment	319,235	9,766	8,228 (0)	320,773	258,190	3,322	62,582
	Vehicles	4,679	1,198	296	5,581	3,896	300	1,684
	Tools, furniture and fixtures	187,292	10,566	(*2) 19,025 (578)	178,834	142,452	12,404	36,382
	Land	64,763	6,381	800	70,344	–	–	70,344
	Construction in progress	8,071	(*1) 26,309	(*3) 21,944	12,436	–	–	12,436
Total property, plant and equipment		757,291	59,170	56,981 (603)	759,480	538,061	18,966	221,418
Intangible assets	Patent right	608	–	–	608	514	57	93
	Software	48,192	11,491	5,789 (14)	53,894	21,439	7,282	32,455
	Other	7,307	10,590	11,496	6,400	178	25	6,222
Total intangible assets		56,108	22,081	17,286 (14)	60,903	22,132	7,364	38,770

(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	7,533 million yen
Minicar production facilities	1,542 million yen
Engine production facilities	5,618 million yen
Research and development facilities	4,628 million yen
Other facilities	6,988 million yen

(*2) Major decreases in tools, furniture and fixtures

Passenger car production facilities	13,210 million yen
Minicar production facilities	1,377 million yen
Engine production facilities	968 million yen
Research and development facilities	796 million yen
Other facilities	2,674 million yen

(*3) Major decreases in construction in progress

Passenger car production facilities	6,232 million yen
Minicar production facilities	1,061 million yen
Engine production facilities	4,206 million yen
Research and development facilities	1,550 million yen
Other facilities	8,895 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	14,272	70	12,889	1,453
Provision for product warranties	31,356	22,931	12,955	41,332
Provision for contingent loss	10,009	25,020	35,029	–
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.

Significant lawsuits, etc. are listed on “Notes, Non-consolidated balance sheet, 4. Contingent liabilities.”

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/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

FY2022 (from April 1, 2022 to March 31, 2023)

(2) Amendment Report of Annual Securities Report and Confirmation Letter

Submitted to the Director-General of the Kanto Local Finance Bureau on June 21, 2024

The Amendment Report of Annual Securities Report for FY2022 (from April 1, 2022 to March 31, 2023) and Confirmation Letter thereof

(3) Internal Control Report and Accompanying Documents

Submitted to the Director-General of the Kanto Local Finance Bureau on June 23, 2023

(4) Quarterly Securities Reports and Confirmation Letter

First Quarter of FY2023 (from April 1, 2023 to June 30, 2023)

Submitted to the Director-General of the Kanto Local Finance Bureau on August 3, 2023

Second Quarter of FY2023 (from July 1, 2023 to September 30, 2023)

Submitted to the Director-General of the Kanto Local Finance Bureau on November 13, 2023

Third Quarter of FY2023 (from October 1, 2023 to December 31, 2023)

Submitted to the Director-General of the Kanto Local Finance Bureau on February 7, 2024

(5) Correction Report of Quarterly Securities Report and Confirmation Letter

Submitted to the Director-General of the Kanto Local Finance Bureau on December 4, 2023

The Correction Report and its Confirmation Letter for the Quarterly Securities Report for the first quarter of FY2023 (from April 1, 2023 to June 30, 2023)

(6) Extraordinary Report

Submitted to the Director-General of the Kanto Local Finance Bureau on June 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 (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 June 29, 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 October 25, 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 February 27, 2024

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 March 11, 2024

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 13, 2024

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 (xiv) (a suit filed against a consolidated subsidiary company) 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 21, 2024

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

<Consolidated 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, 2024 (April 1, 2023 through March 31, 2024).

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, 2024, 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.

Emphasis of Matter

As described in "Subsequent events," in a product liability lawsuit filed in the Philadelphia Court of Common Pleas, Pennsylvania, the United States, the judgment was awarded on May 6, 2024 (U.S. local time) against MMC's North American subsidiary, Mitsubishi Motors North America, Inc. (MMNA), ordering MMNA to pay damages in the amount of 1,010 million US dollars.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are matters which in the auditor's professional judgment 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 20,925 million yen of liabilities related to market quality measures in the fiscal year ended March 31, 2024. 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 judgments 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, 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 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.

Contingent liabilities for a product liability lawsuit in the United States	
Description of the Key Audit Matter and Reason for Determining the Matter	How We Addressed the Matter in Our Audit
<p>As stated in (6) Contingent liabilities in the Notes to consolidated balance sheet, MMC has been cooperating with regard to various lawsuits, tax inquiries by tax authorities, administrative researches by regulatory agencies, etc., in the course of developing its business in various countries around the world.</p> <p>While some of these have recorded provisions for loss on litigation based on estimated future losses, others have a certain degree of likelihood that loss would occur going forward, but it is not possible to make a reasonable estimation of such loss for the future at this point in time. Therefore, MMC has not recorded any provisions with regard to the latter.</p> <p>As described in the said note, in a product liability lawsuit filed in the Philadelphia Court of Common Pleas, Pennsylvania, the United States in November 2018, the judgment was awarded on May 6, 2024 (U.S. local time) against MMC's North American subsidiary, Mitsubishi Motors North America, Inc. (MMNA), ordering MMNA to pay damages in the amount of 1,010 million US dollars. On May 28, 2024 (U.S. local time), MMNA filed an appeal against the above judgment to the Superior Court of Pennsylvania, the United States.</p> <p>It is difficult for management to predict the outcome of this litigation, and the judgment of the likelihood of loss from this litigation and the possibility to reasonably estimate the amount of future losses may significantly affect the consolidated financial statements.</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 contingent liabilities related to the litigation.</p> <ul style="list-style-type: none"> • To understand the facts and the progress of the lawsuit, asked questions to the legal division and inspected the relevant document pertaining to this judgment. • To evaluate the reasonableness of the determination of the likelihood of loss and the possibility to reasonably estimate the amount of future losses, received a statement from the company regarding investigative proceedings on the need for recognizing provisions, discussed with MMC's management its views on the consequences of this lawsuit, and obtained a Management Representation Letter. • To evaluate the reasonableness of the determination of the likelihood of loss and the possibility to reasonably estimate the amount of future losses, performed a confirmation process with MMC's legal counsel regarding the MMC's view on the consequences of this lawsuit. • To assess MMC's view on the consequences of this lawsuit, engaged outside legal experts whom we retain.

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 report that we have complied with the ethical requirements in Japan regarding independence, on matters that may be reasonably thought to impact our independence, as well as cases where countermeasures have been established to eliminate obstructions to our independence or cases where safeguards have been applied to reduce these obstructions to allowable levels.

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, 2024 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, 2024 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 report that we have complied with the ethical requirements in Japan regarding independence, on matters that may be reasonably thought to impact our independence, as well as cases where countermeasures have been established to eliminate obstructions to our independence or cases where safeguards have been applied to reduce these obstructions to allowable levels.

<Compensation-related information>

The amounts of compensation paid to us and other firms in the same network as us for audit attestation services and non-audit work for MMC and its subsidiaries are included in (3) Status of audits of Information about corporate governance, etc. in Information about Reporting Company.

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 21, 2024

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 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 FY2023 (April 1, 2023 through March 31, 2024).

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, 2024, 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.

Emphasis of Matter

As described in “Subsequent events,” in a product liability lawsuit filed in the Philadelphia Court of Common Pleas, Pennsylvania, the United States, the judgment was awarded on May 6, 2024 (U.S. local time) against MMC’s North American subsidiary, Mitsubishi Motors North America, Inc. (MMNA), ordering MMNA to pay damages in the amount of 1,010 million US dollars.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are matters which in the auditor’s professional judgment 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 18,788 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.

Contingent liabilities for a product liability lawsuit in the United States

As stated in (4) Contingent liabilities in the Notes to balance sheet, in a product liability lawsuit filed in the Philadelphia Court of Common Pleas, Pennsylvania, the United States in November 2018, the judgment was awarded on May 6, 2024 (U.S. local time) against MMC's North American subsidiary, Mitsubishi Motors North America, Inc. (MMNA), ordering MMNA to pay damages in the amount of 1,010 million US dollars.

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 (Contingent liabilities related to a product liability lawsuit in the United States) 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 report that we have complied with the ethical requirements in Japan regarding independence, on matters that may be reasonably thought to impact our independence, as well as cases where countermeasures have been established to eliminate obstructions to our independence or cases where safeguards have been applied to reduce

these obstructions to allowable levels.

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.

<Compensation-related information>

Compensation-related information is presented in the auditor's report to the consolidated financial statements.

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 (“*Naibutousei-Houkokusho*”)
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 21, 2024
Company name: 三菱自動車工業株式会社 (*Mitsubishi Jidosha Kogyo Kabushiki Kaisha*)
Company name in English: MITSUBISHI MOTORS CORPORATION
Title and name of representative: Takao Kato, Representative Executive Officer, President & CEO
Title and name of chief financial officer: Kentaro Matsuoka, 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 Kentaro Matsuoka, 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, 2024 (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, 14 consolidated subsidiaries, and two entities accounted for using equity method. Also, 20 consolidated subsidiaries and 15 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 (“*Kakuninsho*”)
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 21, 2024
Company name: 三菱自動車工業株式会社 (*Mitsubishi Jidosha Kogyo Kabushiki Kaisha*)
Company name in English: MITSUBISHI MOTORS CORPORATION
Title and name of representative: Takao Kato, Representative Executive Officer, President & CEO
Title and name of chief financial officer: Kentaro Matsuoka, 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 Kentaro Matsuoka, Representative Executive Officer, Executive Vice President (CFO) of MITSUBISHI MOTORS CORPORATION, have confirmed that this annual securities report for FY2023 (April 1, 2023 through March 31, 2024) 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.