

<Requests to Shareholders>

MMC places top priority on the health of our shareholders. To prevent the spread of the novel coronavirus disease (COVID-19), MMC strongly requests that you exercise your voting right(s) in writing or via the Internet by posting your voting form and refrain from attending the General Meeting of Shareholders in person, if at all possible. As the number of seats available will be limited to a few dozen in order to ensure that there is enough space between seats to avoid contact between shareholders, we may ask you not to enter the venue once the number of attendees exceeds this limit. We will provide a livestreaming of the meeting via the Internet so that shareholders can view the meeting from their homes, etc. We ask that you view the meeting via the Internet instead of attending the meeting in person.

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

<MMC's Measures on the Day of the General Meeting of Shareholders>

At this time, MMC would like to offer our sincere condolences for those who have lost their lives from COVID-19 and our deepest sympathies for those suffering from the disease and affected individuals, as well as those impacted by the spread of the disease.

Regarding MMC's measures for COVID-19 on the day of the General Meeting of Shareholders, the information regarding this General Meeting of Shareholders and MMC's measures may change depending on the spread of infections and government announcements, etc. Therefore, be sure to check MMC's website (<https://www.mitsubishi-motors.com/en/investors/stockinfo/meeting.html>).

Note: This English translation is for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail. We assume no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.

(Securities code: 7211)

June 3, 2021

To our shareholders

1-21, Shibaura 3-chome, Minato-ku, Tokyo

MITSUBISHI MOTORS CORPORATION

Representative Executive Officer, President & CEO Takao Kato

NOTICE OF THE 52ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified of the 52nd Ordinary General Meeting of Shareholders of MITSUBISHI MOTORS CORPORATION (“MMC”) to be held as described as below.

MMC places top priority on the health of our shareholders. This year, to prevent the spread of COVID-19, MMC strongly requests that you exercise your voting right(s) in writing or via the Internet by posting your voting form so that it arrives before 5:45 p.m. on Tuesday, June 22, 2021 or inputting your vote on the website for exercising voting right(s) before the aforementioned date and time, and refrain from attending the General Meeting of Shareholders in person, if at all possible.

We will provide a livestreaming of the meeting from the opening to the closing on the date it is held via the Internet so that shareholders can view the meeting from their homes, etc. In addition, because shareholders can submit questions in advance via the Internet and MMC plans to explain matters of great interest to shareholders at the General Meeting of Shareholders, MMC strongly recommends that you use this method. Details are provided later in this document.

1. **Date and time** Wednesday, June 23, 2021 at 10:00 a.m. (Japan time)
2. **Place** 1-21, Shibaura 3-chome, Minato-ku, Tokyo
msb Tamachi - Tamachi Station Tower S 24F, Meeting Room, Head Office of MMC
3. **Purposes**
Matters to report
 1. Contents of Fiscal 2020 (from April 1, 2020 to March 31, 2021) Business Report, contents of Consolidated Financial Statements and Audit Reports of Accounting Auditors and Audit Committee on the Consolidated Financial Statements
 2. Report on the Fiscal 2020 (from April 1, 2020 to March 31, 2021) Financial Statements

Matters for resolution

Proposal Election of 13 Members of the Board

- **Please refer to the guide on pages 7 to 9 of this Notice of Ordinary General Meeting of Shareholders for information on how to view the livestream via the Internet on the day of the meeting.**

Matters Regarding Disclosure on the Internet

- If it becomes necessary to amend any items contained in the reference materials for the Ordinary General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Financial Statements, the amended material will be posted on MMC's website.
- The below-mentioned documents are not included in this Notice of Ordinary General Meeting of Shareholders, but are posted on MMC's website pursuant to laws and regulations and Article 13 of MMC's Articles of Incorporation. Documents which were audited by the Audit Committee and the Accounting Auditors in preparing the Audit Reports include the documents attached to this notice and the below-mentioned documents.
 - (a) "Share acquisition rights of MMC," "Accounting Auditors" and "System to ensure appropriate business activities and outline of the operating status of such systems" of Business Report
 - (b) Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements
 - (c) Statement of Changes in Net Assets and Notes to Financial Statements

MMC's website <https://www.mitsubishi-motors.com/en/investors/stockinfo/meeting.html>

Notice on Exercising Voting Rights

Please exercise your voting rights using any of the following methods.

Exercising Voting Rights in Writing

- Please indicate either “for” or “against” for each proposal using the enclosed voting form, and return it to arrive by the voting deadline (no postage is necessary).
- If neither “for” nor “against” for each proposal is indicated on the voting form, MMC will treat such voting forms as indicating “for.”

Voting deadline: To be received no later than 5:45 p.m. on Tuesday, June 22, 2021 (Japan time)

Guide to filling in the voting form

Please indicate your approval or disapproval to proposal.

If you approve all candidates: Mark a ○ in the box marked “賛”

If you disapprove all candidates: Mark a ○ in the box marked “否”

If you selectively disapprove certain candidates: Mark a ○ in the box marked “賛” and write the number of each candidate you choose to disapprove in the vacant box below.

You can exercise your voting rights by scanning the QR code with your smartphone or tablet, etc. This method does not require you to enter a login ID or temporary password.

Exercising Voting Rights via the Internet

Please enter “for” or “against” for each of the proposals in accordance with the instructions on the following page.

Voting deadline: No later than 5:45 p.m. on Tuesday, June 22, 2021 (Japan time)

Shareholders Attending the General Meeting of Shareholders

- Please present the enclosed voting form at the reception desk.
- You may name one (1) shareholder who holds voting rights of MMC to act as proxy and exercise your voting rights. To do so, please submit a document evidencing the authority of proxy.

Notice on Exercising Voting Rights via the Internet

Scanning QR code®

You can simply login to the website for exercising voting rights without entering your login ID and temporary password.

1. Please scan the QR code® located on the lower right of the voting form with your smartphone or tablet, etc.

* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

Note that you can exercise your voting rights only once by using QR code®.

If you wish to redo your vote, please refer to the “Entering login ID and temporary password” on the right.

Entering login ID and temporary password

1. Please access the website for exercising voting right(s).

Website for exercising voting right(s):

<https://evote.tr.mufg.jp/>

2. Please enter your login ID and temporary password printed on the voting form.

Enter your login ID and temporary password.

Click “Log in.”

3. Please register a new password.

Enter your new password.

Click “Send.”

4. Indicate your approval or disapproval by following the instructions on the screen.

In case you need instructions for how to operate your personal computer/smartphone/tablet/mobile phone in order to exercise your voting rights via the Internet, please contact:

Mitsubishi UFJ Trust and Banking Corporation

Stock Transfer Agency Department Help Desk

Tel: 0120-173-027 (Toll free only from Japan / Hours: 9:00 a.m. to 9:00 p.m. JST)

- Registered institutional investors may use the “Electronic Proxy Voting Platform for Institutional Investors” that is operated by ICJ Inc.
- Please note that the website for accessing this platform is unavailable from 2:00 a.m. through 5:00 a.m.
- Handling of duplicate exercising of voting rights in writing and/or via the Internet
 - (1) In case a voting right is exercised in duplicate in writing and via the Internet, exercising of voting rights over the Internet shall be regarded as valid.
 - (2) Except in case (1) above, in case a voting right is exercised in duplicate, the last exercising of the voting right shall be regarded as valid.

Guidance on submission of questions in advance

MMC will accept the submission of questions from shareholders even before the General Meeting of Shareholders via the Internet.

- Of the questions submitted prior to the General Meeting of Shareholders, MMC plans to explain matters of great interest to shareholders in addition to responding to questions on the day of the General Meeting of Shareholders. However, please note that MMC is not able to provide individual responses for all of the questions submitted prior to the General Meeting of Shareholders.
- Please access the dedicated website by entering the following URL in your web browser or by scanning the QR code in advance. Once at the website, please input the required information as prompted.
- Shareholders can view a live broadcast of the responses during the General Meeting of Shareholders via the Internet.
- Effective this year, MMC has stopped accepting questions submitted beforehand on the voting card. Thank you for your understanding.

Website for questions in advance: <https://www.net-research.jp/1078601/>



Deadline: No later than 5:00 p.m. on Friday, June 18, 2021 (Japan time)

Guide to Livestreaming via the Internet

- MMC will broadcast the General Meeting of Shareholders via the Internet as follows, so that shareholders can view the meeting from home.

MMC is offering, to shareholders only, the opportunity to view the General Meeting of Shareholders by livestreaming. The duration of the livestreaming will be from the start of the meeting until the end of the meeting.

1. Streaming time


From 10:00 a.m. on June 23, 2021 (Wed) until the end of the General Meeting of Shareholders.

- The website for viewing on the day will be set up 30 minutes prior to the start of the meeting, at around 9:30 a.m.

2. How to view

- (1) Access the video streaming website either by directly entering the following URL into your PC or smartphone, or by scanning the QR code.
 - If you wish to view the General Meeting of Shareholders, please apply to participate in advance at the following URL.

(You can also apply on the day of the General Meeting of Shareholders.)

Video streaming website	(URL) https://7211.v-virtual-mtg.jp	
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- (2) After you have accessed the video streaming website, please follow the on-screen guidance to enter the following ID and password.

- a. ID: The “shareholder number” (8 digit number) printed on the voting form enclosed in this envelope
 - Please make sure to have the number at hand before submitting the voting form.
- b. Password: The “postcode number” of your registered address in the shareholder registry (as of March 31, 2021) (7 digit number, no hyphen)

*Image of the voting form

b. Password (postcode number)

a. Shareholder ID (shareholder number)

Please Note

There is a possibility that b. password (postcode number) may be different from the postcode number printed on the voting form. (Any change of address after the reference date for the General Meeting of Shareholders or information such as a designated address for sending the voting form will not be reflected on the voting form.) Furthermore, for shareholders living outside of Japan, if you have a standing proxy, please use the postcode of the proxy.

3. Points to note

- Viewing the General Meeting of Shareholders by livestreaming via the Internet does not constitute attendance at the General Meeting of Shareholders under the Companies Act, and you will be unable to exercise voting rights, ask questions, give opinions (or move motions) on the day of the General Meeting of Shareholders. Please exercise your voting rights in advance in writing or via the Internet. (For information on how to exercise your voting rights in advance, please see pages 4 to 5.)
- If you become unable to livestream the meeting via the Internet on the day due to some circumstances, please ask for guidance on the MMC's website.
(<https://www.mitsubishi-motors.com/en/investors/stockinfo/meeting.html>)
- Please be aware that your PC environment or Internet connection environment may cause faults in the video or audio of the livestream.
- Telecommunication fees for viewing the meeting are to be borne by the shareholder.
- Viewing is restricted to the shareholder alone.
- Photography, video, recording, saving, or publication via social media, etc., of the livestream is strictly prohibited.

4. Viewing test method

You can conduct a viewing test of environment by accessing the website using the method described in “2. How to view” during the period from May 25, 2021 (Tue) until 30 minutes prior to the start of the General Meeting of Shareholders on the day.

5. Guidance for the shareholders attending the meeting in person

Photographing the venue on the day will be taken from the rear of the venue out of consideration for the privacy of attending shareholders; however, please understand that attending shareholders may be captured in pictures in some cases.

- After the livestreaming is finished, the General Meeting of Shareholders will be available to view on video for about one month after the meeting. Please visit MMC’s video streaming website to access the video.
 - The video will cover the meeting to up to the point before the questions from shareholders on the day.

Video streaming website (provides a live video of proceedings)
(<https://www.mitsubishi-motors.com/en/streaming/>)



Inquiries Regarding ID and password for the livestreaming

Mitsubishi UFJ Trust and Banking Corporation

Tel: 0120-191-060 (Toll free only from Japan)

Hours:

June 23, 2021 (Wednesday) from 9:00 a.m. (JST) until the end of the General Meeting of Shareholders

【52nd Ordinary General Meeting of Shareholders】

Reference Documents for General Meeting of Shareholders


Proposal Election of 13 Members of the Board


As the terms of office of 14 current Members of the Board will expire at the conclusion of this Ordinary General Meeting of Shareholders, MMC proposes the election of 13 Members of the Board. The candidates for election are as follows.

No.	Name		Current position and responsibility in MMC	Board of Directors Meeting attendance (FY 2020)	Term of office (at the conclusion of this meeting)
1	Tomofumi Hiraku	<div>New</div> <div>Outside</div> <div>Independent</div>	—	—	—
2	Takao Kato	<div>Reappointment</div>	Member of the Board, Representative Executive Officer, President & CEO (Internal Director) Member of the Nomination Committee Member of the Compensation Committee	16/16	2 years
3	Kozo Shiraji	<div>Reappointment</div>	Member of the Board (Internal Director) Member of the Audit Committee	16/16	2 years
4	Shunichi Miyana	<div>Reappointment</div> <div>Outside</div>	Member of the Board (Outside Director) Member of the Compensation Committee (Chairperson)	16/16	7 years
5	Ken Kobayashi	<div>Reappointment</div> <div>Outside</div>	Member of the Board (Outside Director) Member of the Nomination Committee	16/16	5 years


No.	Name		Current position and responsibility in MMC	Board of Directors Meeting attendance (FY 2020)	Term of office (at the conclusion of this meeting)
6	Main Kohda (Real Name: Tokuko Sawa)	<div>Reappointment</div> <div>Outside</div> <div>Independent</div>	Member of the Board (Outside Director) Member of the Nomination Committee (Chairperson) Member of the Compensation Committee	16/16	3 years
7	Yaeko Takeoka	<div>Reappointment</div> <div>Outside</div> <div>Independent</div>	Member of the Board (Outside Director) Member of the Audit Committee (Chairperson)	14/16	2 years
8	Kenichiro Sasae	<div>Reappointment</div> <div>Outside</div> <div>Independent</div>	Member of the Board (Outside Director) Member of the Nomination Committee	16/16	2 years
9	Kiyoshi Sono	<div>Reappointment</div> <div>Outside</div>	Member of the Board (Outside Director) Member of the Audit Committee	14/16	2 years
10	Hideyuki Sakamoto	<div>Reappointment</div> <div>Outside</div>	Member of the Board (Outside Director) Member of the Nomination Committee	14/16	2 years
11	Yoshihiko Nakamura	<div>Reappointment</div> <div>Outside</div> <div>Independent</div>	Member of the Board (Outside Director) Member of the Audit Committee	13/13	1 year
12	Joji Tagawa	<div>Reappointment</div> <div>Outside</div>	Member of the Board (Outside Director) Member of the Compensation Committee	13/13	1 year

No.	Name		Current position and responsibility in MMC	Board of Directors Meeting attendance (FY 2020)	Term of office (at the conclusion of this meeting)
13	Takahiko Ikushima	<div>Reappointment</div> <div>Outside</div>	Member of the Board (Outside Director)	13/13	1 year


No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions		Number of MMC shares owned
1	 Tomofumi Hiraku (March 23, 1956) <div>New</div> <div>Outside Director</div> <div>Independent Director</div>	April 1978 April 1993 May 1994 June 1997 July 1998 June 2000 January 2001 July 2002 September 2005 July 2006 June 2008 July 2009 October 2010	Joined the Ministry of International Trade and Industry (MITI) (present: Ministry of Economy, Trade and Industry (METI)) Director, Industrial Labor Policy Office, Industrial Policy Bureau, MITI Consul, Consulate-General of Japan at Vancouver, Canada, Ministry of Foreign Affairs Director, Tariff Division, International Economic Affairs Department, International Trade Policy Bureau, MITI Director-General, General Coordination and Policy Planning Department, Kansai Bureau, MITI (present: Ministry of Economy, Trade and Industry (METI)) Director, Planning Division, Coal and New Energy Department, Agency for Natural Resources and Energy, MITI Director, Policy Planning Division, Energy Conservation and Renewable Energy Department, Agency for Natural Resources and Energy, METI Director, Economic and Fiscal Management Bureau, Cabinet Office, Government of Japan Director-General for Manufacturing Industries Policy, Manufacturing Industries Bureau, METI Director-General for Natural Resources and Energy Policy, Agency for Natural Resources and Energy, METI Director-General, Kansai Bureau, METI Director-General, Manufacturing Industries Bureau, METI Joined IBM Japan, Ltd. as an Executive Advisor	20,000
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Although Mr. Tomofumi Hiraku does not have direct experience of involvement in the management of a company, he 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 proposes him as a candidate for 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 as the Chairperson of the Board of Directors meeting.</p> <p>If he is elected, he will chair the Board of Directors meeting as the Chairman of the Board and will be involved as a Member of the Nomination Committee in decision-making such as the selection of candidates for MMC's officers from an objective and neutral standpoint.</p>				


No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
2	 <p>Takao Kato (February 21, 1962)</p> <p>Term of office as Director 2 years</p> <p>Attendance at Meetings in FY 2020</p> <p>Board of Directors: 16/16 Nomination Committee: 4/4 Compensation Committee: 9/9</p> <div>Reappointment</div>	<p>April 1984 Joined MMC</p> <p>April 2002 Manager of the Body Production Engineering Dept., Vehicle Production Division, Vehicle Production Headquarters, MMC</p> <p>April 2003 Section Manager of the Body Section, Production Dept., Nagoya Plant, MMC</p> <p>April 2007 Vice General Manager of Production Dept., Nagoya Plant, MMC</p> <p>August 2008 Expert of Production Dept., Nagoya Plant, MMC</p> <p>April 2009 Expert of the Russian Assembly Business Promotion Office, MMC</p> <p>April 2010 Senior Expert of the Russian Assembly Business Promotion Office, MMC</p> <p>May 2010 Transferred to PCMA Rus, LLC</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> <p>(Responsibility) Member of the Nomination Committee Member of the Compensation Committee</p>	7,839
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Takao Kato has many years of experience and insight concerning management of MMC's global business, including experience of serving as President of PT Mitsubishi Motors Krama Yudha Indonesia, one of MMC's largest overseas manufacturing bases. In addition, he has been engaged in MMC's management since June 2019 as CEO. As such, MMC continuously proposes him as a candidate for Member of the Board with the expectation that he will play an important role in the decisions in significant matters and business execution of MMC.</p> <p>If he is elected, he will be involved as a Member of the Compensation Committee in decision-making such as determining the MMC's officer compensation system as a representative of MMC's executive side.</p>			


No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
3	 <p>Kozo Shiraji (April 22, 1954)</p> <p>Term of office as Director 2 years</p> <p>Attendance at Meetings in FY 2020</p> <p>Board of Directors: 16/16</p> <p>Audit Committee: 15/15</p> <div>Reappointment</div>	<p>April 1977 Joined Mitsubishi Corporation</p> <p>April 2009 Senior Vice President, Division COO of Motor Vehicle Business Div., Mitsubishi Corporation</p> <p>April 2013 Executive Vice President, Group CEO of Machinery Group, Mitsubishi Corporation</p> <p>April 2016 Senior Executive Officer, Assistant to President, MMC</p> <p>June 2016 Member of the Board, Executive Vice President (Overseas Operations, Global After Sales), MMC</p> <p>January 2017 Member of the Board, Executive Vice President (Overseas Operations, Global After Sales), CPO, MMC</p> <p>April 2018 Member of the Board, Assistant CEO, MMC</p> <p>June 2018 Audit & Supervisory Board Member, MMC</p> <p>June 2019 Member of the Board, MMC (to the present)</p> <p>(Responsibility)</p> <p>Member of the Audit Committee</p>	12,800
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Kozo Shiraji has not only experience in MMC but also considerable experience, achievements and insight nurtured through his long-standing career in the automotive business at a general trading company that operates worldwide. As such, MMC continuously proposes him as a candidate for Member of the Board with the expectation that these qualities may benefit MMC's management.</p> <p>If he is elected, he will be involved as a full-time Member of the Audit Committee in the audit of the execution of duties by Executive Officers and Directors as well as the selection of the Accounting Auditor.</p>			


No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
4	 <p>Shunichi Miyanaga (April 27, 1948)</p> <p>Term of office as Director 7 years</p> <p>Attendance at Meetings in FY 2020</p> <p>Board of Directors: 16/16 Compensation Committee: 9/9</p> <div>Reappointment</div> <div>Outside Director</div>	<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>(Responsibility) Member of the Compensation Committee (Chairperson)</p> <p><Important concurrent positions> Chairman of the Board, Mitsubishi Heavy Industries, Ltd. Outside Director, Mitsubishi Corporation</p>	14,975
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Mr. Shunichi Miyanaga has considerable experience, achievements and insight nurtured through his long-standing career in corporate management at the manufacturing company that operates worldwide. As such, MMC continuously proposes him as a candidate for 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.</p> <p>If he is elected, he will be involved as the Chairperson of the Compensation Committee in decision-making such as determining the MMC's officer compensation system from an objective and neutral standpoint.</p>			


No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
5	 <p>Ken Kobayashi (February 14, 1949)</p> <p>Term of office as Director 5 years</p> <p>Attendance at Meetings in FY 2020</p> <p>Board of Directors: 16/16 Nomination Committee: 6/6</p> <div>Reappointment</div> <div>Outside Director</div>	<p>July 1971 Joined Mitsubishi Corporation</p> <p>April 2003 Senior Vice President, General Manager of Singapore Branch, Mitsubishi Corporation</p> <p>June 2004 Senior Vice President, Division COO of Plant Project Div., Mitsubishi Corporation</p> <p>April 2006 Senior Vice President, Division COO of Ship, Aerospace & Transportation Systems Div., Mitsubishi Corporation</p> <p>April 2007 Executive Vice President, Group CEO of Industrial Finance, Logistics & Development Group, Mitsubishi Corporation</p> <p>June 2007 Member of the Board, Executive Vice President, Group CEO of Industrial Finance, Logistics & Development Group, Mitsubishi Corporation</p> <p>June 2008 Executive Vice President, Group CEO of Industrial Finance, Logistics & Development Group, Mitsubishi Corporation</p> <p>April 2010 Senior Executive Vice President, Executive Assistant to President, Mitsubishi Corporation</p> <p>June 2010 Member of the Board, President & CEO, Mitsubishi Corporation</p> <p>April 2016 Chairman of the Board, Mitsubishi Corporation (to the present)</p> <p>June 2016 Member of the Board, MMC (to the present)</p> <p>(Responsibility) Member of the Nomination Committee</p> <p><Important concurrent positions> Chairman of the Board, Mitsubishi Corporation Outside Director, NISSIN FOODS HOLDINGS CO., LTD. Outside Director (Member of the Board), Mitsubishi Heavy Industries, Ltd.</p>	10,601
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Mr. Ken Kobayashi has considerable experience, achievements and insight on global business management nurtured through his career as a corporate manager at a general trading company that operates worldwide. As such, MMC continuously proposes him as a candidate for 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.</p> <p>If he is elected, he will be involved as a Member of the Nomination Committee in decision-making such as the selection of candidates for MMC's officers from an objective and neutral standpoint.</p>			


No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
6	 <p>Main Kohda (Real Name: Tokuko Sawa) (April 25, 1951) Term of office as Director 3 years Attendance at Meetings in FY 2020 Board of Directors: 16/16 Nomination Committee: 6/6 Compensation Committee: 8/9</p> <div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div>	<p>September 1995 Started as an independent Novelist (to the present)</p> <p>January 2003 Member of Financial System Council, Ministry of Finance Japan</p> <p>April 2004 Visiting Professor, Faculty of Economics, Shiga University</p> <p>March 2005 Member of the Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>November 2006 Member of Government Tax Commission</p> <p>June 2010 Member of the Board of Governors, Japan Broadcasting Corporation</p> <p>June 2012 Outside Director, Japan Tobacco Inc. (to the present)</p> <p>June 2013 Outside Director, LIXIL Group Corporation</p> <p>June 2016 Outside Director, Japan Exchange Group (to the present)</p> <p>June 2018 Member of the Board, MMC (to the present)</p> <p>(Responsibility) Member of the Nomination Committee (Chairperson) Member of the Compensation Committee</p> <p><Important concurrent positions> Novelist Outside Director, Japan Tobacco Inc. Outside Director, Japan Exchange Group</p>	8,573
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Although Ms. Main Kohda does not have experience of involvement in the management of a company by means other than serving as an outside officer, she has keen acumen and an objective perspective as an author in addition to deep knowledge about international finance as well as considerable insight 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 continuously proposes her as a candidate for Outside Director with the expectation that with these qualities, she will be able to actively supervise MMC's management and offer advice and recommendations to MMC.</p> <p>If she is elected, she will be involved as the Chairperson of the Nomination Committee in decision-making such as the selection of candidates for MMC's officers, and as a Member of the Compensation Committee, in decision-making such as determining the MMC's officer compensation system from an objective and neutral standpoint.</p>			


No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
7	 <p>Yaeko Takeoka (May 10, 1957)</p> <p>Term of office as Director 2 years</p> <p>Attendance at Meetings in FY 2020</p> <p>Board of Directors: 14/16 Audit Committee: 15/15</p> <div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div>	<p>April 1985 Registered as an attorney at law Member of Daini Tokyo Bar Association</p> <p>October 2003 Chairperson of the Sub-Committee on Research, Japan Law Foundation</p> <p>January 2005 Member of Expert Panel on Management of Intellectual Properties under the Council for Science and Technology Policy</p> <p>March 2006 Member of the Council for Small and Medium Enterprise Policy</p> <p>January 2007 Joined Kohwa Sohgo Law Offices (to the present)</p> <p>April 2008 Member of the Administrative Council of The University of Electro-Communications</p> <p>March 2011 Member of the Industrial Structure Council</p> <p>December 2014 Member of Committee on Intellectual Property for Innovative structural materials under Cross- Ministerial Strategic Innovation Promotion Program</p> <p>June 2015 Audit & Supervisory Board Member, MMC</p> <p>March 2019 Outside Audit & Supervisory Board Member, AGC Inc. (to the present)</p> <p>June 2019 Member of the Board, MMC (to the present)</p> <p>(Responsibility) Member of the Audit Committee (Chairperson)</p> <p><Important concurrent positions> Attorney at Law, Kohwa Sohgo Law Offices Outside Audit & Supervisory Board Member, AGC Inc.</p>	13,820
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Although Ms. Yaeko Takeoka does not have experience of involvement in the management of a company by means other than serving as an outside officer, she has many years of experience as an Audit & Supervisory Board Member and as a Member of the Board of MMC and has considerable expert knowledge and extensive insight as a legal specialist, having been active as an attorney at law for many years. As such, MMC continuously proposes her as a candidate for Outside Director with the expectation that with these qualities, she will be able to actively supervise MMC's management and offer advice and recommendations to MMC. If she is elected, she will be involved as the Chairperson of the Audit Committee in the audit of the execution of duties by Executive Officers and Directors as well as the selection of the Accounting Auditor from an objective and neutral standpoint.</p>			

No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
8	 <p>Kenichiro Sasae (September 25, 1951)</p> <p>Term of office as Director 2 years</p> <p>Attendance at Meetings in FY 2020</p> <p>Board of Directors: 16/16 Nomination Committee: 6/6</p> <div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div>	<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>April 2018 Adviser to the Minister for Foreign Affairs (to the present)</p> <p>June 2018 President and Director General, The Japan Institute of International Affairs</p> <p>August 2018 Outside Director, Hotel Okura Co., Ltd. (to the present)</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>(Responsibility) Member of the Nomination Committee</p> <p><Important concurrent positions> President, The Japan Institute of International Affairs Adviser to the Minister for Foreign Affairs Outside Director, Hotel Okura Co., Ltd. Outside Director, SEIREN CO., LTD. Outside Director, Fujitsu Limited (inauguration planned in June 2021)</p>	6,688
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Although Mr. Kenichiro Sasae does not have experience of involvement in the management of a company by means other than serving as an outside officer, he has a broad international understanding as a diplomat and considerable insight and experience, having held important posts at the Ministry of Foreign Affairs. As such, MMC continuously proposes him as a candidate for 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.</p> <p>If he is elected, he will be involved as a Member of the Nomination Committee in decision-making such as the selection of candidates for MMC's officers, and as a Member of the Compensation Committee, in decision-making such as determining the MMC's officer compensation system from an objective and neutral standpoint.</p>			

No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
9	 <p>Kiyoshi Sono (April 18, 1953) Term of office as Director 2 years Attendance at Meetings in FY 2020 Board of Directors: 14/16 Audit Committee: 12/15</p> <div>Reappointment</div> <div>Outside Director</div>	<p>April 1976 Joined The Sanwa Bank, Limited</p> <p>May 2004 Director, Executive Officer, UFJ Bank Limited</p> <p>January 2006 Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2006 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2010 Senior Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2012 Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc.</p> <p>June 2012 Deputy President, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2014 Deputy Chairman of the Board of Directors, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2014 Chairman of the Board of Directors, Mitsubishi UFJ Financial Group, Inc.</p> <p>June 2014 Outside Directors, Mitsubishi UFJ NICOS Co., Ltd. (to the present)</p> <p>June 2015 Chairman (Representative Corporate Executive), Mitsubishi UFJ Financial Group, Inc.</p> <p>June 2017 Outside Director, Nankai Electric Railway Co., Ltd. (to the present)</p> <p>June 2017 Deputy Chairman, Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>April 2018 Deputy Chairman of the Board of Directors, MUFG Bank, Ltd.</p> <p>April 2019 Chairman of the Board of Directors, MUFG Bank, Ltd.</p> <p>Member of the Board of Directors, Managing Corporate Executive, Mitsubishi UFJ Financial Group, Inc.</p> <p>June 2019 Member of the Board, MMC (to the present)</p> <p>June 2019 Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc.</p> <p>April 2021 Senior Advisor, MUFG Bank, Ltd. (to the present)</p> <p>(Responsibility) Member of the Audit Committee</p> <p><Important concurrent positions> Senior Advisor, MUFG Bank, Ltd. Outside Director, Mitsubishi UFJ NICOS Co., Ltd. Outside Director, Nankai Electric Railway Co., Ltd.</p>	—
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Mr. Kiyoshi Sono has considerable experience and deep insight as a corporate manager at international financial institutions. As such, MMC continuously proposes him as a candidate for 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.</p> <p>If he is elected, he will be involved as a Member of the Audit Committee in the audit of the execution of duties by Executive Officers and Directors as well as the selection of the Accounting Auditor from an objective and neutral standpoint.</p>			

No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
10	 <p>Hideyuki Sakamoto (April 15, 1956)</p> <p>Term of office as Director 2 years</p> <p>Attendance at Meetings in FY 2020</p> <p>Board of Directors: 14/16 Nomination Committee: 5/5</p> <div>Reappointment</div> <div>Outside Director</div>	<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 Chairman of BD, NISSAN AUTOMOTIVE TECHNOLOGY 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, JATCO Ltd (to the present)</p> <p>June 2019 Member of the Board, MMC (to the present)</p> <p>June 2019 Executive Officer, Executive Vice President, Manufacturing & SCM Operations, Nissan Motor Co., Ltd.</p> <p>February 2020 Director, Executive Officer, Executive Vice President, Manufacturing & SCM Operations, Nissan Motor Co., Ltd. (to the present)</p> <p>(Responsibility) Member of the Nomination Committee</p> <p><Important concurrent positions> Director, Executive Officer, Executive Vice President, Nissan Motor Co., Ltd. Chairman, JATCO Ltd Board Member, Chairman, AICHI MACHINE INDUSTRY CO., LTD. Chairman of the Board, Nissan Motor Kyushu Co., Ltd.</p>	6,688
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Mr. Hideyuki Sakamoto has considerable insight and experience gained as a member of the management team of an automobile manufacturer that operates worldwide. As such, MMC continuously proposes him as a candidate for 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.</p> <p>If he is elected, he will be involved as a Member of the Nomination Committee in decision-making such as the selection of candidates for MMC's officers from an objective and neutral standpoint.</p>			

No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
11	 <p>Yoshihiko Nakamura (November 28, 1956)</p> <p>Term of office as Director 2 years</p> <p>Attendance at Meetings in FY 2020</p> <p>Board of Directors: 13/13 Audit Committee: 11/11</p> <div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div>	<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 (to the present)</p> <p>(Responsibility)</p> <p>Member of the Audit Committee</p> <p><Important concurrent positions></p> <p>CPA Yoshihiko Nakamura Accounting Office</p> <p>Auditor, Seika Corporation</p>	3,648
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Although Mr. Yoshihiko Nakamura does not have experience of involvement in the management of a company by means other than serving as an outside officer, he has considerable knowledge as a specialist in accounting and auditing, having been active as an accountant for many years. As such, MMC continuously proposes him as a candidate for 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.</p> <p>If he is elected, he will be involved as a Member of the Audit Committee in the audit of the execution of duties by Executive Officers and Directors as well as the selection of the Accounting Auditor from an objective and neutral standpoint.</p>			

No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
12	 <p>Joji Tagawa (July 12, 1960)</p> <p>Term of office as Director 1 year</p> <p>Attendance at Meetings in FY 2020</p> <p>Board of Directors: 13/13 Compensation Committee: 6/6</p> <div>Reappointment</div> <div>Outside Director</div>	<p>April 1983 Joined Nissan Motor Co., Ltd.</p> <p>April 2006 Corporate Officer, Treasury Department and Investor Relations Department, Nissan Motor Co., Ltd.</p> <p>April 2010 Corporate Officer, Investor Relations Department and M&A Support Department, Nissan Motor Co., Ltd.</p> <p>April 2014 Corporate Vice President, Investor Relations and M&A Support Department, Nissan Motor Co., Ltd.</p> <p>October 2014 Director, RENAULT JAPON CO., LTD.</p> <p>April 2019 Corporate Vice President, Investor Relations, Nissan Motor Co., Ltd.</p> <p>December 2019 Senior Vice President, Chief Sustainability Officer, Global External & Government Affairs, Environment/CSR, IP promotion, Corporate Management Office, Board of Directors Office, Corporate Service and Investor Relations Department, Nissan Motor Co., Ltd.</p> <p>April 2020 Senior Vice President, Chief Sustainability Officer, Global External & Government Affairs, Environment/CSR, IP promotion, Corporate Service and Investor Relations Department, Nissan Motor Co., Ltd.</p> <p>June 2020 Outside Director, Renault (to the present)</p> <p>June 2020 Member of the Board, MMC (to the present)</p> <p>April 2021 Senior Vice President, Chief Sustainability Officer, Global External & Government Affairs, Environment/CSR, Crisis Management and Security Office, IP promotion and Corporate Service, Nissan Motor Co., Ltd. (to the present)</p> <p>(Responsibility) Member of the Compensation Committee</p> <p><Important concurrent positions> Senior Vice President, Nissan Motor Co., Ltd. Outside Director, Renault</p>	3,648
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Mr. Joji Tagawa has considerable insight and experience gained as a member of the management team of an automobile manufacturer that operates worldwide. As such, MMC continuously proposes him as a candidate for 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.</p> <p>If he is elected, he will be involved as a Member of the Compensation Committee in decision-making such as determining the MMC's officer compensation system from an objective and neutral standpoint.</p>			

No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
13	 <p>Takahiko Ikushima (January 13, 1967) Term of office as Director 1 year Attendance at Meetings in FY 2020 Board of Directors: 13/13</p> <div>Reappointment</div> <div>Outside Director</div>	<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. (to the present)</p> <p>June 2020 Member of the Board, MMC (to the present)</p> <p><Important concurrent positions> Corporate Vice President, Nissan Motor Co., Ltd.</p>	3,648
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Mr. Takahiko Ikushima has considerable insight and experience gained at an automobile manufacturer that operates worldwide. As such, MMC continuously proposes him as a candidate for Outside Director with the expectation that with these qualities, he will be able to actively supervise MMC's management and offer recommendations and advice to MMC.</p> <p>If he is elected, he will be involved as a Member of the Audit Committee in the audit of the execution of duties by Executive Officers and Directors as well as the selection of the Accounting Auditor from an objective and neutral standpoint.</p>			

- (Notes)
- There are no special conflicts of interests between MMC and each director candidate.
 - MMC has concluded agreements with Mr. Kozo Shiraji, Mr. Shunichi Miyanaga, Mr. Ken Kobayashi, Ms. Main Kohda, Ms. Yaeko Takeoka, Mr. Kenichiro Sasae, Mr. Kiyoshi Sono, Mr. Hideyuki Sakamoto, Mr. Yoshihiko Nakamura, Mr. Joji Tagawa and Mr. Takahiko Ikushima 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. MMC intends to continue the above-mentioned limitation of liability agreements with the candidates if their elections are approved.
 - MMC intends to conclude an agreement with Mr. Tomofumi Hiraku limiting his 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 if his election is approved.
 - MMC has entered into a directors and officers liability insurance policy with an insurance company. The contents of the insurance policy are outlined on page 53 of the Business Report. If the election of each candidate is approved and they assume office, they will become insureds under the insurance policy. MMC intends to renew the policy with the same terms and conditions at the time of its next renewal.
 - In 2020, the Japan Exchange Group, Inc. ("JPX"), at which Ms. Main Kohda serves as an outside director, a system failure occurred in the cash equity trading system "arrowhead" at its subsidiary Tokyo Stock Exchange, Inc. ("TSE"), which resulted in the suspension of all TSE's trading. As a result, JPX was issued with business improvement orders in November 2020, stating that there was an inadequacy with a setting for the automatic switchover regarding the failed device, and that TSE

had not developed sufficient rules for trading resumption.

From before the occurrence of the aforementioned incident, Ms. Main Kohda had been providing suggestions as necessary concerning what a market operation with a high degree of stability and reliability should look like at the board of director meetings of the JPX. After the aforementioned incident, she fulfilled her duties by providing evaluation and suggestions relating to matters such as the cause of the system failure, the appropriateness of JPX's and TSE's response before and after the incident, and measures for recurrence prevention as a committee member of the Investigation Committee of Independent Outside Directors in Relation to the System Failure, established by JPX, while providing a report on the status of the aforementioned committee's investigation and the results of its investigation at the board of directors meetings of JPX.

6. In February 2019, MUFG Bank, Ltd. at which Mr. Kiyoshi Sono served as a Member of the Board of Directors at that time concluded an agreement with the U.S. Office of the Comptroller of the Currency ("OCC") regarding the implementation of corrective actions in response to a directive received from the OCC for deficiencies in the state of the said company's internal control relating to the anti-money laundering measures under the U.S. Bank Secrecy Act.
7. Mr. Hideyuki Sakamoto serves as a Director at Nissan Motor Co., Ltd. During the period from September through November 2017 at the said company, matters came to light regarding non-conformities in the final vehicle inspection (lot-by-lot inspection) processes at its manufacturing plants in Japan. In regard to these matters, the said company received process improvement directives from the Ministry of Land, Infrastructure, Transport and Tourism ("MLIT") on March 26, 2018. Furthermore, in addition to the said matters, during the period from July through December 2018 at the said company, matters came to light regarding non-conformities in the final vehicle inspection (exhaust emissions tests, precision tests and lot-by-lot inspection) processes at its manufacturing plants in Japan. In relation to these matters, Nissan Motor Co., Ltd. received process improvement directives from MLIT on December 19, 2018.

Furthermore, on December 10, 2018 and January 11, 2019, former Chairman Carlos Ghosn and former Representative Director Greg Kelly were charged for offenses under the Financial Instruments and Exchange Act (submission of a securities report containing a false statement), and as a result, charges were also brought against the said company. In addition, on January 11 and April 22, 2019, former Chairman Carlos Ghosn was charged for offenses under the Companies Act (aggravated breach of trust). Legal proceedings for all the said charges are ongoing.

On May 14, 2019, the said company submitted to Kanto Local Finance Bureau an amendment report correcting the details of directors' compensation disclosed in the Annual Securities Report for the periods from the 107th fiscal year to the 119th fiscal year (reporting periods from the year ended on March 31, 2006 to the year ended on March 31, 2018). With regards to disclosure documents including Annual Securities Report for the periods from the 116th fiscal year to the 119th fiscal year (reporting periods from the year ended March 31, 2015 to the year ended March 31, 2018), the Commissioner of the Financial Service Agency issued the order for payment of surcharges of 2,424,895 thousand yen on February 27, 2020. Also in the United States, the said company concluded a settlement agreement as an administrative procedure with the U.S. Securities and Exchange Commission regarding material misstatement in directors' compensation reported in the Annual Securities Report and agreed to pay a surcharge of USD15 million.

8. Mr. Shunichi Miyanaga currently serves as a Director at Mitsubishi Corporation, a specified affiliated business operator (major trading partner) and has served as such in the past ten years.
9. Mr. Ken Kobayashi currently serves as a Director at Mitsubishi Corporation, a specified affiliated business operator (major trading partner) and has served as such in the past ten years.
10. Mr. Hideyuki Sakamoto currently serves as a Director, Executive Officer, Executive Vice President at Nissan Motor Co., Ltd., a specified affiliated business operator (major trading partner) and has served as Corporate Officer, Senior Vice President, Director and Executive Vice President, Executive Officer and Executive Vice President, and Director, Executive Officer, Executive Vice President in

the past ten years. Moreover, he has received remuneration as a Director and Executive Vice President, Executive Officer and Executive Vice President and Director, Executive Officer and Executive Vice President in the last two years, and he plans on continue receiving remuneration as a Director, Executive Officer and Executive Vice President. In addition, he serves as a Chairman at JATCO Ltd, a specified affiliated business operator (MMC's affiliate) and has served as such in the past ten years. Moreover, he has served as a Director at NMKV Co., Ltd. (MMC's affiliate) in the past ten years.

11. Mr. Joji Tagawa currently serves as a Senior Vice President at Nissan Motor Co., Ltd., a specified affiliated business operator (major trading partner) and has served as Corporate Vice President and Senior Vice President in the past ten years. Moreover, he has received remuneration as a Corporate Vice President and Senior Vice President at the said company in the last two years, and he plans on continue receiving remuneration as a Senior Vice President.
12. Mr. Takahiko Ikushima currently serves as a Corporate Vice President at Nissan Motor Co., Ltd., a specified affiliated business operator (major trading partner) and has served as an employee and a Corporate Vice President in the past ten years. Moreover, he has received remuneration as an employee and a Corporate Vice President at the said company in the last two years, and he plans on continue receiving remuneration as a Corporate Vice President.
13. If this proposal is approved, the composition of each committee will be as follows:

Nomination Committee:	Ms. Main Kohda (Chairperson), Mr. Ken Kobayashi, Mr. Kenichiro Sasae, Mr. Hideyuki Sakamoto and Mr. Tomofumi Hiraku
Compensation Committee:	Mr. Shunichi Miyanaga (Chairperson), Ms. Main Kohda, Mr. Kenichiro Sasae, Mr. Joji Tagawa and Mr. Takao Kato
Audit Committee:	Ms. Yaeko Takeoka (Chairperson), Mr. Kiyoshi Sono, Mr. Yoshihiko Nakamura, Mr. Takahiko Ikushima and Mr. Kozo Shiraji

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

1. An executive of a major shareholder^{*1} of MMC
2. An executive of a major business partner^{*2} of MMC, or of a company for which MMC is a major business partner, or the parent company or subsidiary of such a company
3. An executive of a major lender^{*3} to MMC or the parent company or subsidiary of such a company
4. A person affiliated with an auditing firm that conducts statutory audits of MMC
5. A consultant, an accounting professional such as a certified public accountant, or a legal professional such as an attorney-at-law who receives a large amount^{*4} of monetary consideration or other property other than compensation of Members of the Board from MMC (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 MMC shares a Director
7. An executive of an organization that is receiving a large^{*4} donation or grant from MMC
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 MMC 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 MMC with annual transactions valued at 2% or more of MMC's consolidated net sales in the most recent fiscal year, or a major supplier to MMC 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 MMC with loans amounting to 2 % or more of MMC's consolidated net sales at the end of the most recent fiscal year

*4 large (amount): an amount of consideration received from MMC that is 10 million yen or more

(Attached documents)

Business Report
(From April 1, 2019 to March 31, 2020)

1. Matters regarding the current state of the corporate group

(1) Progress and results of the business

<Summary of the consolidated results in the fiscal year under review>

The consolidated results of the MITSUBISHI MOTORS CORPORATION group (the “MMC group”) in the fiscal year under review are as follows.

The global slump in automobile demand due to the COVID-19 spread and other factors has become apparent since the beginning of last year. Although the situation has gradually calmed down in developed countries, the recovery in the markets where MMC excels has been delayed, and the severe situation continued.

Under such circumstances, the MMC group formulated a new mid-term business plan, “Small but Beautiful,” to drastically improve profitability and promote structural reforms such as fixed cost reduction in line with the basic concept of “selection and concentration.”

As a result, the full-year sales volume decreased from the previous fiscal year to 801,000 units, and the full-year consolidated net sales decreased by 36% from the previous fiscal year to 1,455.5 billion yen. However, consolidated operating profit improved from the full-year forecast of operating loss of 100.0 billion yen announced in February 2021 to operating loss of 95.3 billion yen due to company-wide efforts to reduce overhead and fixed costs and structural reform activities. Earnings momentum bottomed out in the first half of the fiscal year under review and has been steadily recovering. Consolidated ordinary profit was a loss of 105.2 billion yen (a decrease of 101.4 billion yen compared to the previous fiscal year), and consolidated net income (profit attributable to owners of parent) was a loss of 312.3 billion yen (a decrease of 286.5 billion yen compared to the previous fiscal year).

As for the consolidated results of each business, net sales for the automotive business were 1,436.5 billion yen (down 815.4 billion yen year on year) with operating loss of 101.3 billion yen (down 109.1 billion yen year on year). Net sales for the financial services were 35.8 billion yen (down 4.6 billion yen year on year) with operating profit of 4.8 billion yen (down 0.8 billion yen year on year).

Concerning dividends, MMC considers returning profits to its shareholders as one of the essential policies. Its basic policy is to maintain stable dividends while considering its business performance and financial conditions. However, in the fiscal year under review, we regret to announce that no dividend will be paid due to insufficiency of dividend resources. We would sincerely appreciate the understanding of our shareholders.

<Main actions in the fiscal year under review>

During the fiscal year under review, the MMC group implemented various actions in line with the new mid-term business plan, “Small but Beautiful.” The main actions are as follows:

First, in terms of reducing fixed costs, we have promoted structural reform by setting a plan to reduce fixed costs by 20% or more in two years in the mid-term business plan. As a result, the MMC group has made more progress than expected and achieved this plan one year ahead of schedule.

As a specific measure, with regard to indirect labor costs, we promoted the optimization of our workforce through

reallocation, restraint of new hiring, and voluntary retirement programs while also reviewing the compensation system.

As for marketing expenses, we follow the basic concept of “selection and concentration” to control expenses in non-core areas and concentrate them in core areas, thereby improving cost-effectiveness and significantly reducing total expenses. In the same way for development expenses, we have focused on “selection and concentration” to control development expenses in non-core areas while concentrating them in core areas, thereby creating a system that enables product development in line with our strategy. As a result, we have achieved cost reduction and development efficiency exceeding our plan.

In terms of reorganization of the production system, the MMC group also decided to suspend production at Pajero Manufacturing Co., Ltd. and integrated and closed production lines to create a high-capacity production system suitable for sales. Depreciation costs have also been reduced as a result of the impairment of fixed assets in the first quarter.

In addition, all other measures, such as the consolidation of subsidiaries and other companies into the head office building, have made more progress than expected.

Next, as a regional strategy, in the European market, the MMC group has decided to withdraw from the new car sales business in 15 out of 32 countries by 2023 and to receive OEM supply of two models from our alliance partner, Renault, to optimize the product lineup. By implementing these measures, we will continue to review future business potential while maintaining our strategy of improving profitability, with the aim of tightening environmental regulations and changing market trends.

As for the core regions, the MMC group strengthened its business foundation in the ASEAN market, which continues to face challenging conditions due to the COVID-19 disaster by improving the quality of sales, strengthening the dealer network, and reinforcing digital marketing. In the Oceania market, we launched the new *Eclipse Cross* with redesigned front and rear in November 2020, ahead of the rest of the world. The new model has been well received by customers, and sales are off to a good start.

In addition, as a policy for environmental initiatives, the MMC group has set targets for 2030 in the New Environmental Plan Package announced in November 2020, including a 50% electric vehicle ratio, a 40% reduction in CO2 emissions from new vehicles (compared to FY2010), and a 40% reduction in CO2 emissions from business activities (compared to FY2014).

To achieve these targets, we will make all of our vehicles available as electric vehicles by 2030. We will also aggressively launch electric vehicles in countries and regions where infrastructure is in place and regulations are being tightened. At the same time, for countries and regions where infrastructure facilities and environmental regulations will be developed in the future, we plan to launch plug-in hybrid vehicles and BEVs ahead of others to strengthen our competitiveness through product development that meets local requirements.

In the fiscal year under review, the MMC group launched the new *Eclipse Cross* PHEV model in the plug-in hybrid vehicle segment, where the group excels. This model has been highly acclaimed in all countries where it is sold, and orders have been firm. In FY2021, we are also planning to launch a PHEV model of the new *Outlander*, which was recently launched. In addition, we are currently working with Nissan Motor Co., Ltd. to develop a minicar EV.

Furthermore, the MMC group also focused on inventory reduction during the fiscal year under review. As a result, we reduced the inventory more than planned, resulting in a robust inventory level.

The severe market environment is expected to continue in FY2021. However, we will continue to implement reforms in line with the new mid-term business plan, “Small but Beautiful.” We will build a solid management foundation to achieve sustainable growth over the medium to long term.

(2) State of capital expenditure

The MMC group invested a total of 76.4 billion yen as capital expenditure in the fiscal year under review, mainly as a result of investment in development equipment and production equipment for new products and technologies.

(3) State of financing

The necessary funds for the fiscal year under review were covered mainly with cash reserves and borrowings. The balance of borrowings of the MMC group as of March 31, 2021 was 454.3 billion yen. Due to the increased demand for working capital resulting from a decrease in sales caused by the COVID-19 pandemic, which became apparent during the fiscal year under review, the Company drew down long-term borrowings of a total of 200.0 billion yen during the fiscal year under review, and its consolidated subsidiaries also drew down long-term borrowings and established a new borrowing limit..

(4) Issues to be addressed

MMC’s recognition of management issues based on recent changes to the business environment and approach to our corporate strategy are as below.

Global demand for automobiles fell in the fiscal year under review due to the COVID-19 spread. Although the demand has not recovered to its original level, the MMC group expects to see a specific recovery in FY2021, supported by economic stimulus measures in various countries. However, MMC’s business environment continues to be unstable due to the emerging risk of supply chain disruption, mainly caused by uncertainty over the COVID-19 spread, soaring material prices, and a shortage of semiconductor supply.

Amid this uncertain external environment, the MMC group will continue to implement structural reforms and other measures in line with the new mid-term business plan, “Small but Beautiful,” to strengthen its revenue base and achieve profitability.

<Vision of the MMC group>

The MMC group has redefined Mitsubishi Motors’ uniqueness, aiming for sustainable growth over the medium to long term. We believe that what the MMC group is aiming for, in other words, Mitsubishi Motors’ uniqueness, is to provide safety, security, and comfort with the environment at the core. Specifically, we envision creating vehicles that will allow customers to experience our strengths: (i) electrification technology, (ii) SUV technology with high off-road driving performance, and (iii) comfortable performance in functional and enjoyable spaces.

Plug-in hybrid technology is at the core of the MMC group’s electrification technology. It can become a significant weapon as an optimal solution for a rapidly expanding decarbonized society. By incorporating this plug-in hybrid technology into an SUV capable of maintaining high performance in any road environment, we hope to promote it as a unique model with the driving performance to drive anywhere without worrying about running out of electricity.

Another strength of the MMC group is providing various options based on alliances and proprietary technologies. By combining a wide range of component options, we sequentially develop attractive vehicles that meet the needs of each country and region and add a touch of Mitsubishi Motors to them.

In addition, the MMC group intends to provide various values to all users' environmental efforts through products equipped with electric technologies. For example, we can offer our service to companies to reduce CO2 emissions associated with business operations and supply electricity during emergencies. For local governments, we can provide value-added services such as electricity supply sources for disaster and electricity support during vaccine transportation, which is now in full swing. For consumers, our service helps to realize the Sustainable Development Goals (SDGs) on an individual level. It can be used as a source of electricity during disasters.

Furthermore, we are promoting the V2X system as a secondary use to contribute to the community. Specifically, we are experimenting with electric vehicles as a resource to regulate electric power, which we hope to develop into a business in the future.

Global automobile demand is gradually recovering, especially in developed countries. However, the environment surrounding us remains harsh and uncertain. In such an environment, the MMC group will steadily implement the new mid-term business plan, "Small but Beautiful," to further strengthen its management base.

<Regional strategies>

In the core regions of ASEAN and Oceania, the MMC group will take initiatives appropriate to each country to increase our market share further and expand sales.

In Thailand and the Philippines, which were exposed to fierce competition in the COVID-19 pandemic during the fiscal year under review, we assume that the severe market environment will continue in FY2021. While we are implementing measures to address each issue, we recognize that it will take a certain period to regain our market share. In these regions, we will accelerate the reinforcement of our sales network in preparation for a counter-offensive in the severe environment.

On the other hand, we expect the strong sales momentum to continue in FY2021 in Indonesia, where the market is recovering steadily, in Malaysia, where sales and profits continue to expand due to solid sales of *EXPANDER* and *Triton*, and in Vietnam, where sales reached a record high in the fiscal year under review. In such regions, we will strive to expand sales to capture the increase in demand.

In New Zealand, we achieved our highest ever market share in the fiscal year under review. In Australia, sales have been strong due in part to the impact of foreign exchange rates. In these regions, we aim to increase sales volume by launching the new *Outlander* and *Eclipse Cross* PHEV models, which have been highly acclaimed since their launch.

In this way, we will steadily implement measures that need to be taken in countries where the environment remains severe and seize opportunities in countries where opportunities are expected.

<Product strategies>

The MMC group is currently accelerating development to further enhance its product lineup for FY2022 and beyond. In ASEAN, starting with the next-generation *Triton*, we will upgrade our existing products and strengthen our product lineup. In addition, we will sequentially introduce entirely new products to the market as planned, using the ASEAN platform. With these efforts, we will enhance our lineup in each segment and further strengthen our brand.

<Reducing fixed costs>

Fixed cost reduction made more progress than initially expected. The MMC group achieved its plan to reduce fixed costs by 20% or more in two years in the fiscal year under review, one year ahead of schedule. Many of the measures

taken during the fiscal year under review are expected to bring benefits throughout FY2021.

At the same time, the MMC group needs to make investments for growth, such as advertising expenses for the launch of new vehicles by the group and new product development scheduled for launch in and after FY2022. In FY2021, we will actively make these investments and keep total expenses at the same level as the fiscal year under review through the effects of the full-year contribution of fixed cost reductions from structural reforms.

Reference

Promoting Sustainability Activities

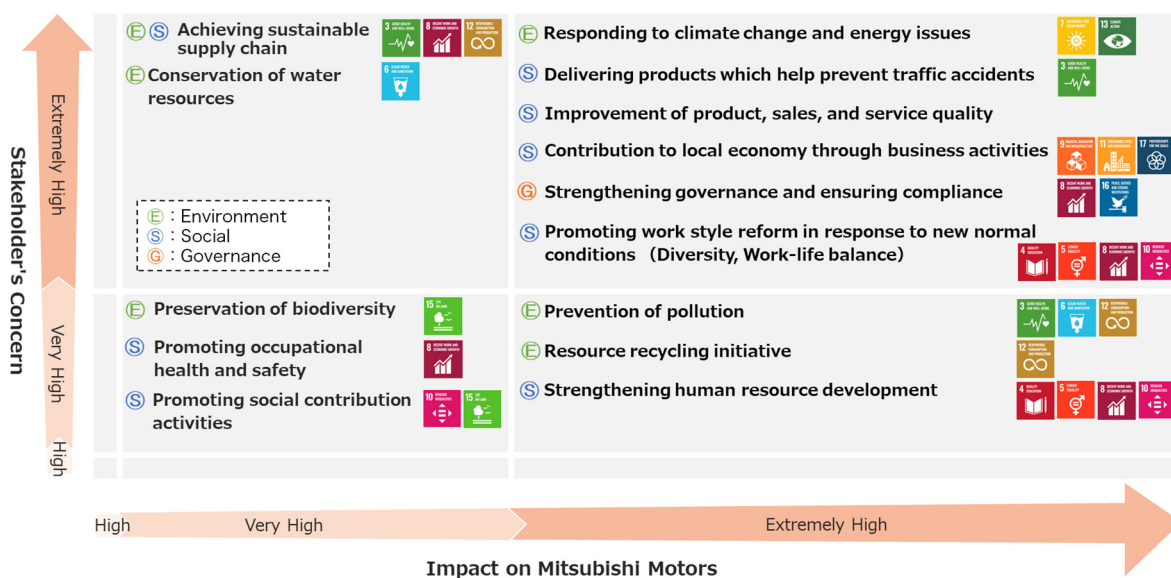
We Will Work to Realize a Sustainable Society and Enhance Corporate Value

(a) Approach to Sustainability

MMC recognizes that it has a duty to reduce greenhouse gases from its products and business activities, and we will contribute to the achievement of carbon neutrality. We will also engage in responsible business management in areas other than the environment, aiming to resolve various social issues through our business activities in every country and region in order to contribute to the realization of a sustainable society.

(b) MITSUBISHI MOTORS' Materiality (Material Issues)

We recognized the importance of the United Nations Sustainable Development Goals (SDGs) and identified material issues (materiality) as the important issues that it should wrestle from various problems of environment, society, and governance fields in fiscal 2018. In fiscal 2020, we reviewed the material issues*¹, considering our responses to increasingly severe environmental problems and the changing social situation due to the COVID-19 pandemic.



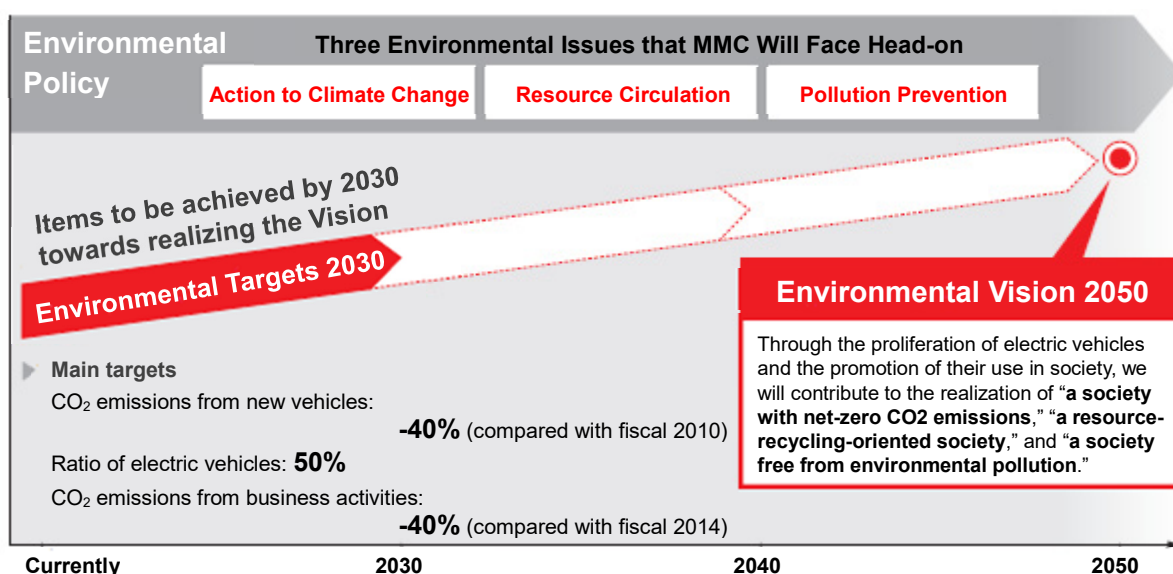
(c) Framework for Promoting Sustainability

We have appointed officer class personnel to take responsibility for the identified material issues, setting out targets and KPIs for tackling them. The fiscal year targets are deliberated by the Sustainability Committee, chaired by Representative Executive Officer, President & CEO, and the Committee also checks the progress of execution*² to deliver results. Structures are in place for promoting sustainability throughout the MMC Group, deliberating important matters and reporting them to the Board of Directors.

(d) Response to the Environmental Issues – Formulation of the New Environmental Plan Package

In light of the emerging climate change issues and social trends since the conclusion of the Paris Agreement, we recognized the need to set a direction for its environmental initiatives that anticipates society 30 years in the future. We formulated the New Environmental Plan Package*3, which comprises our medium- to long-term policy and targets.

The New Environmental Plan Package has three components: Environmental Policy, which was revised to incorporate a medium- to long-term outlook; Environmental Vision 2050, which defines the vision of society and the direction of our initiatives toward 2050; and Environmental Targets 2030, which set out specific targets to achieve by 2030 in order to realize the vision.



*1 *1 For details about the revision of MMC's materiality, see our website below.

<https://www.mitsubishi-motors.com/en/sustainability/sustainabilitynews/2021/01/08>

*2 For details about MMC's materiality initiatives, see our Sustainability Report 2020

<https://www.mitsubishi-motors.com/en/sustainability/report/>

*3 For details about MMC's "New Environmental Plan Package," see our website below.

https://www.mitsubishi-motors.com/en/sustainability/feature_1

(5) Financial position and operating results

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Net sales (In millions of yen)	2,192,389	2,514,594	2,270,276	1,455,476
Automobile business	2,192,389	2,495,601	2,251,941	1,436,480
Financial service business	—	24,086	40,391	35,788
Elimination of transactions among segments	—	(5,092)	(22,056)	(16,793)
Operating profit (In millions of yen)	98,201	111,815	12,788	(95,321)
Ordinary profit (In millions of yen)	110,127	119,850	(3,843)	(105,203)
Profit (loss) attributable to owners of parent (In millions of yen)	107,619	132,871	(25,779)	(312,317)
Earnings per share (In yen)	72.23	89.26	(17.32)	(209.88)
Net assets (In millions of yen)	796,562	881,203	788,363	525,251
Stockholders' equity per share (In yen)	524.12	585.75	519.15	341.44
Total assets (In millions of yen)	1,655,299	2,010,309	1,938,123	1,856,279

- (Notes)
1. Earnings per share is calculated using the number of shares after deduction of the average number of treasury shares during each fiscal year from the average number of issued shares during each fiscal year.
 2. Stockholders' equity per share is calculated using the number of shares after deduction of the number of treasury shares at each fiscal year end from the total number of issued shares at each fiscal year end.
 3. Since FY2018, the Group has reclassified its business segments into the two segments of the "automobile business" and the "financial service business."

(6) Major subsidiaries (As of March 31, 2021)

Company Name	Location	Capital Stock (In millions)	Ownership (%)	Business Lines
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.	Tokyo	JPY 100	100.00	Automobile sales
Nishi Nihon Mitsubishi Motor Sales Co., Ltd. (Note 1)	Osaka	JPY 100	100.00	Automobile sales
Mitsubishi Automotive Logistics Technology Co., Ltd.	Kanagawa	JPY 436	100.00 (Note 2)	Automobile sales of parts and maintenance
Pajero Manufacturing Co., Ltd.	Gifu	JPY 610	100.00	Automobile manufacture
Suiryo Plastics Co., Ltd.	Okayama	JPY 100	100.00	Manufacture of automobile parts
Mitsubishi Automotive Engineering Co., Ltd.	Aichi	JPY 350	100.00	Automobile development
Mitsubishi Motors Finance Co., Ltd. (Note 3)	Tokyo	JPY 3,000	100.00	Auto sales financing
Mitsubishi Motors North America, Inc.	U.S.A.	USD 398	100.00	Automobile sales
Mitsubishi Motors Europe B.V.	Netherlands	EUR 107	100.00	Automobile sales
Mitsubishi Motors (Thailand) Co., Ltd.	Thailand	THB 7,000	100.00	Automobile manufacturing, sales
Mitsubishi Motors Australia, Ltd.	Australia	AUD 1,789	100.00	Automobile sales
Mitsubishi Motors Philippines Corp.	Philippines	PHP 1,640	100.00	Automobile manufacturing, sales
PT Mitsubishi Motors Krama Yudha Indonesia	Indonesia	IDR 2,200,000	51.00	Automobile manufacture
Mitsubishi Motors Vietnam Co., Ltd.	Vietnam	VND 410,812	41.20	Automobile manufacture, sales

- (Notes)
1. Nishi Nihon Mitsubishi Motor Sales Co., Ltd. implemented absorption-type merger with Chubu Mitsubishi Motor Sales Co., Ltd. as of April 1, 2020.
 2. Mitsubishi Automotive Logistics Technology Co., Ltd. became a wholly owned subsidiary as of June 30, 2020.
 3. Mitsubishi Motors Finance Co., Ltd. changed its company name from “MMC Diamond Finance Corp.” as of February 1, 2021.

(7) Major businesses (As of March 31, 2021)

The businesses of the MMC group are as follows:

(a) Automobile business

(i) EVs, PHEVs

Eclipse Cross(PHEV), Outlander PHEV, i-MiEV, MINICAB-MiEV

(ii) SUVs and pickup trucks

RVR/Outlander Sport/ASX, Eclipse Cross, Outlander, Triton/L200/L200 Sportero/Strada, Pajero/Montero*, Pajero Sport/Montero Sport**

(iii) Passenger cars, minivan

Mirage/Space Star, Attrage/Mirage G4, Delica D:2, Delica D:5, XPANDER*, XPANDER CROSS**

(iv) Minicars

eK X, eK Wagon, eK X SPACE, eK Space, Townbox, Minicab Truck, Minicab Van

(Notes) 1. All multiple model names separated by a slash represent one single model. Underlined names are those used solely outside Japan.

2. Those marked with asterisks (*) are vehicle models that are exclusively available outside Japan.

(b) Financial service business

The financial service business operates business such as automobile lease business and the sale finance business.

(8) Major offices, research & development centers, plants, etc. (As of March 31, 2021)

(a) MMC

Head Office	Minato-ku, Tokyo
Research & Development Center	Okazaki, Aichi
EV Research & Development Center	Okazaki, Aichi
Kyoto Research & Development Center	Kyoto, Kyoto
Tokachi Research & Development Center	Kato-gun, Hokkaido
Okazaki Plant	Okazaki, Aichi
Mizushima Plant	Kurashiki, Okayama
Kyoto Plant	
Kyoto Plant–Kyoto	Kyoto, Kyoto
Kyoto Plant–Shiga	Konan, Shiga
Design Center	Okazaki, Aichi
Tokyo Design	Minato-ku, Tokyo
Software Innovation Center	Minato-ku, Tokyo

(b) Subsidiaries

Subsidiaries are as presented in “1. (6) Major subsidiaries.”

(9) Employees (As of March 31, 2021)

Business segment	Number of Employees (persons)	
Automobile business	29,860	(6,368)
Financial service business	231	(66)
Total	30,091	(6,434)

- (Notes)
1. The number of employees is the number of employees currently on duty (excluding individuals seconded from MMC group to other companies and including individuals seconded to MMC group from other outside companies). Employees at unconsolidated subsidiaries are not included.
 2. The number of temporary employees (temporary contract employees, part-time employees, fixed-term employees, dispatched employees, etc.) shown in the bracket () is not included in total.

(10) Major lenders (As of March 31, 2021)

The status of MMC's consolidated borrowings at the end of the fiscal year under review is as follows.

(Status of consolidated borrowings)

Lender Name	Balance of Borrowings
MUFG Bank, Ltd.	77,633 million yen
Mizuho Bank, Ltd.	45,793
Sumitomo Mitsui Banking Corporation	41,678

(Note) The above balance of borrowings includes borrowings from overseas subsidiaries, etc. of each bank.

For the purpose of raising working capital in a steady and efficient manner, MMC entered into a commitment line agreement on a credit limit of 152,000 million yen with a syndicate of financial institutions lead-managed by MUFG Bank, Ltd. MMC terminated this agreement as of March 31, 2021, and newly entered into a commitment line agreement, which came into effect on April 1, 2021, on a credit limit of 152,000 million yen with a syndicate of financial institutions lead-managed by MUFG Bank, Ltd.

(Status of the commitment line agreement)

Bank Name	Maximum Borrowing Limit
MUFG Bank, Ltd.	55,000 million yen
Mizuho Bank, Ltd.	25,000
Sumitomo Mitsui Banking Corporation	20,000
Bangkok Bank Public Company Limited	11,500
Others (16 banks)	40,500
Total	152,000

2. Stock of MMC (As of March 31, 2021)**(1) Total number of issuable shares**

1,575,000,000 shares

(2) Total number of issued shares

1,490,282,496 shares (no change from the end of the previous fiscal year)

(3) Number of shareholders

264,761 persons (increased by 8,831 persons from the end of the previous fiscal year)

(4) Major shareholders

Name of Shareholder	Number of Shares	Ratio of Shareholding
Nissan Motor Co., Ltd.	506,620,577 shares	34.03%
Mitsubishi Corporation	298,012,214	20.01
The Master Trust Bank of Japan, Ltd. (Trust account)	39,107,900	2.62
Mitsubishi Heavy Industries, Ltd.	21,572,455	1.44
Custody Bank of Japan, Ltd. (Trust account)	15,505,500	1.04
Custody Bank of Japan, Ltd. (Trust account 9)	15,423,500	1.03
MUFG Bank, Ltd.	14,877,512	0.99
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	12,356,100	0.83
Custody Bank of Japan, Ltd. (Trust account 5)	11,345,200	0.76
Custody Bank of Japan, Ltd. (Trust account 6)	10,060,900	0.67

(Note) The above ratios of shareholding have been calculated excluding treasury shares (1,604,136 common stock). Treasury shares do not include MMC shares held by the officer compensation BIP Trust (1,152,650 shares).

3. Members of the Board and Executive Officers

(1) Members of the Board (As of March 31, 2021)

Position and Responsibility	Name	Important Concurrent Positions
Member of the Board Member of the Nomination Committee Member of the Compensation Committee	Takao Kato	Representative Executive Officer, CEO
Member of the Board Member of the Audit Committee	Kozo Shiraji	
Member of the Board (Outside Director) Member of the Compensation Committee (Chairperson)	Shunichi Miyanaga	Chairman of the Board, Mitsubishi Heavy Industries, Ltd. Outside Director, Mitsubishi Corporation
Member of the Board (Outside Director) Member of the Nomination Committee	Ken Kobayashi	Chairman of the Board, Mitsubishi Corporation Outside Director, NISSIN FOODS HOLDINGS CO., LTD. Outside Director (Member of the Board), Mitsubishi Heavy Industries, Ltd.
Member of the Board (Outside Director) Member of the Compensation Committee	Setsuko Egami	Professor, Graduate School of Humanities, Musashi University Professor, Faculty of Sociology, Musashi University Outside Director, Mitsubishi Estate Co., Ltd. Outside Director, Resona Holdings, Inc.
Member of the Board (Outside Director) Member of the Nomination Committee (Chairperson) Member of the Compensation Committee	Main Kohda	Novelist Outside Director, Japan Tobacco Inc. Outside Director, Japan Exchange Group
Member of the Board (Outside Director) Member of the Audit Committee (Chairperson)	Yaeko Takeoka	Attorney at Law, Kohwa Sohgo Law Offices Outside Audit & Supervisory Board Member, AGC Inc.
Member of the Board (Outside Director) Member of the Nomination Committee	Kenichiro Sasae	President, The Japan Institute of International Affairs Adviser to the Minister for Foreign Affairs Outside Director, Hotel Okura Co., Ltd. Outside Director, SEIREN CO., LTD.
Member of the Board (Outside Director) Member of the Audit Committee	Kiyoshi Sono	Chairman of the Board of Directors, MUFG Bank, Ltd. Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc. Outside Director, Mitsubishi UFJ NICOS Co., Ltd. Outside Director, Nankai Electric Railway Co., Ltd.
Member of the Board (Outside Director) Member of the Nomination Committee	Hideyuki Sakamoto	Director, Executive Officer, Executive Vice President, Nissan Motor Co., Ltd. Chairman, JATCO Ltd Board Member, Chairman, AICHI MACHINE INDUSTRY CO., LTD. Chairman of the Board, Nissan Motor Kyushu Co., Ltd.
Member of the Board (Outside Director) Member of the Audit Committee	Mitsuko Miyagawa	Attorneys at law, TMI Associates Outside Director, S.T. CORPORATION
Member of the Board (Outside Director) Member of the Audit Committee	Yoshihiko Nakamura	CPA Yoshihiko Nakamura Accounting Office Auditor, Seika Corporation

Position and Responsibility	Name	Important Concurrent Positions
Member of the Board (Outside Director) Member of the Compensation Committee	Joji Tagawa	Senior Vice President, Nissan Motor Co., Ltd. Outside Director, Renault
Member of the Board (Outside Director)	Takahiko Ikushima	Corporate Vice President, Nissan Motor Co., Ltd.

- (Notes)
1. Mr. Yoshihiko Nakamura, Member of the Audit Committee, holds a certificate of certified public accountant and has an extensive knowledge in finance and accounting.
 2. Mr. Kiyoshi Sono, Member of the Audit Committee, has a wealth of experience accumulated over many years at financial institutions and extensive knowledge in finance and accounting.
 3. MMC has nominated Mr. Kozo Shiraji, Member of the Audit Committee as a full-time Member of the Audit Committee in order to have him conduct audits on a daily basis, work to collect information and improve the audit environment, communicate audit-related information to the Audit Committee in a timely and appropriate manner, as well as ensure smooth execution of overall audit business.
 4. As of August 7, 2020, Mr. Osamu Masuko resigned as Member of the Board. At the time of his resignation, his positions and responsibilities were Chairman of the Board and Representative Executive Officer, and he was a Member of the Nomination Committee. In conjunction with his resignation, Mr. Takao Kato, Member of the Board, assumed the position of Member of the Nomination Committee as of August 7, 2020.
 5. As of March 31, 2021, Ms. Setsuko Egami, Member of the Board, resigned as Professor from the Graduate School of Humanities and Faculty of Sociology of Musashi University.
 6. As of December 25, 2020, Mr. Kenichiro Sasae, Member of the Board, resigned as Director General of The Japan Institute of International Affairs.
 7. As of March 31, 2021, Mr. Kiyoshi Sono, Member of the Board, resigned as Chairman of the Board of Directors of MUFG Bank, Ltd. and assumed the position of Senior Adviser of that bank on April 1, 2021. In addition, he resigned as Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc. as of March 31, 2021.
 8. As of June 25, 2020, Ms. Mitsuko Miyagawa, Member of the Board, resigned as Outside Audit & Supervisory Board Member of Panasonic Corporation.
 9. As of June 24, 2020, Mr. Yoshihiko Nakamura, Member of the Board, assumed the position of Auditor of Seika Corporation.
 10. MMC has submitted notifications, specifying Ms. Setsuko Egami, Ms. Main Kohda, Ms. Yaeko Takeoka, Mr. Kenichiro Sasae, Ms. Mitsuko Miyagawa and Mr. Yoshihiko Nakamura as independent directors, to Tokyo Stock Exchange, Inc.

(2) Executive Officers (As of March 31, 2021)

Position	Name	Responsibility and Important Concurrent Positions
Representative Executive Officer, CEO	Takao Kato	
Representative Executive Officer, Co-COO	Hiroshi Nagaoka	Officer in charge of Engineering
Representative Executive Officer, Co-COO	Yoichiro Yatabe	Officer in charge of ASEAN and Oceania
Representative Executive Officer, CFO	Koji Ikeya	
Senior Executive Officer	Hitoshi Inada	Officer in charge of Corporate Governance
Senior Executive Officer	Takeshi Ando	Officer in charge of Production
Senior Executive Officer	Yukihiro Hattori	Officer in charge of Procurement
Senior Executive Officer	Noboru Tsuji	Officer in charge of Domestic Sales

Position	Name	Responsibility and Important Concurrent Positions
Executive Officer	Noriaki Hirakata	General Manager, Corporate Strategy Management Office
Executive Officer	Koji Yamada	Division General Manager, TCS (Total Customer Satisfaction) Div.
Executive Officer	Koichi Namiki	Division General Manager, Product Strategy Div.
Executive Officer	John Signoriello	Officer in charge of Global Marketing & Sales

- (Notes)
1. Executive Officer Mr. Takao Kato serves concurrently as a Member of the Board.
 2. As of August 7, 2020, Mr. Osamu Masuko resigned as Representative Executive Officer.
 3. As of March 31, 2021, Mr. Takeshi Ando resigned as Senior Executive Officer.
 4. The status of Executive Officers as of April 1, 2021 is as follows. On the aforementioned date, MMC changed the names of its executive officer positions, etc. as follows.

Position	Name	Responsibility and Important Concurrent Positions
Representative Executive Officer, President & CEO	Takao Kato	
Representative Executive Officer, Executive Vice President	Hiroshi Nagaoka	Responsible for Monozukuri
Representative Executive Officer, Executive Vice President	Yoichiro Yatabe	Responsible for Sales
Representative Executive Officer, Executive Vice President	Koji Ikeya	CFO
Senior Executive Officer	Hitoshi Inada	Responsible for Corporate Governance
Senior Executive Officer	Yukihiro Hattori	Responsible for Procurement
Senior Executive Officer	Noboru Tsuji	Responsible for Domestic Sales
Executive Officer	Noriaki Hirakata	Division General Manager, Corporate Strategy Management Div.
Executive Officer	Koji Yamada	Division General Manager, TCS Div.
Executive Officer	Koichi Namiki	Responsible for Product Strategy and Division General Manager, Product Strategy Div.
Executive Officer	Mitsunori Kitao	Responsible for Production
Executive Officer	John Signoriello	Responsible for Global Marketing & Sales

(3) Compensation, etc. of Members of the Board and Executive Officers

- (a) Total amount of compensation for FY2020
(A year from April 1, 2020 to March 31, 2021)

Classification	Total Amount of Compensation (millions of yen)	Number of Payees (persons) and Amount of Compensation by Type (millions of yen)					
		Monetary Compensation					
		Base Compensation		Short-Term Performance-Linked Compensation		Additional Individual Compensation	
		Number of Payees	Amount of Compensation	Number of Payees	Amount of Compensation	Number of Payees	Amount of Compensation
Members of the Board	223	16	221	—	—	—	—
(of which, Outside Directors)	(187)	(15)	(187)	—	—	—	—
Executive Officers	533	12	414	—	—	—	—
Total	757	28	636	—	—	—	—

Classification	Number of Payees (persons) and Amount of Compensation by Type (millions of yen)							
	Share-Based Compensation						Monetary Compensation	
	Long-Term Performance-Linked Compensation		Deferred Retirement Compensation		Stock Options Granted Linked to Performance in Previous Fiscal Years		Others	
	Number of Payees	Amount of Compensation	Number of Payees	Amount of Compensation	Number of Payees	Amount of Compensation	Number of Payees	Amount of Compensation
Members of the Board	—	—	—	—	3	1	—	—
(of which, Outside Directors)	—	—	—	—	(—)	(—)	—	—
Executive Officers	—	—	12	22	1	0	12	96
Total	—	—	12	22	4	2	12	96

- (Notes)
- The number shown in the above table for Members of the Board indicates the number of persons who, of the total of 16 persons served as Members of the Board during FY2020, received compensation as Members of the Board. In addition, the number includes three Members of the Board (of which, three are Outside Directors) who resigned during FY2020.
 - 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.
 - Although the compensation system for Executive Officers is designed to pay “Short-Term Performance-Linked Compensation,” “Additional Individual Compensation” and “Long-Term Performance-Linked Compensation” as compensation linked to business performance for the fiscal year under review and thereafter, MMC has decided not to pay any of those types of compensation for FY2020.
 - 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 FY2020.

5. Regarding the one Member of the Board who served concurrently as an Executive Officer and resigned during FY2020, the following compensation, etc. was paid and posted for FY2020. “Number of Payees” and “Amount of Compensation” in the above table do not include that Member of the Board or the amounts of these types of compensation.
 - Base compensation (monthly basis) during the term of office for FY2020: 30 million yen
 - Cash paid and number of shares delivered as Deferred Retirement Compensation to the term of office for FY2020: 1 million yen in cash, and 5,700 shares of MMC
 - Lump-sum posted by MMC as accrued expenses of the provisions for Stock Options granted from FY2017 to FY2020: 193 million yen
6. “Deferred Retirement Compensation” is fixed compensation using the Board Incentive Plan Trust (“BIP Trust”), which is the compensation system that MMC introduced starting from the FY2020. The above table shows the total of the 19 million yen posted as expenses for granting 89,850 points (equivalent to 89,850 shares of MMC) during FY2020 for the BIP Trust and the 2 million yen posted as a provision for deferred retirement compensation for FY2020 that MMC plans to pay in cash as a substitute to one non-Japanese officer who is not eligible for the BIP Trust.
7. “Others” is the total of the 90 million yen in “Compensation for Achieving Fixed Cost Reduction Targets” to be paid to Executive Officers only for FY2020 and the 5 million yen equivalent to the tax adjustment allowance, housing allowance and other fringe benefits for one Executive Officer.

(b) Policy for determining the content of compensation of individual officers, etc.

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.

<Basic approach>

- i) The compensation system shall contribute to MMC group’s sustainable growth and 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.

(i) Members of the Board (excluding Members of the Board who serve concurrently as Executive Officers)
 Considering the role of Members of the Board in supervising overall execution from a position independent of business execution, MMC established a policy for the compensation of Members of the Board who do not serve concurrently as Executive Officers consisting of only Base Compensation, which is fixed compensation, and an additional fixed amount of compensation according to their duties as the Chairperson or Member of the Nomination Committee, Compensation Committee and Audit Committee. The individual compensation, etc. for Non-executive Directors is determined by the Compensation Committee after confirming that it is consistent with the relevant policy.

(ii) Executive Officers

MMC established a policy for the compensation of Executive Officers (including Executive Officers who serve concurrently as Members of the Board) consisting of Base Compensation, Short-term Performance-linked Compensation and Additional Individual Compensation, as well as Long-term Performance-linked Compensation and Deferred Retirement Compensation as share-based compensation (BIP Trust; see the following page). 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.

[Compositional breakdown of compensation]

(The compositional breakdown of compensation differs by individual position. The compensation ratios are determined assuming the total compensation for each position is 10.)

Monetary compensation			Share-based compensation	
Base Compensation	Short-term Performance-linked Compensation	Additional Individual Compensation	Long-term Performance-linked Compensation	Deferred Retirement Compensation
5.0 to 6.5	1.5 to 2.0	0 to 0.5	1.0 to 2.0	0.5 to 1.0

- Base Compensation is fixed compensation that has been decided according to position.
- 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.
- Additional Individual Compensation is calculated as a payment amount corresponding to the level of achievement of targets that have been individually set for each Executive Officer. Separate from the Group's overall targets, operating division targets are set for each Executive Officer corresponding to the area of business operations they are in charge of, and these have been established as an incentive for the achievement of those targets.
- 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.
- Deferred Retirement Compensation is accrued by deferring a portion of the payment of fixed compensation, and paid upon retirement.

There are no matters to report concerning the targets and actual results for the fiscal year under review because the Compensation Committee determined at the beginning of the fiscal year to not pay Short-term Performance-linked Compensation, Additional Individual Compensation, or Long-term Performance-linked Compensation. That decision was made in consideration of factors including the fact that deterioration of financial performance was already expected from the beginning of the fiscal year, the fact that no dividends were paid, and the deterioration of the business environment due to the impact of COVID-19. The compensation for each individual, including the aforementioned decision, was checked for consistency with the aforementioned policy and determined by the Compensation Committee.

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." For the Long-term Performance-linked Compensation, Delivery, etc. of MMC's Shares etc. is made annually at an amount corresponding to the position of the eligible officer and the level of achievement of business targets, etc. for a three-fiscal-year evaluation period. In the case of Long-term Performance-linked Compensation, however, Delivery, etc. of MMC's Shares etc. will not be made because of the determination not to make payments for FY2020 as stated above. 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.

<Compensation reduction for officers in FY2021>

As we judged that it would be unavoidable to reduce the amount of officer compensation in light of sharing of value with shareholders while sincerely accepting the MMC group's current severe circumstances, such as forgoing of the year-end dividend for FY2020, we have decided to reduce the amounts to be paid to Representative Executive Officers, Executive Officers and Corporate Officers as officer compensation for FY2021 as below. Furthermore, we have been offered by Non-executive Directors including Outside Directors to refund part of their compensation. MMC intends to accept the offer.

Details of the compensation reduction and refund

- (i) Representative Executive Officers, Executive Officers and Corporate Officers:
Long-term Performance-linked Compensation: not to be paid; Other compensation (including Base Compensation): reduced by 10% to 12%
- (ii) Non-executive Directors including Outside Directors:
Base Compensation: reduced by 5% to 12%

Period subject to the reduction and refund

FY2021 (twelve (12) months)

The compensation reduction and refund proposals were finalized after the deliberations at the Compensation Committee and reported to the Board of Directors. MMC's officers will work hard to achieve management strategies based on "Small but Beautiful" that it is aiming to achieve through company-wide concerted efforts.

(4) Outside Directors

- (a) Relationships between MMC and entities where Outside Directors hold important concurrent positions (As of March 31, 2021)

Name	Important Concurrent Positions	Relations with MMC
Shunichi Miyanaga	Chairman of the Board, Mitsubishi Heavy Industries, Ltd.	Purchase of parts, etc.
	Outside Director, Mitsubishi Corporation	Sale of automobiles outside Japan, etc.
Ken Kobayashi	Chairman of the Board, Mitsubishi	Sale of automobiles outside Japan, etc.

Name	Important Concurrent Positions	Relations with MMC
	Corporation	
	Outside Director, NISSIN FOODS HOLDINGS CO., LTD.	No notable relations
	Outside Director (Member of the Board), Mitsubishi Heavy Industries, Ltd.	Purchase of parts, etc.
Setsuko Egami	Professor, Graduate School of Humanities, Musashi University	No notable relations
	Professor, Faculty of Sociology, Musashi University	No notable relations
	Outside Director, Mitsubishi Estate Co., Ltd.	Lending and borrowing of real estate
	Outside Director, Resona Holdings, Inc.	No notable relations
Main Kohda	Novelist	No notable relations
	Outside Director, Japan Tobacco Inc.	No notable relations
	Outside Director, Japan Exchange Group	No notable relations
Yaeko Takeoka	Attorney at Law, Kohwa Sohgo Law Offices	No notable relations
	Outside Audit & Supervisory Board Member, AGC Inc.	Purchase of parts, etc.
Kenichiro Sasae	President, The Japan Institute of International Affairs	MMC is a member of this organization.
	Adviser to the Minister for Foreign Affairs	No notable relations
	Outside Director, Hotel Okura Co., Ltd.	No notable relations
	Outside Director, SEIREN CO., LTD.	Purchase of parts, etc.
Kiyoshi Sono	Chairman of the Board of Directors, MUFG Bank, Ltd.	Banking transactions
	Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc.	No notable relations
	Outside Director, Mitsubishi UFJ NICOS Co., Ltd.	No notable relations
	Outside Director, Nankai Electric Railway Co., Ltd.	No notable relations
Hideyuki Sakamoto	Director, Executive Officer, Executive Vice President, Nissan Motor Co., Ltd.	OEM supply of automobiles, etc.
	Chairman, JATCO Ltd	Purchase of parts, etc.
	Board Member, Chairman, AICHI MACHINE INDUSTRY CO., LTD.	Purchase of parts, etc.
	Chairman of the Board, Nissan Motor Kyushu Co., Ltd.	No notable relations
Mitsuko Miyagawa	Attorneys at law, TMI Associates	No notable relations
	Outside Director, S.T. CORPORATION	No notable relations
Yoshihiko Nakamura	CPA Yoshihiko Nakamura Accounting Office	No notable relations
	Auditor, Seika Corporation	No notable relations
Joji Tagawa	Senior Vice President, Nissan Motor Co.,	OEM supply of automobiles, etc.

Name	Important Concurrent Positions	Relations with MMC
	Ltd.	
	Outside Director, Renault	OEM supply of automobiles, etc.
	Corporate Vice President, Nissan Motor Co., Ltd.	OEM supply of automobiles, etc.

(b) Principal activities

Name	Attendance at Board of Directors, etc.	Outline of comments at the Board of Directors Meetings and of duties conducted in relation to expected roles
Shunichi Miyanaga	Board of Directors Meeting: 16/16 Compensation Committee: 9/9	He used knowledge and insight based on extensive experience in corporate management as a senior executive of a globally operating manufacturing company to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution. In addition, he contributed to the improvement of MMC's governance through conducting deliberations on the MMC's officer compensation system as the Chairperson of the Compensation Committee, etc.
Ken Kobayashi	Board of Directors Meeting: 16/16 Nomination Committee: 6/6	He used knowledge and insight based on extensive experience in corporate management as a senior executive of a general trading company that trades globally to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution. In addition, he contributed to the improvement of MMC's governance through conducting deliberations on the nomination of Director candidates and the appointment of Executive Officers as a Member of the Nomination Committee, etc.
Setsuko Egami	Board of Directors Meeting: 15/16 Compensation Committee: 9/9	She used extensive insight in corporate strategy, marketing strategy, and human resource development, etc. to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution. In addition, she contributed to the improvement of MMC's governance through conducting deliberations on the MMC's officer compensation system as a Member of the Compensation Committee, etc.
Main Kohda	Board of Directors Meeting: 16/16 Nomination Committee: 6/6 Compensation Committee: 8/9	She used advanced knowledge of international finance and deep insight as an author to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution. In addition, she contributed to the improvement of MMC's governance through conducting deliberations on the nomination of Director candidates and the appointment of Executive Officers as the Chairperson of the Nomination Committee, and deliberations on the MMC's officer compensation system as a Member of the Compensation Committee, etc.
Yaeko Takeoka	Board of Directors Meeting: 14/16 Audit Committee: 15/15	She used her expertise as a lawyer to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution. In addition, she contributed to the improvement of MMC's governance through working to maintain and improve the soundness of MMC's management through audits as the Chairperson of the Audit Committee, etc.

Name	Attendance at Board of Directors, etc.	Outline of comments at the Board of Directors Meetings and of duties conducted in relation to expected roles
Kenichiro Sasae	Board of Directors Meeting: 16/16 Nomination Committee: 6/6	He used experience in key role in the Ministry of Foreign Affairs and international sensitivity and extensive insight as a diplomat to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution. In addition, he contributed to the improvement of MMC's governance through conducting deliberations on the nomination of Director candidates and the appointment of Executive Officers as a Member of the Nomination Committee, etc.
Kiyoshi Sono	Board of Directors Meeting: 14/16 Audit Committee: 12/15	He used knowledge and insight based on extensive experience in corporate management gained through his career as a senior executive at international financial institutions, to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution. In addition, he contributed to the improvement of MMC's governance through working to maintain and improve the soundness of MMC's management through audits as a Member of the Audit Committee, etc.
Hideyuki Sakamoto	Board of Directors Meeting: 14/16 Nomination Committee: 5/5	He used knowledge and insight based on extensive experience in corporate management as a member of the management team of a globally operating automobile manufacturer, to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution. In addition, he contributed to the improvement of MMC's governance through conducting deliberations on the nomination of Director candidates and the appointment of Executive Officers as a Member of the Nomination Committee, etc.
Mitsuko Miyagawa	Board of Directors Meeting: 15/16 Audit Committee: 14/15	She used her expertise as a lawyer to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution. In addition, she contributed to the improvement of MMC's governance through working to maintain and improve the soundness of MMC's management through audits as a Member of the Audit Committee, etc.
Yoshihiko Nakamura	Board of Directors Meeting: 13/13 Audit Committee: 11/11	He used his expertise as a certified public accountant to offer opinions, advice, etc. as needed from an objective perspective independent from the management team responsible for business execution. In addition, he contributed to the improvement of MMC's governance through working to maintain and improve the soundness of MMC's management through audits as a Member of the Audit Committee, etc.

Name	Attendance at Board of Directors, etc.	Outline of comments at the Board of Directors Meetings and of duties conducted in relation to expected roles
Joji Tagawa	Board of Directors Meeting: 13/13 Compensation Committee: 6/6	He used knowledge and insight based on extensive experience in corporate management as a member of the management team of a globally operating automobile manufacturer, to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution. In addition, he contributed to the improvement of MMC's governance through conducting deliberations on the MMC's officer compensation system as a Member of the Compensation Committee, etc.
Takahiko Ikushima	Board of Directors Meeting: 13/13	He used knowledge and insight based on extensive experience in corporate management as a member of the management team of a globally operating automobile manufacturer, to offer opinions, advice, etc., as needed from an objective perspective independent from the management team responsible for business execution.

- (Notes)
1. The number of Board of Directors meetings available for attendance for Yoshihiko Nakamura, Joji Tagawa, and Takahiko Ikushima differs from that of the other Members of the Board as they were appointed as Members of the Board on June 18, 2020.
 2. As Hideyuki Sakamoto, Yoshihiko Nakamura, and Joji Tagawa were respectively appointed as Member of the Nomination Committee, Member of the Audit Committee, and Member of the Compensation Committee on June 18, 2020, the number of meetings available for attendance in their respective cases differs from that of the other Members of the Board.

(5) Outline of contracts for limitation of liability

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.

(6) 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:

(i) Scope of insureds

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

(ii) Outline of content of insurance policy

The insurance policy covers the insured's amount of indemnification and such costs as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured as an officer or a person at a certain position of a company of (i). 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 are borne by MMC.

Consolidated Financial Statements
Consolidated Balance Sheet
(As of March 31, 2021)

(In millions of yen)

Assets		Liabilities and net assets	
<u>(Assets)</u>	1,856,279	<u>(Liabilities)</u>	1,331,027
<u>Current assets</u>	1,223,940	<u>Current liabilities</u>	867,947
Cash and deposits	455,716	Notes and accounts payable – trade	307,704
Notes and accounts receivable – trade	154,253	Electronically recorded obligations – operating	77,222
Finance receivables	247,331	Short-term borrowings	16,085
Merchandise and finished goods	182,713	Commercial papers	32,500
Work in process	26,657	Current portion of long-term borrowings	57,702
Raw materials and supplies	40,585	Lease obligations	3,533
Short-term loans receivable	723	Accounts payable – other, and accrued expenses	249,231
Other	117,880	Income taxes payable	6,747
Allowance for doubtful accounts	(1,921)	Provision for product warranties	48,308
<u>Non-current assets</u>	632,338	Provision for loss on fuel consumption test	1,066
<u>Property, plant and equipment</u>	410,982	Other	67,845
Buildings and structures	83,486	<u>Non-current liabilities</u>	463,080
Machinery, equipment and vehicles	120,136	Long-term borrowings	347,978
Tools, furniture and fixtures	57,167	Lease obligations	25,525
Land	124,963	Deferred tax liabilities	16,044
Construction in progress	25,227	Retirement benefit liability	28,593
<u>Intangible assets</u>	33,918	Other	44,938
Intangible assets	33,918	<u>(Net assets)</u>	525,251
<u>Investments and other assets</u>	187,437	<u>Shareholders' equity</u>	578,602
Investment securities	81,895	Share capital	284,382
Long-term loans receivable	3,439	Capital surplus	199,950
Retirement benefit asset	4,548	Retained earnings	95,928
Deferred tax assets	40,689	Treasury shares	(1,659)
Other	60,790	<u>Accumulated other comprehensive income</u>	(70,696)
Allowance for doubtful accounts	(3,925)	Valuation difference on available-for-sale securities	511
		Deferred gains or losses on hedges	(554)
		Foreign currency translation adjustment	(63,035)
		Remeasurements of defined benefit plans	(7,617)
		<u>Share acquisition rights</u>	352
		<u>Non-controlling interests</u>	16,993
Total	1,856,279	Total	1,856,279

Consolidated Statement of Income
(From April 1, 2020 to March 31, 2021)

(In millions of yen)

Net sales	1,455,476
Cost of sales	1,299,021
Gross profit	156,454
Selling, general and administrative expenses	251,776
Operating loss	95,321
Non-operating income	14,454
Interest and dividend income	2,443
Foreign exchange gains	3,784
Subsidies for employment adjustment	6,048
Other	2,178
Non-operating expenses	24,335
Interest expenses	5,375
Litigation expenses	2,581
Share of loss of entities accounted for using equity method	9,122
Other	7,255
Ordinary loss	105,203
Extraordinary income	3,621
Gain on sales of non-current assets	1,548
Gain on sales of investments in capital of subsidiaries and affiliates	1,543
Other	529
Extraordinary losses	196,707
Loss on retirement of non-current assets	3,167
Impairment loss	107,747
COVID-19	2,489
Business restructuring expenses	70,286
Foreign withholding taxes on transfer pricing taxation adjustment	8,604
Other	4,411
Loss before income taxes	298,289
Income taxes – current	7,599
Income taxes for prior periods	(6,674)
Income taxes – deferred	10,215
Loss	309,428
Profit attributable to non-controlling interests	2,888
Loss attributable to owners of parent	312,317

Non-Consolidated Financial Statements

Balance Sheet

(As of March 31, 2021)

(In millions of yen)

Assets		Liabilities and net assets	
(Assets)	985,314	(Liabilities)	708,054
Current assets	541,336	Current liabilities	492,726
Cash and deposits	168,090	Electronically recorded obligations – operating	76,335
Accounts receivable – trade	170,781	Accounts payable – trade	219,086
Finished goods	26,496	Lease obligations	485
Work in process	22,752	Accounts payable – other	130,113
Raw materials and supplies	14,207	Accrued expenses	6,800
Prepaid expenses	1,764	Income taxes payable	741
Short-term loans receivable	36,283	Deposits received	9,155
Accounts receivable – other	101,098	Provision for product warranties	29,880
Other	11,964	Provision for loss on fuel consumption test	1,066
Allowance for doubtful accounts	(12,104)	Other	19,061
Non-current assets	443,978	Non-current liabilities	215,328
Property, plant and equipment	200,126	Long-term borrowings	200,000
Buildings	31,689	Lease obligations	501
Structures	4,358	Guarantee deposits received	1,715
Machinery and equipment	46,886	Provision for retirement benefits	3,373
Vehicles	569	Long-term accounts payable – other	1,092
Tools, furniture and fixtures	38,318	Deferred tax liabilities	1,081
Land	70,419	Asset retirement obligations	3,773
Construction in progress	7,884	Other	3,788
Intangible assets	29,379	(Net assets)	277,260
Intangible assets	29,379	Shareholders' equity	276,959
Investments and other assets	214,471	Share capital	284,382
Investment securities	7,558	Capital surplus	203,807
Shares of subsidiaries and affiliates	168,851	Capital reserve	118,680
Long-term loans receivable	1,231	Other capital surplus	85,126
Investments in capital of subsidiaries and affiliates	8,897	Retained earnings	(209,570)
Guarantee deposits	6,057	Legal reserve	5,605
Long-term prepaid expenses	16,881	Other retained earnings	(215,176)
Other	5,417	Retained earnings brought forward	(215,176)
Allowance for doubtful accounts	(453)	Treasury shares	(1,659)
		Valuation and translation adjustments	(52)
		Valuation difference on available-for-sale securities	385
		Deferred gains or losses on hedges	(437)
		Share acquisition rights	352
Total	985,314	Total	985,314

Statement of Income

(From April 1, 2020 to March 31, 2021)

(In millions of yen)

Net sales	1,092,242
Cost of sales	1,100,889
Gross loss	8,647
Selling, general and administrative expenses	157,078
Operating loss	165,725
Non-operating income	26,961
Interest and dividend income	18,659
Foreign exchange gains	4,011
Other	4,290
Non-operating expenses	7,231
Interest expenses	944
Other	6,287
Ordinary loss	145,996
Extraordinary income	55,182
Gain on sales of non-current assets	61
Transfer pricing taxation adjustment	54,089
Other	1,031
Extraordinary losses	183,708
Loss on retirement of non-current assets	2,451
Impairment loss	107,619
COVID-19	1,540
Business restructuring expenses	26,164
Loss on valuation of shares of subsidiaries and affiliates	20,275
Provision of allowance for doubtful accounts	10,667
Foreign withholding taxes on transfer pricing taxation adjustment	8,604
Other	6,386
Loss before income taxes	274,522
Income taxes – current	(1,983)
Income taxes for prior periods	1,091
Income taxes – deferred	(224)
Loss	273,405

English Translation of Independent Auditor's Report on the Consolidated Financial Statements

Independent Auditor's Report

May 20, 2021

The Board of Directors

MITSUBISHI MOTORS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo, Japan

Yoji Murohashi
Designated Engagement Partner
Certified Public Accountant

Takeshi Saida
Designated Engagement Partner
Certified Public Accountant

Taichi Muto
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of MITSUBISHI MOTORS CORPORATION and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2020 to March 31, 2021.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group, applicable to the fiscal year ended March 31, 2021, 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 consolidated 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.

Responsibilities of Management and the 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 Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

English Translation of Independent Auditor's Report on the Financial Statements

Independent Auditor's Report

May 20, 2021

The Board of Directors

MITSUBISHI MOTORS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo, Japan

Yoji Murohashi
Designated Engagement Partner
Certified Public Accountant

Takeshi Saida
Designated Engagement Partner
Certified Public Accountant

Taichi Muto
Designated and Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph (2), item (i), of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to the financial statements and the related supplementary schedules (hereinafter collectively referred to as "financial statements") of MITSUBISHI MOTORS CORPORATION (the "Company") applicable to the fiscal year from April 1, 2020 to March 31, 2021.

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, 2021, 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 the Company 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.

Responsibilities of Management and the 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 the Company'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 Company'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 the Company'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 Company'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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report of the Audit Committee

Audit Report

The Audit Committee has audited the performance of duties by the Members of the Board and Executive Officers during the fiscal year from April 1, 2020 to March 31, 2021. We hereby report the methods and the results of the audit as follows:

1. Methods and Contents of Audit

The Audit Committee received reports on a regular basis from the Members of the Board, Executive Officers, employees, and other relevant personnel, requested explanations as necessary, and provided opinions with respect to the contents of the Board of Directors' resolutions pursuant to Article 416, paragraph (1), item (i), (b) and (e) of the Companies Act and the status of the development and maintenance of the systems that are maintained based on such resolutions (internal control systems). The Audit Committee also conducted audit using the following methods.

- (1) In accordance with the audit policies, assignment of duties, and other relevant matters established by the Audit Committee, while utilizing telephone lines, the Internet or other communication method, the Committee, in coordination with the internal audit division and other relevant functions, attended important meetings, received reports from the Members of the Board, Executive Officers, and other relevant personnel on matters regarding the performance of their duties, requested explanations as necessary, inspected important approval/decision documents and others, and investigated the status of the corporate affairs and assets concerning the head office and major business locations. With respect to the subsidiaries, the Audit Committee endeavored to facilitate mutual understanding and information exchange with the Members of the Board, Audit & Supervisory Board Members, and other relevant personnel of each subsidiary and received from subsidiaries reports on their respective businesses as necessary. Concerning the internal control over financial reporting, the Audit Committee received reports on the evaluation and status of audit of that internal control from the Members of the Board, Executive Officers, employees, and other relevant personnel, as well as Ernst & Young ShinNihon LLC, and requested explanations as necessary.
- (2) The Audit Committee monitored and verified whether the Accounting Auditors maintained their independence and properly conducted their audit, received a report from the Accounting Auditors on the status of their performance of duties, and requested explanations as necessary. In addition, the Audit Committee was notified by the Accounting Auditors that they had established a "system to ensure that the performance of the duties of the Accounting Auditors was properly conducted" (the matters set forth in the items of Article 131 of the Regulation on Corporate Accounting) in accordance with such guidelines as the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and requested explanations as necessary. With respect to key audit matters, the Audit Committee consulted with, received reports on the status of the audit from, and requested explanation as necessary from Ernst & Young ShinNihon LLC.

Based on the methods described above, the Audit Committee has examined the business report and the related supplementary schedules; the financial statements (balance sheet, statement of income, statement of changes in net assets, and notes to financial statements) and the related supplementary schedules; and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the fiscal year under review.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (a) We acknowledge that the business report and the related supplementary schedules fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (b) We acknowledge that there is no misconduct or material fact in violation of laws and regulations or the Articles of Incorporation of the Company with regard to the performance of duties by the Members of the Board and Executive Officers.
- (c) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents in the business report and the performance of duties by the Members of the Board and Executive Officers concerning the internal control systems, including internal control over financial reporting.

(2) Results of Audit of Financial Statements and Related Supplementary Schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditors Ernst & Young ShinNihon LLC are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditors Ernst & Young ShinNihon LLC are appropriate.

May 20, 2021

MITSUBISHI MOTORS CORPORATION	Audit Committee
Member of the Audit Committee	Yaeko Takeoka
Member of the Audit Committee	Kiyoshi Sono
Member of the Audit Committee	Mitsuko Miyagawa
Member of the Audit Committee	Yoshihiko Nakamura
Member of the Audit Committee (Full-time)	Kozo Shiraji

(Note) Members of the Audit Committee, Yaeko Takeoka, Kiyoshi Sono, Mitsuko Miyagawa, and Yoshihiko Nakamura are Outside Directors as stipulated in Article 2, item (xv) and Article 400, paragraph (3) of the Companies Act.

Note: This English translation is for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail. We assume no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.

Items Disclosed on Internet Concerning Notice of the 52nd Ordinary General Meeting of Shareholders

Fiscal 2020 (from April 1, 2020 to March 31, 2021)

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MITSUBISHI MOTORS CORPORATION

Pursuant to the provisions of relevant laws and regulations and Article 13 of the Company's Articles of Incorporation, the items listed above are provided to shareholders on the website of MITSUBISHI MOTORS CORPORATION.

(<https://www.mitsubishi-motors.com/en/investors/stockinfo/meeting.html>)

Stock options of MMC (As of March 31, 2021)**Status of the stock options of MMC as of March 31, 2021**

	Year granted	Stock options held by Members of the Board and Audit & Supervisory Board Members		Type and number of shares that will be issued	Issue price (per option)	Exercise price	Exercise period
First Round of Stock Options	FY 2017	1 Director (excluding Outside Directors) of MMC	842 options	Common stock 67,044 shares	41,200 yen	1 yen	From May 1, 2020 to April 30, 2070
Fourth Round of Stock Options	FY 2020	1 Executive Officer of MMC	150 options	Common stock 47,573 shares	40,000 yen	1 yen	From May 1, 2023 to April 30, 2053

Accounting Auditors

(1) Name of Accounting Auditors

Ernst & Young ShinNihon LLC

(2) Amount of compensation to Accounting Auditors for the fiscal year under review

Item	Amount of Compensation
Amount of compensation, etc. for the fiscal year under review	280 million yen
Sum of the amount of money and other material advantage to be paid by MMC and its subsidiaries to Accounting Auditors	390

- (Notes)
1. Among MMC's significant subsidiaries, Mitsubishi Motors North America, Inc. (U.S.), Mitsubishi Motors (Thailand) Co., Ltd. (Thailand) and five other companies are audited by Certified Public Accountants or audit corporations (including persons or entities with equivalent qualifications overseas) other than MMC's Accounting Auditors.
 2. The audit agreement between MMC and the Accounting Auditors does not clearly distinguish the amount of compensation for the audit under the Companies Act and that for the audit under the Financial Instruments and Exchange Act, and the two amounts cannot practically be distinguished from each other. Therefore, the amount of compensation indicated above for the fiscal year under review is the total of these two kinds of amounts.

(3) Reason why the Audit Committee has agreed to the amount of compensation to 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 compensation to MMC's Accounting Auditors for FY2020 was reasonable.

(4) Details of non-audit work

MMC entrusted fact-verification duties concerning the English translation of Financial Statements and other materials to the Accounting Auditors and paid consideration therefor.

(5) Policy on decision to dismiss or not reappoint Accounting Auditors

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 Members of the Audit Committee. If this occurs, a Member of the Audit Committee selected by the Audit Committee shall report the dismissal of the Accounting Auditors and the reasons for this dismissal to the first Ordinary General Meeting of Shareholders held after the dismissal.

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 Ordinary General Meeting of Shareholders.

System to ensure appropriate business activities and outline of the operating status of such systems

1 System to ensure appropriate business activities

MMC has developed the corporate vision and missions that enable its group employees to look towards the future, develop a common understanding, and work as one team. 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 ensure appropriate business activities, MMC has resolved the following matters regarding the Basic Policy on the Establishment of Internal Control Systems at the Board of Directors.

“Basic Policy on the Establishment of Internal Control Systems”

(1) System to ensure that Executive Officers and employees of MMC’s performance of their duties complied with applicable laws and regulations and the Articles of Incorporation of MMC

- (a) 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.
- (b) MMC shall appoint Outside Directors to monitor company management and it shall enhance auditing through the Audit Committee that includes Outside Directors as the members of such committee.
- (c) The internal audit divisions of MMC 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 divisions shall report them to the relevant Members of the Board or others, and periodically check the status of improvement measures following occurrence.
- (d) As the core organization to address internal control in accordance with the Companies Act, MMC shall establish the Internal Control Committee, with Executive Officer, CEO being the chairperson and Director in charge of Global Risk Control being the vice- chairperson.

(2) Regulations and other systems of MMC to manage risk of loss

- (a) To manage business risk, MMC shall clearly prescribe respective standards for making proposals to the Board of Directors and the Executive Committee in each of the rules of the Board of Directors and rules of the Executive Committee, and operate in accordance with these rules.
- (b) 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.
- (c) MMC shall establish a body in charge of promoting risk management and work to develop and strengthen its overall risk management structure.
- (d) 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.

(3) System to ensure that Executive Officers of MMC’s performance of their duties is executed efficiently

- (a) 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.
- (b) MMC shall clarify the roles and authorizations of Members of the Board and Executive Officers of MMC,

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

- (c) To develop a system for carrying out the Company's efficient organizational operation and business execution, and build a system for carrying out swift and agile decision making of important matters, MMC's Members of the Board shall ensure that they can efficiently perform their duties by entrusting a broad range of decisions regarding business execution to Executive Officers, within a scope provided for under laws and regulations.
 - (d) To promote prompt decision-making of MMC and clarify the decision-making process, MMC shall develop clear and highly transparent standards for authority.
- (4) System to store and manage information related to Executive Officer of MMC's 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 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.
- (5) System to ensure appropriate business activities of MMC group which comprises MMC, the parent company and the subsidiaries**
- (a) 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 the business group.
 - (b) MMC shall supervise and manage its subsidiaries, aiming for appropriate business execution by their personnel 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.
 - (c) 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.
 - (d) 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.
 - (e) 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.
 - (f) 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.
- (6) Matters related to Members of the Board and employees to assist in duties of the Audit Committee of MMC**
- A body to assist the Audit Committee of MMC with their duties shall be established and dedicated staff shall be allocated to this body.
- (7) Matters related to the independence of Members of the Board and employees assigned to assist the Audit Committee of MMC with their duties from Executive Officers and ensuring the effectiveness of directions given to those Members of the Board and employees**

- (a) The employee assigned to assist the duties of the Audit Committee of MMC shall only carry out duties under the directions of the Audit Committee without concurrently performing duties for Executive Officers or employees of other sections.
 - (b) When personnel changes are made to staff assigned to assist the Audit Committee of MMC with their duties, opinions shall be sought from the Committee in advance. In addition, evaluations of those dedicated staffs shall be carried out by the Audit Committee.
- (8) System to allow the Members of the Board (excluding Members of the Board who are Members of the Audit Committee), Executive Officers and employees of MMC, and 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 the Audit Committee, and other systems related to reporting to the Audit Committee of MMC**
- (a) The Members of the Audit Committee of MMC shall attend both meetings of the Board of Directors and other important meetings of MMC.
 - (b) MMC shall develop a framework to steadily provide important internal information regarding management, compliance and other matters of MMC and its subsidiaries to the Audit Committee and ensure that it is thoroughly operated.
 - (c) Personnel of MMC and its subsidiaries shall report matters regarding business execution promptly and appropriately when requested to do so by MMC's Audit Committee.
 - (d) Executive Officers shall immediately report to the Members of the Audit Committee when discovering that there is a risk of MMC suffering significant damage.
- (9) System to ensure that those who report the matters described in (8) do not face unfavorable treatment on the grounds that such reports are made**
- It is prohibited to unfavorably treat personnel of MMC and its subsidiaries who report such matters directly or indirectly to the Audit Committee on the grounds that such reports are made. This prohibition shall be notified to all personnel of MMC and its subsidiaries.
- (10) Matters related to procedures for the prepayment or reimbursement of expenses incurred for Member of the Audit Committee (limited to those related to the execution of duties of the Audit Committee), in executing duties, and settlement policy for expenses or debt incurred for other related duties**
- In case the Members of the Audit Committee of MMC make requests to MMC for the prepayment of job-related expenses, etc. in accordance with Article 404 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 the Members of the Audit Committee to execute their duties.
- (11) Other systems to ensure that the Audit Committees' activities are conducted effectively**
- The Audit Committee of MMC shall periodically conduct exchanges of opinions with Executive Officer, CEO, and work in cooperation with the internal auditing division and the Accounting Auditors, thus facilitating proper communication and effective auditing operations.
- (12) 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.

2 Outline of the operating status of systems to ensure appropriate business activities

In accordance with the Basic Policy on the Establishment of Internal Control Systems, MMC confirms, at meetings of the Internal Control Committee and the Board of Directors each fiscal year, that activities in the operation and implementation department for internal control are conducted autonomously and improvements are made where needed. The concrete operating status is outlined as follows:

(1) System to ensure that Executive Officers and employees of MMC's performance of their duties complied with applicable laws and regulations and the Articles of Incorporation of MMC

- MMC established the Global Code of Conduct with an eye to global activities. Additionally, at the initiative of the Director in charge of Global Risk Control, MMC has established and put into practice a system to instill efforts to comply with laws and regulations, internal regulations, social norms, and other rules and regulations through Compliance Officers appointed in each Division, and is working on measures to prevent the recurrence of the issues. By sharing these measures with Compliance Officers including the Director in charge of Global Risk Control at the Compliance Committee meetings held twice annually, they play a role in prior prevention. MMC has similarly set up the position of Compliance Officer and an employee in charge of information security management at major subsidiaries and affiliates both in Japan and overseas, and continues activities to reduce information security and compliance risk. On the aspect of education and training, MMC implements compliance education by hierarchy such as its new employees, career employees and promoted employees and provides education on basic compliance seminar, information security, work overtime and on holidays, etc. through e-Learning to all its employees, led by the Compliance Dept. and Human Resources departments. In FY2020, MMC continued from the previous fiscal year to work on measures against harassment, while striving to raise awareness through treating such measures as priority activities for compliance with laws and regulations and formulating a guideline for such measures, which are treated as priority activities for compliance with laws and regulations, and training for all officers and education by hierarchy. Furthermore, MMC focused on measures to improve communication, including the implementation of training for Compliance Officers and code leaders. In addition, each of major domestic and overseas subsidiaries and affiliates provides education and guidance on each company's own challenges where appropriate. Furthermore, MMC has established consultation offices to prevent and promptly detect fraud or other improper conduct as well provide a means for an organization's self-correction. These consultation offices consist of an internal employee consultation office, which offers counseling to employees of MMC and domestic subsidiaries and affiliates (Employee Counseling Office), an external consultation office, which is run by outside attorneys, and the Mitsubishi Motors Global Whistleblowing Office for use by employees of MMC and major domestic and overseas subsidiaries and affiliates. To make it easier for employees to file reports, this Global Whistleblowing Office of MMC is located at a specialized, external company that can receive anonymous reports. Furthermore, as a structure for MMC Headquarters to confirm the details of reports at subsidiaries and affiliates, it has created and operates a system to gauge and manage group-wide risk.
- The Board of Directors is comprised of 14 members, including 12 Outside Directors. Outside Directors monitor and supervise management decision making by the Board of Directors and the performance of duties by each Member of the Board and Executive Officers more objectively based on their respective considerable experience, deep knowledge, and insights. In June 2019, MMC changed from being a "company with an audit and supervisory board" to a "company with three committees" and worked not only to ensure transparency and objectivity in the procedures related to determining the nomination and compensation of Members of the Board and Executive Officers but also to clarify the division of supervision and execution along with further strengthening governance and securing the transparency of management.
- With the aim of establishing the independence and expanding the scope of audits including global handling, supporting the resolution of significant management matters, as well as expediting investigations necessary for management purposes, the Internal Audit Office, directly reporting to the Executive Officer, CEO, performs audits and shares information with the Audit Committee and Accounting Auditors where

appropriate.

- Under the Internal Control Committee with the Executive Officer, CEO as the chairperson and Director in charge of Global Risk Control being the vice-chairperson, the Compliance Committee (including the Committee for Compliance with Security-related Laws and Regulations), the Information Security Committee, the BCM Committee and the J-SOX Promotion Committee were set up, and these committees confirm each activity's plan, implementation status and challenges, and make reports to the Board of Directors after reporting to and conducting deliberations with the Internal Control Committee.

(2) Regulations and other systems of MMC to manage risk of loss

- MMC has established a body in charge of promoting its overall (including subsidiaries and affiliates) risk management pursuant to internal rules, and appointed an employee in charge of managing risk identified as a result of risk surveys and interviews with related officers in order to implement activities to reduce risk. In addition, MMC has appointed an employee in charge of risk management at each organization (e.g. Division), and has been working on activities covering all phases from identifying to reducing risk related to the business in charge. The implementation status of these efforts and activities is confirmed by the Internal Control Committee.
- To prepare for the occurrence of unforeseen circumstances, MMC has established a task force organization and response guidelines for an emergency pursuant to internal rules, and developed and operated a system to enable prompt reporting to the Members of the Board and others, and prompt, accurate responses.

(3) System to ensure that Executive Officers of MMC's performance of their duties is executed efficiently

- To maintain and improve management efficiency, MMC adopts resolutions for a medium to long term management plan and an annual business plan at a meeting of the Board of Directors and other meetings in accordance with internal rules, and provides follow-up on the status of implementation of these plans at meetings of Executive Committee and ORM (Operation Review Meeting), which are held regularly. In addition, to improve the efficiency of decision-making and clarify responsibilities, MMC has set out detailed provisions concerning the delegation of authority at each level. Moreover, to ensure the efficient business execution, MMC has been working on flattening its organization and streamlining its management levels under operating officers assigned to each function.

(4) System to store and manage information related to Executive Officer of MMC's performance of their duties

- MMC is promoting appropriate management of the storage and retention of information, such as documents pertaining to the Board of Directors, by appointing a person responsible for the management of documents pursuant to internal regulations, in order to promote the appropriate management of the storage and retention of information, such as documents pertaining to the Board of Directors.

(5) System to ensure appropriate business activities of MMC group which comprises MMC, the parent company and the subsidiaries

- Also, at each major subsidiary and affiliate, MMC has also established an internal control committee, chaired by the president or CEO of that entity, to manage internal control. In addition, based on internal rules, MMC has established a division in charge of primary management for the respective subsidiaries and affiliates and a division in charge of secondary management engaging in company-wide management, as well as a system in which individual administrative functions, such as production, development, procurement, finance, and IT, support primary and secondary management divisions, depending on their respective roles, in order to strengthen, develop, and streamline the business operations of subsidiaries and affiliates through various supervisory and management activities.
- MMC has developed internal rules to ensure the timely and appropriate reporting of important information

pertaining to subsidiaries to MMC, and has been promoting operations in compliance with the said guidelines.

- To ensure the appropriateness of financial reporting, MMC has established and has been operating a dedicated organization, pursuant to internal rules, that provides follow-up on and coordinates, among others, the development of systems, scope of assessment, status of assessment of target companies, and status of improvements at MMC and subsidiaries and affiliates.

(6) Matters related to Members of the Board and employees to assist in duties of the Audit Committee of MMC

- MMC has established a body to assist the Audit Committee with their duties pursuant to internal regulations, and has allocated to this body dedicated staff that does not concurrently perform duties for other sections.

(7) Matters related to the independence of Members of the Board and employees assigned to assist the Audit Committee of MMC with their duties& Supervisory Board Members to support the Audit Committee from Executive Officers and ensuring the effectiveness of directions given to those Members of the Board and employees

- Dedicated staff assigned to assist MMC's Audit Committee with their duties only carries out duties under the directions of those Audit Committee. In addition, personnel changes are made to dedicated staff with the consent of the Audit Committee, and evaluations of those dedicated staff are carried out by the Audit Committee.

(8) System to allow the Members of the Board (excluding Members of the Board who are Members of the Audit Committee), Executive Officers and employees of MMC, and 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 the Audit Committee, and other systems related to reporting to the Audit Committee of MMC

- MMC's Members of the Audit Committee attend meetings of the Board of Directors and other important meetings of MMC pursuant to internal regulations.
- MMC has developed and has been operating a system to steadily provide important information regarding MMC and its subsidiaries to the Audit Committee pursuant to internal regulations. In addition, MMC submits documents or records specified by laws and regulations to the Audit Committee, and promptly responds to any request (if any) for documents or records which the Audit Committee deem necessary.

(9) System to ensure that those who report the matters described in (8) do not face unfavorable treatment on the grounds that such reports are made

- MMC prohibits unfavorable treatment of personnel of MMC and its subsidiaries who report such matters directly or indirectly to MMC's Audit Committee on the grounds that such reports are made. MMC has set out provisions concerning such prohibition in the Global Code of Conduct and its internal regulations. MMC posted these provisions on its intranet to keep all personnel of MMC and its subsidiaries informed of this prohibition.

(10) Matters related to procedures for the prepayment or reimbursement of expenses incurred for the Members of the Audit Committee (limited to those related to the execution of duties of the Audit Committee), in executing duties, and settlement policy for expenses or debt incurred for other related duties

- MMC secures a certain budget for each fiscal year based on a request from the Audit Committee, in order to respond to expenses incurred by MMC's Audit Committee in executing duties. In addition, upon receiving a request for additional expenses required thereafter, MMC shall promptly pay and settle those expenses or

debts.

(11) Other systems to ensure that the Audit Committees' activities are conducted effectively

- MMC's Audit Committee reports its activities to the Board of Directors and conduct exchanges of opinions with Executive Officer, CEO, where appropriate, based on the annual audit plan for the purpose of facilitating proper communication and effective auditing operations, and work in cooperation with the internal auditing division and other divisions, as well as the Accounting Auditors, to hold regular meetings and engage in other activities. Furthermore, in addition to the activities of the Audit Committee, MMC's Audit Committee periodically conduct interviews with each divisions.

(12) System for eliminating criminal or unethical organizations

- MMC has specified in the Global Code of Conduct that any relationship with antisocial forces shall be blocked. In addition, MMC and its domestic subsidiaries have developed a manual for dealing with criminal or unethical organizations, and keep all personnel informed of such manual.

Consolidated Statement of Changes in Net Assets

(From April 1, 2020 to March 31, 2021)

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of year	284,382	200,072	407,547	(1,728)	890,273
Changes in items during the period					
Profit (loss) attributable to owners of parent			(312,317)		(312,317)
Purchase of treasury shares				(254)	(254)
Disposal of treasury shares				2	2
Exercise of share acquisition rights		(131)		320	189
Change in scope of consolidation			(23)		(23)
Change in ownership interest of parent due to transactions with non-controlling interests		9			9
Change in scope of equity method			721		721
Net changes in items other than shareholders' equity					
Total changes in items during the period	-	(121)	(311,619)	69	(311,671)
Balance at end of year	284,382	199,950	95,928	(1,659)	578,602

	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 year	(562)	(99)	(82,731)	(34,216)	(117,610)	345	15,354	788,363
Changes in items during the period								
Profit (loss) attributable to owners of parent								(312,317)
Purchase of treasury shares								(254)
Disposal of treasury shares								2
Exercise of share acquisition rights								189
Change in scope of consolidation								(23)
Change in ownership interest of parent due to transactions with non-controlling interests								9
Change in scope of equity method								721
Net changes in items other than shareholders' equity	(1,074)	(455)	19,695	26,598	46,914	7	1,638	48,560
Total changes in items during the period	(1,074)	(455)	19,695	26,598	46,914	7	1,638	(263,111)
Balance at end of year	511	(554)	(63,035)	(7,617)	(70,696)	352	16,993	525,251

Notes to Consolidated Financial Statements

1. Basis of consolidated financial statements

(1) Scope of consolidation

(a) Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 35

Names of major consolidated subsidiaries

Higashi Nihon Mitsubishi Motor Sales Co., Ltd., Mitsubishi Motors Finance Co. Ltd., Pajero Manufacturing Co., Ltd., Mitsubishi Motors North America, Inc., Mitsubishi Motors Europe B.V., Mitsubishi Motors (Thailand) Co., Ltd., Mitsubishi Motors Australia, Ltd., etc.

Note that Mitsubishi Motors Finance Co. Ltd. has changed its name from MMC Diamond Finance Corp.

Change in scope of consolidation

In the fiscal year ended March 31, 2021, MMC Manufacturing Malaysia Sdn. Bhd, which had been an unconsolidated subsidiary, was included in the scope of consolidation due to its increased materiality in the MMC Group.

In addition, an absorption-type merger was implemented involving two consolidated subsidiaries, Nishi Nihon Mitsubishi Motor Sales Co., Ltd., as the surviving company, and Chubu Mitsubishi Motor Sales Co., Ltd., as the absorbed company.

(b) Names of major unconsolidated subsidiaries, etc.

Names of major unconsolidated subsidiaries

MMC Wing Co., Ltd., etc.

Reason for exclusion from scope of consolidation

The amounts of total assets, net sales, profit or loss, and retained earnings of unconsolidated subsidiaries, including 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

(a) Number of affiliates to which the equity method is applied and names of major companies, etc.

Number of affiliates to which the equity method is applied: 19

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

Names of major companies, etc.

JATCO Ltd, GAC Mitsubishi Motors Co., Ltd., etc.

Change in scope of equity method

FF Sheffe B.V., which is the parent company of the sales company in Russia, was included in the scope of equity method due to additional share acquisition in the fiscal year ended March 31, 2021.

China Harbin Dongan Automotive Engine Manufacturing Co., Ltd., which had been an equity-method company, was excluded from the scope of equity method due to the sale of its shares.

(b) Names of unconsolidated subsidiaries and affiliates to which the equity method is not applied

Names of major companies, etc.

(Unconsolidated subsidiaries)

MMC Wing Co., Ltd., etc.

(Affiliates)

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 affiliates 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 affiliates are excluded from the scope of equity method.

(3) Fiscal year end dates of consolidated subsidiaries

For those overseas consolidated subsidiaries whose 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

(a) Valuation bases and methods of assets

(i) Securities

Held-to-maturity securities: Carried at amortized cost.

Marketable securities classified as other securities:

Carried at fair value based on the market price at the end of the fiscal year 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 other securities, including unrealized gains and losses, is recognized in valuation difference on available-for-sale securities in the accompanying consolidated balance sheet.

(ii) Derivative financial instruments

Carried at fair value (excluding interest rate swaps accounted for by the special treatment)

(iii) 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 net realizable value, cost being determined principally by the specific identification method.

(b) Depreciation and amortization

(i) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment (excluding leased assets) is principally calculated using the declining balance method or the straight line method over the estimated useful life of the respective assets for MMC and domestic consolidated subsidiaries. Depreciation is principally calculated using the straight line method for the overseas consolidated subsidiaries.

The useful lives of the assets are based on the estimated lives of assets for MMC and are consistent with the Corporation Tax Act for its domestic consolidated subsidiaries. The useful lives of the assets are determined based on the expected useful lives for the overseas consolidated subsidiaries.

(ii) 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 (5 years).

(iii) 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.

(c) Allowances and provisions

(i) Allowance for doubtful accounts

The allowance for doubtful accounts is provided based on MMC and its consolidated subsidiaries' historical experience with respect to write-offs and an estimate of the amount of specific uncollectible accounts.

(ii) Provision for product warranties

The provision for product warranty claims of MMC and its domestic subsidiaries is calculated in accordance with the warranty contracts and based on historical experience and estimated future costs relating to claims. The provision for product warranty claims of overseas subsidiaries is calculated based on historical experience and estimated future costs relating to claims.

(iii) Provision for loss on fuel consumption test

To provide for loss on fuel consumption test, the provision is calculated to the extent that can be reasonably projected and estimated at the end of the fiscal year.

(d) Other significant matters forming the basis of preparing the consolidated financial statements

(i) Translation of foreign currency accounts

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.

The accounts of the consolidated foreign subsidiaries are translated into yen as follows:

- a. Asset and liability items are translated at the rate of exchange in effect at the end of the fiscal year;
- b. Components of shareholders' equity are translated at their historical rates at acquisition or upon occurrence; and
- c. Revenues, expenses, and cash flow items are translated at the average rate of exchange for the fiscal year.

Translation adjustments are included in "Net assets."

(ii) Hedge accounting

Forward foreign exchange contracts: deferral hedge accounting (hedges of forecast transactions)

Interest rate swaps: deferral hedge accounting or special treatment as prescribed in Accounting Standards for Financial Instruments

(iii) Retirement benefits accounting

Accrued retirement benefits for employees at the end of the fiscal year are calculated based on the retirement benefit obligation and the fair value of the pension plan assets estimated at the end of the fiscal year.

Prior service cost is amortized using the straight line method over periods within the estimated average remaining service years of the employees.

Actuarial gains and losses are being amortized using the straight line method over the periods within the estimated average remaining service years of the employees from the following fiscal year.

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

When calculating the retirement benefit obligation, the benefit formula basis was used for attributing the expected defined net benefits to the period until the end of the fiscal year.

(iv) Transactions subject to consumption taxes

Consumption tax is excluded from the transaction amount in the consolidated statement of income but is included in the consolidated balance sheet amount.

(v) Application of consolidated taxation system

The consolidated taxation system is applied.

- (vi) Application of tax effect accounting in relation to the transition from the consolidated taxation system to the group tax sharing system

For the transition to the group tax sharing system established by the Act on Partial Revision of the Income Tax Act (Act No. 8 of 2020) and items for which the non-consolidated tax payment system has been revised in conjunction with the transition to the group tax sharing system, MMC and its domestic consolidated subsidiaries have not applied the provisions of paragraph 44 of Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, February 16, 2018) , and have recognized the amounts of deferred tax assets and deferred tax liabilities in accordance with the provisions of the tax law prior to revision, based on the treatment of paragraph 3 in Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (ASBJ PITF No. 39, March 31, 2020).

2. Notes to changes in presentation method

(Changes associated with the application of the Accounting Standard for Disclosure of Accounting Estimates)

The Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31, March 31, 2020) has been applied from the fiscal year ended March 31, 2021, and “3. Notes to accounting estimates” is included in Notes to Consolidated Financial Statements.

3. Notes to accounting estimates

(1) Liabilities related to market quality measures

(a) Amount recorded in the consolidated financial statements as of March 31, 2021

	As of March 31, 2021 (millions of yen)
Liabilities related to market quality measures	41,049

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

(b) 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, 2022

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 for 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 for market quality measures.

(2) Impairment of non-current assets

(a) Amounts recorded in the consolidated financial statements for the fiscal year ended and as of March 31, 2021

	For the fiscal year ended and as of March 31, 2021 (millions of yen)
Impairment loss	117,973
Property, plant and equipment and intangible assets	444,901

(Details of impairment loss are as stated in "6. Notes to consolidated statement of income (1) Impairment loss.")

(b) Information on significant accounting estimates for identified items

(i) Calculation method

MMC assesses whether to recognize an impairment loss for an asset or a group of assets for which there is an indication of impairment. If MMC determines that an impairment loss should be recognized, the carrying amount will be reduced to its 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, which is based on the mid-term business plan

approved by the Board of Directors, is the discounted present value of estimated future cash flows, given growth rates that take into account future uncertainties. 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.

(ii) Key assumption

The key assumptions used in estimating future cash flows and value in use are forecasts of sales volumes, manufacturing/selling costs, growth rates and discount rates. Forecasts of sales volumes, manufacturing/selling costs and growth rates are based on past conditions in the MMC Group and forecast data by third parties, taking into account related market trends, changes in its business environment expected at present, and other factors. The discount rate is the weighted average cost of capital. In estimating future cash flows, regarding the impact of the novel coronavirus disease (COVID-19), it is assumed that the recovery trend in demand from the second half of the fiscal year ended March 31, 2021 will continue during the fiscal year ending March 31, 2022 and thereafter.

(iii) Impact on the consolidated financial statements for the fiscal year ending March 31, 2022

The key assumptions in estimating future cash flows and value in use are based on best estimates. However, these are subject to uncertainties, including future market trends and economic conditions. If the estimated future cash flows and value in use are revised, new impairment losses on non-current assets may be recognized or additional impairment losses on non-current assets may be recorded.

4. 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, 2021, is 251 million yen, and the number of shares is 1,152,650 shares.

5. Notes to consolidated balance sheet

(1) Assets pledged as collateral and liabilities secured

(a) Assets pledged as collateral

Finance receivables	107,244 million yen
Property, plant and equipment	4,737 million yen
Other (Note)	2,467 million yen
Total	114,450 million yen

(Note) Accounts receivable – other of 1,061 million yen was pledged based on a liability in a term lease contract relating to a building with Murata Medical Services, Ltd.

(b) Liabilities secured

Short-term borrowings and long-term borrowings (including current portion)	93,389 million yen
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(2) Accumulated depreciation of property, plant and equipment 912,293 million yen

(3) Balance of guarantee liabilities

(a) Guarantee recipients

PT. Mitsubishi Motors Krama Yudha Sales Indonesia	4,624 million yen
MMD Automobile GmbH	2,491 million yen
Employees	178 million yen
Total	7,295 million yen

6. Notes to consolidated statement of income

(1) Impairment loss

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

(a) Outline of asset groups on which an impairment loss was recognized

Location	Use	Category	Amount of the impairment loss (Note) (million yen)
Okazaki, Aichi-pref., Kyoto, Kyoto-pref., Kurashiki, Okayama-pref., etc. 6 locations in total	Assets used in production	Machinery and equipment, buildings and structures, tools, furniture and fixtures, etc.	108,000
Kamo, Gifu-pref., etc. 3 locations in total	Assets used in production	Land, machinery and equipment, buildings and structures, etc.	9,393
Ishioka, Ibaraki-pref., etc. 29 locations in total	Sales related assets	Buildings and structures, etc.	469
Kyoto, Kyoto-pref., etc. 3 locations in total	Idle assets	Machinery and equipment, etc.	110
Total			117,973

(Note) Impairment loss of 117,973 million yen comprises 107,747 million yen of “Impairment loss” and 10,225 million yen out of “Business restructuring expenses,” both of which were recorded in “Extraordinary losses.”

(b) Grouping methods of assets

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

(c) Circumstances leading to recognition of impairment losses

As a result of formulating the new mid-term business plan, Small but Beautiful, which is aimed at quickly reorganizing management through wide-ranging structural reform plans, the initially anticipated profitability ceased to be feasible with the change in the forecast sales volume. Consequently, the book values of some of MMC's assets used in production were reduced to their recoverable amounts.

Regarding consolidated subsidiaries' sales related assets, decisions were made to close some of their dealer stores in line with the reorganization of the sales structure based on the plan, and accordingly, the carrying amounts of such assets were reduced to the recoverable amounts. Furthermore, as decisions were made to reorganize the production structure and downsize the business according to the plan, some assets used in production were classified as a distinctive asset group separate from other assets used in production, and the book values of such asset groups were reduced to their recoverable amounts.

The impairment losses on some of MMC's assets used in production and consolidated subsidiaries' assets used in production and the impairment losses on some sales related assets of consolidated subsidiaries were classified as business restructuring expenses.

(d) 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 10.9%).

The recoverable amount of idle assets is computed using the net selling value and those idle assets which are substantially difficult to sell are assessed as net selling value of zero.

(e) Amount of impairment loss

The breakdown of the impairment loss of 117,973 million yen is as follows.

Buildings and structures	34,038 million yen
Machinery and equipment	37,668 million yen
Tools, furniture and fixtures	16,686 million yen
Land	3,462 million yen
Other	26,117 million yen
<hr/>	
Total	117,973 million yen

(2) COVID-19

In accordance with the directions issued by governments where key component parts manufacturing factories are located, MMC suspended factory operations to prevent the spread of COVID-19. Similarly, MMC's Philippine subsidiary suspended operations in accordance with government directions to prevent the spread of COVID-19. The deterioration in operating expenses such as fixed costs and direct additional expenses for the respective periods during the suspension was recorded in the amount of 2,489 million yen.

(3) Business restructuring expenses

Business restructuring expenses included 14,346 million yen, which was mainly for an impairment loss on non-current assets at sales and manufacturing sites due to the restructuring and strengthening of the sales and manufacturing structure in Japan, 46,405 million yen, which was mainly for expenses in relation to the suspension of the launch of new products for Europe and 9,103 million yen in payment of special retirement benefits at MMC and consolidated subsidiaries.

(4) Foreign withholding tax on adjustments for transfer pricing taxation

This is a foreign withholding tax related to transfer pricing adjustments from a consolidated subsidiary Mitsubishi Motors (Thailand) Co., Ltd., which results from the mutual agreement procedure by taxing authorities of Japan and Thailand reached an agreement on the bilateral advance pricing arrangement (APA) with regard to the transfer pricing method applied to related party transactions.

7. Notes to consolidated statement of changes in net assets

- (1) Class and total number of issued shares at end of the fiscal year ended March 31, 2021

Common stock:	1,490,282,496 shares
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- (2) Dividends of surplus

- (a) Dividend payment

Not applicable.

- (b) Dividends with the cut-off date in the fiscal year ended March 31, 2021 and the effective date in the following fiscal year

Not applicable.

- (3) Class and number of potential shares resulting from the exercise of share acquisition rights (excluding shares for which the exercise period has not commenced) as of March 31, 2021

Common stock:	67,044 shares
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8. Financial instruments

(1) Overview of financial instruments

(a) Our policy for managing financial instruments

The 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.

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

Trade receivables, which includes notes and accounts receivable – trade, are exposed to customer credit risk. To manage this risk, in accordance with the 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 the 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, the 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.

(c) 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 at March 31, 2021 are as follows.

	Carrying amount	Fair value	Difference
	<i>(In millions of yen)</i>	<i>(In millions of yen)</i>	<i>(In millions of yen)</i>
(a) Cash and deposits	455,716	455,716	—
(b) Notes and accounts receivable – trade	154,253	154,253	—
(c) Finance receivables	247,331	243,158	(4,173)
(d) Investment securities	948	948	—
Total assets	858,250	854,077	(4,173)
(a) Notes and accounts payable – trade	307,704	307,704	—
(b) Electronically recorded obligations – operating	77,222	77,222	—
(c) Short-term borrowings	16,085	16,085	—
(d) Long-term borrowings	405,681	406,530	849
(e) Accounts payable – other and accrued expenses	249,231	249,231	—
(f) Commercial papers	32,500	32,500	—
Total liabilities	1,088,424	1,089,273	849
Derivative transactions (*)	(1,737)	(1,737)	—

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

(Note) 1 Method for measuring the fair value of financial instruments, available-for-sale securities and derivative transactions

Assets

(a) Cash and deposits

The carrying amounts are used as fair values as these items are settled within a short period of time and the fair values are approximately equal to the carrying amounts.

(b) Notes and accounts receivable – trade

The carrying amounts are used as fair values as these items are generated in the normal course of business operations and principally settled within a short period of time and the fair values are nearly equal to the carrying amounts.

(c) Finance receivables

Finance receivables are classified by certain terms to maturity, and their fair values are determined based on the present values of the respective future cash flows discounted using appropriate rates, such as the rates of government bonds after adding credit risk premiums based on the credit risk classes.

(d) Investment securities

The fair values of investment securities are based on their respective market values.

Liabilities

- (a) Notes and accounts payable – trade, (b) Electronically recorded obligations – operating, (c) Short-term borrowings, (e) Accounts payable – other and accrued expenses and (f) Commercial papers

The carrying amounts are used as fair values of these items as these items are settled within a short period of time and the fair values are nearly equal to such carrying amounts.

- (d) Long-term borrowings

Long-term borrowings are classified by certain terms to maturity, and their fair values are determined based on the respective present values of the total amount of principal and interest discounted using the prevailing interest rates that would be applied if similar loans were made at the valuation date.

Derivative transactions

The determination of fair values is based on quotations obtained from counterparty financial institutions.

- (Note) 2 Non-listed stocks and shares of subsidiaries and affiliates (consolidated balance sheet amount: 80,946 million yen) do not have any quoted market price, and their future cash flows cannot be estimated and consequently, it is difficult to reasonably measure fair value. Accordingly, such financial instruments are not included in “(d) Investment securities.”

9. Per share data

Net assets per share	341.44 yen
Loss per share	(209.88)yen

- (Note) For the purpose of calculating per share data, the shares of MMC held by the “Board Incentive Plan (BIP) Trust Account,” which are included in treasury shares, have been excluded from the number of shares at the end of the period and the average number of shares during the period. The number of shares of MMC held by the Trust at the end of the period was 1,152,650 shares, and the average number of such shares during the period was 314,444 shares.

10. Subsequent events

Not applicable.

Statement of Changes in Net Assets
(From April 1, 2020 to March 31, 2021)

(In millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of year	284,382	118,680	85,257	203,938	5,605	58,229	63,834	(1,728)	550,427
Net change									
Profit (loss)						(273,405)	(273,405)		(273,405)
Purchase of treasury shares								(254)	(254)
Disposal of treasury shares								2	2
Exercise of share acquisition rights			(131)	(131)				320	189
Net changes in items other than shareholders' equity									
Total net change	-	-	(131)	(131)	-	(273,405)	(273,405)	69	(273,467)
Balance at end of year	284,382	118,680	85,126	203,807	5,605	(215,176)	(209,570)	(1,659)	276,959

	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 year	(666)	-	(666)	345	550,106
Net change					
Profit (loss)					(273,405)
Purchase of treasury shares					(254)
Disposal of treasury shares					2
Exercise of share acquisition rights					189
Net changes in items other than shareholders' equity	1,051	(437)	613	7	621
Total net change	1,051	(437)	613	7	(272,845)
Balance at end of year	385	(437)	(52)	352	277,260

Notes to Financial Statements

1. Significant accounting policies

(1) Valuation bases and methods of assets

(a) Securities

Shares of subsidiaries and affiliates

Carried at cost determined by the moving average method.

Other securities

Marketable securities classified as other securities:

Carried at fair value based on the market price at the end of the fiscal year 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 other securities, including unrealized gains and losses, is recognized in valuation difference on available-for-sale securities in the accompanying balance sheet.

Non-marketable securities classified as other securities:

Carried at cost determined by the moving average method.

(b) Derivative financial instruments

Carried at fair value

(c) 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

(a) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is calculated using the declining balance method (however, the straight line method is applied to buildings (excluding building improvements) acquired on or after April 1, 1998).

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, equipment and vehicles

3 to 17 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.

(b) 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 (5 years).

(c) 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.

(d) Long-term prepaid expenses

Long-term prepaid expenses are amortized using the straight line method over a fixed period.

(3) Allowances and provisions

(a) Allowance for doubtful accounts

The allowance for doubtful accounts is provided based on MMC's historical experience with respect to write-offs and an estimate of the amount of specific uncollectible accounts.

(b) Provision for product warranties

The provision for product warranty claims is calculated in accordance with the warranty contracts and based on historical experience and estimated future costs relating to claims.

(c) Provision for loss on fuel consumption test

To provide for loss on fuel consumption test, the provision is calculated to the extent that can be reasonably projected and estimated at the end of the fiscal year.

(d) Provision for retirement benefits

Accrued retirement benefits for employees are calculated based on the retirement benefit obligation estimated at the end of the fiscal year.

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.

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 from the following year.

When calculating the retirement benefit obligation, the benefit formula basis was used for attributing the expected defined net benefits to the period until the end of the fiscal year.

(4) Hedge accounting

Forward foreign exchange contracts

Deferral hedge accounting (hedges of forecast transactions)

(5) Transactions subject to consumption taxes

Consumption tax is excluded from the transaction amount in the statement of income but is included in the balance sheet amount.

(6) Application of consolidated taxation system

The consolidated taxation system is applied.

(7) Application of tax effect accounting in relation to the transition from the consolidated taxation system to the group tax sharing system

For the transition to the group tax sharing system established by the Act on Partial Revision of the Income Tax Act (Act No. 8 of 2020) and items for which the non-consolidated tax payment system has been revised in conjunction with the transition to the group tax sharing system, MMC has not applied the provisions of paragraph 44 of Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, February 16, 2018), and has recognized the amounts of deferred tax assets and deferred tax liabilities in accordance with the provisions of the tax law prior to revision, based on the treatment of paragraph 3 in Practical Solution on

the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (ASBJ PITF No. 39, March 31, 2020).

2. Notes to changes in presentation method

(Statement of income)

“Impairment loss” and “Loss on valuation of shares of subsidiaries and affiliates,” which were 482 million yen and 540 million yen, respectively, included in “Other” of Extraordinary losses in the fiscal year ended March 31, 2020, have been separately presented from the fiscal year ended March 31, 2021, due to their increased importance in amount.

“Loss on valuation of investments in capital of subsidiaries and affiliates,” which was separately presented as 3,707 million yen in the fiscal year ended March 31, 2020, has been included in “Other” of Extraordinary losses from the fiscal year ended March 31, 2021, due to its decreased importance in amount. Consequently, the loss on valuation of investments in capital of subsidiaries and affiliates that has been included in “Other” amounted to 2,706 million yen.

(Changes associated with the application of the Accounting Standard for Disclosure of Accounting Estimates)

The Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31, March 31, 2020) has been applied from the fiscal year ended March 31, 2021, and “3. Notes to accounting estimates” is included in Notes to Financial Statements.

3. Notes to accounting estimates

(1) Liabilities related to market quality measures

(a) Amount recorded in the financial statements as of March 31, 2021

	As of March 31, 2021 (millions of yen)
Liabilities related to market quality measure	37,414

(The above amount is included in accounts payable - other in the balance sheet.)

(b) 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, 3. Notes to accounting estimates (1) Liabilities related to market quality measures (b) Information on significant accounting estimates for identified items.”

(2) Impairment of non-current assets

(a) Amounts recorded in the financial statements for the fiscal year ended and as of March 31, 2021

	For the fiscal year ended and as of March 31, 2021 (millions of yen)
Impairment loss	108,148
Property, plant and equipment and intangible assets	229,506

(Details of impairment loss are as stated in “6. Notes to statement of income (4) Impairment loss.”)

(b) 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, 3. Notes to accounting estimates (2) Impairment of non-current assets (b) Information on significant accounting estimates for identified items.”

4. 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, 4. Additional information."

5. Notes to balance sheet

(1) Assets pledged as collateral and liabilities secured

Accounts receivable – other (Note)	1,061 million yen
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(Note) Accounts receivable – other was pledged based on a liability in a term lease contract relating to a building with Murata Medical Services, Ltd.

MMC has no liabilities secured.

(2) Accumulated depreciation of property, plant and equipment	580,840 million yen
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(3) Balance of guarantee liabilities

(a) Guarantee recipients

PT. Mitsubishi Motors Krama Yudha Sales Indonesia	4,624 million yen
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MMD Automobile GmbH	2,491 million yen
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Employees	177 million yen
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Total	7,293 million yen
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(b) Recourse obligation following liquidation of accounts receivable – trade	770 million yen
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(4) Monetary receivables from subsidiaries and affiliates, and payables to subsidiaries and affiliates

Short-term monetary receivables	234,519 million yen
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Long-term monetary receivables	601 million yen
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Short-term monetary payables	181,745 million yen
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Long-term monetary payables	404 million yen
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6. Notes to statement of income

(1) Transactions with subsidiaries and affiliates

Sales	927,371 million yen
Purchases	575,185 million yen
Non-operating transactions	21,963 million yen

(2) Total amount of research and development expenses

101,126 million yen

(3) Foreign withholding tax on adjustments for transfer pricing taxation

Foreign withholding tax on adjustments for transfer pricing taxation

This is a foreign withholding tax related to transfer pricing adjustments from a consolidated subsidiary Mitsubishi Motors (Thailand) Co., Ltd., which results from the mutual agreement procedure by taxing authorities of Japan and Thailand reached an agreement on the bilateral advance pricing arrangement (APA) with regard to the transfer pricing method applied to related party transactions.

(4) Impairment loss

MMC recorded impairment loss on the following asset groups during the fiscal year ended March 31, 2021.

(a) Outline of asset groups on which an impairment loss was recognized

Location	Use	Category	Amount of the impairment loss (million yen)
Okazaki, Aichi-pref., Kyoto, Kyoto-pref., Kurashiki, Okayama-pref., etc. 6 locations in total	Assets used in production	Buildings, machinery and equipment, tools, furniture and fixtures, etc.	108,040
Kyoto, Kyoto-pref., etc. 3 locations in total	Idle assets	Machinery and equipment, etc.	107
Total			108,148

(Note) Impairment loss of 108,148 million yen comprises of 107,619 million yen of “(4) Impairment loss” and 529 million yen out of “(6) Business restructuring expenses,” both of which were recorded in “Extraordinary losses.”

(b) Grouping methods of assets

Asset groupings are determined based on assets used in production, assets leased to others and idle assets. Assets leased to others and idle assets are their own asset groups.

(c) Reason for recognition of impairment

As a result of formulating the new mid-term business plan, Small but Beautiful, which is aimed at quickly reorganizing management through wide-ranging structural reform plans, the initially anticipated profitability ceased to be feasible with the change in the forecast sales volume. Consequently, the book values of assets used in production were reduced to their recoverable amounts.

Furthermore, as decisions were made to reorganize the production structure and downsize the business according to the plan, some assets used in production were classified as a distinctive asset group separate from other assets used in production, and the book values of such asset groups were reduced to their recoverable amounts.

The impairment losses on some assets used in production were classified as business restructuring expenses.

(d) Valuation methods of 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 10.9%).

The recoverable amount of idle assets is computed using the net selling value and those idle assets which are substantially difficult to sell are assessed as net selling value of zero.

(e) Amounts of impairment loss

The breakdown of impairment loss of 108,148 million yen is as follows.

Buildings	27,287 million yen
Machinery and equipment	35,069 million yen
Tools, furniture and fixtures	16,386 million yen
Other	29,404 million yen
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Total	108,148 million yen

(5) COVID-19

In accordance with the directions issued by governments where key component parts manufacturing factories are located MMC suspended factory operations to prevent the spread of COVID-19. The deterioration in operating expenses such as fixed costs and direct additional expenses in the respective periods during the suspension was recorded in the amount of 1,540 million yen.

(6) Business restructuring expenses

Business restructuring expenses were 18,172 million yen, mainly for expenses in relation to the suspension of the launch of new products for Europe; and 7,157 million yen in payment of special retirement benefits.

(7) Foreign withholding tax on adjustments for transfer pricing taxation

This is a foreign withholding tax related to transfer pricing adjustments from a consolidated subsidiary Mitsubishi Motors (Thailand) Co., Ltd., which results from the mutual agreement procedure by taxing authorities of Japan and Thailand reached an agreement on the bilateral advance pricing arrangement (APA) with regard to the transfer pricing method applied to related party transactions.

7. Notes to statement of changes in net assets

Class and total number of treasury shares at the end of the fiscal year ended March 31, 2021

Common stock: 2,756,786 shares

(Note) The total number of treasury shares as of March 31, 2021 includes 1,152,650 shares of MMC held in the "Board Incentive Plan (BIP) Trust Account."

8. Notes to tax effect accounting

The significant components of deferred tax assets and liabilities

Deferred tax assets

Net operating losses carried forward	282,127 million yen
Allowance for doubtful accounts	3,802 million yen
Accrued retirement benefits	16,963 million yen
Loss on impairment of subsidiaries and affiliates' shares	116,386 million yen
Liabilities related to market quality measures	11,329 million yen
Provision for product warranties	9,047 million yen
Provision for loss on fuel consumption test	322 million yen
Others	65,400 million yen
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Subtotal	505,378 million yen
Less valuation allowance	(505,378) million yen
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Total deferred tax assets	– million yen

Deferred tax liabilities

Valuation difference on available-for-sale securities	(182) million yen
Others	(899) million yen
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Total deferred tax liabilities	(1,081) million yen
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Net deferred tax liabilities	(1,081) million yen

(Change in presentation method)

“Warranty expense,” which was recognized in the fiscal year ended March 31, 2020, has been renamed as “Liabilities related to market quality measures” for consistency with the item name stated in “3. Notes to accounting estimates,” to reflect the actual content more clearly.

9. Related party transactions

(1) Parent company and major corporate shareholders, etc.

Attribution	Name of company, etc.	Percentage of voting rights held	Relationship with the related party	Details of transactions	Amount of transaction (In millions of yen)	Account title	Balance at year end (In millions of yen)
Related companies	Nissan Motor Co., Ltd.	Direct 34.03	Concurrent positions of corporate officers, cross sharing of engineering assets, etc. and mutual sale of products, etc.	Sales of products, etc. (Note)1	186,853	Accounts receivable – trade	21,664
				Purchase of parts (Note)2	155,613	Electronically recorded obligations – operating	44,439
						Accounts payable – trade	18,405
Related companies	Mitsubishi Corporation	Direct 20.02 Indirect 0.00	Sales of products, etc. and purchase of raw materials	Sales of products, etc. (Note)1	125,501	Accounts receivable – trade	9,955

(2) Subsidiaries and affiliates

Attribution	Name of company, etc.	Percentage of voting rights held	Relationship with the related party	Details of transactions	Amount of transaction (In millions of yen)	Account title	Balance at year end (In millions of yen)
Subsidiary	Mitsubishi Motors (Thailand) Co., Ltd.	Direct 100.0	Sales of products, etc. and purchase of products, etc.	Purchase of products, etc. (Note)3	300,909	Accounts payable – trade	54,925
				Transfer pricing adjustments (Note)4	54,089	Accounts receivable - other	49,046
Subsidiary	Mitsubishi Motors Europe B.V.	Direct 100.0	Sales of products, etc.	Sales of products, etc. (Note)1	113,434	Accounts receivable – trade	24,714
				Provision of allowance for doubtful accounts	10,667	Allowance for doubtful accounts	10,667
Subsidiary	Mitsubishi Motors Australia, Ltd.,	Direct 100.0	Sales of products, etc.	Sales of products, etc. (Note)1	108,083	Accounts receivable – trade	11,439
Subsidiary	Mitsubishi Motors Philippines Corp.	Direct 100.0	Sales of products, etc.	Sales of products, etc. (Note)1	35,645	Accounts receivable – trade	22,267

Attribution	Name of company, etc.	Percentage of voting rights be held	Relationship with the related party	Details of transactions	Amount of transaction (In millions of yen)	Account title	Balance at year end (In millions of yen)
Subsidiary	Mitsubishi Motors Finance Co., Ltd.	Direct 100.0	Lending of funds for sales financing services for MMC's products	Collection of funds	17,500	Short-term loans receivable	22,000
Affiliate	JATCO Ltd	Direct 15.04	Purchase of parts	Purchase of parts (Note)2	41,271	Electronically recorded obligations – operating	13,296
						Accounts payable – trade	9,785

(3) Officers and major individual shareholders, etc.

Attribute	Name of company or person	Business content or occupation	Percentage of voting rights held	Relationship with the related party	Details of transactions	Amount of transaction (In millions of yen)	Account title	Balance at year end (In millions of yen)
Officer	Kiyoshi Sono	Outside Director of MMC, Managing Executive Officer, Chairman of the Board of Directors, MUFG Bank, Ltd. (Note) 5	—	MUFG Bank, Ltd. is a lender to MMC	Borrowings from MUFG Bank, Ltd. (Note) 6	60,000	Long-term borrowings	60,000

The consumption taxes are excluded from the amount of transaction, however, included in the balance at year end.

Terms and conditions of transactions and the policies on determination thereof:

- (Note) 1 MMC determines selling prices of products, etc. as a result of studies and negotiations, taking market prices and total costs into consideration.
- (Note) 2 MMC determines purchase prices of parts following studies and negotiations taking into consideration estimated costs, prices of current parts, and market prices of each part.
- (Note) 3 MMC determines purchase prices of products, etc., as a result of studies and negotiations taking into consideration estimated costs, prices of current products, etc., and market prices of each product, etc.
- (Note) 4 Transfer pricing adjustments are based on the advance pricing arrangement (APA) on transfer pricing tax.
- (Note) 5 Mr. Kiyoshi Sono assumed office as Special Advisor to MUFG Bank, Ltd. as of April 1, 2021.
- (Note) 6 Mr. Kiyoshi Sono conducted the transaction on behalf of a third party (MUFG Bank, Ltd.), and the interest rate for the borrowing of funds was reasonably determined in consideration of market interest rates.

10. Per share data

Net assets per share	186.15 yen
Loss per share	(183.73)yen

- (Note) When calculating “basic earnings (loss) per share,” the shares of MMC held by the “Board Incentive Plan (BIP) Trust Account,” which are included in treasury shares, have been excluded from the calculation of the average number of shares during the period. The number of shares of MMC held by the Trust at the end of the period was 1,152,650 shares, and the average number of such shares during the period was 314,444 shares.

11. Subsequent events

Not applicable.