

<Requests to Shareholders>

In light of the COVID-19 situation, please exercise your voting rights in advance by returning the enclosed voting form or via the Internet.

We will provide a livestreaming of the meeting for our shareholders.

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

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 7, 2022

To our shareholders

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

MITSUBISHI MOTORS CORPORATION

Representative Executive Officer, President & CEO Takao Kato

NOTICE OF THE 53RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified of the 53rd Ordinary General Meeting of Shareholders of MITSUBISHI MOTORS CORPORATION ("MMC") to be held as described as below.

In light of the COVID-19 situation, MMC 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 Wednesday, June 22, 2022 or inputting your vote on the website for exercising voting right(s) before the aforementioned date and time.

We will provide a livestreaming of the meeting from the opening to the closing on the date it is held 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** Thursday, June 23, 2022 at 10:00 a.m. (Reception opens at 9:00 a.m.) (Japan time)
- 2. Place** 1-1-50, Shirokanedai, Minato-ku, Tokyo
"DAIGO," B2F, SHERATON MIYAKO HOTEL TOKYO
(Please note that the place for this Ordinary General Meeting of Shareholders differs from the one for the previous meeting.)
- 3. Purposes**
Matters to report
 1. Contents of Fiscal 2021 (from April 1, 2021 to March 31, 2022) 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 2021 (from April 1, 2021 to March 31, 2022) Financial Statements

Matters for resolution

- Proposal No. 1 Partial Amendments to the Articles of Incorporation
Proposal No. 2 Election of 13 Members of the Board

- Please refer to the guide on pages 6 to 8 of this Notice of Ordinary General Meeting of Shareholders for information on how to view the livestream 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

Voting deadline: To be received no later than 5:45 p.m. on Wednesday, June 22, 2022 (Japan time)

- 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.”

Guide to filling in the voting form

Please indicate your approval or disapproval to proposal.

Proposal No. 1

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

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

Proposal No. 2

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.

Exercising Voting Rights via the Internet

Voting deadline: No later than 5:45 p.m. on Wednesday, June 22, 2022 (Japan time)

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

Shareholders Attending the General Meeting of Shareholders

Date and time: Thursday, June 23, 2022 at 10:00 a.m. (Japan time)

Place: “DAIGO,” B2F, SHERATON MIYAKO HOTEL TOKYO, 1-1-50, Shirokanedai, Minato-ku, Tokyo

- 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 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.

Guide to livestreaming and submission of questions in advance

We will broadcast the General Meeting of Shareholders from the “Engagement Portal,” a website exclusively for shareholders, so that they can view the meeting from their homes. In addition, we will accept questions from shareholders before the meeting.

How to log in to the “Engagement Portal,” the exclusive website for shareholders

Please access and use the “Engagement Portal” (hereinafter referred to as the “Website”), a website exclusively for shareholders, by entering the following URL directly on your PC or smartphone, or by reading the QR code®. The Website will be open to the public from the time of receipt of this Notice of Convocation to June 23, 2022.

<https://engagement-portal.tr.mufg.jp/>



1. Please enter your Login ID and Password on the shareholder authentication screen (login screen).

Login ID: 3220 + shareholder number (12 digit number)

Password: The postcode number of your registered address in the shareholder registry as of March 31, 2022
(7 digit number) + 2022 (11 digit number)

(e.g.) For postcode 123-4567 → Password: 12345672022

©This is not a temporary password that appears on the voting form.

2. Please agree to the Terms of Use and click the “Login” button.

Recommended system requirements

The recommended system requirements for the Website are listed in the URL below. Please check it in advance.

Please note that Internet Explorer cannot be used.

<https://www.tr.mufg.jp/daikou/pdf/faq.pdf>

How to view livestreaming

1. Streaming time

From 10:00 a.m. on June 23, 2022 (Thu) until the end of the General Meeting of Shareholders.

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

2. How to view

On the day of the meeting, please log in to the Website, click the “View Live on the Day” button, agree to the Terms of Use for Viewing Live on the Day, and click the “View” button.

- 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.

How to register questions in advance

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.

- Please note that MMC is not able to provide individual responses for all of the questions submitted prior to the General Meeting of Shareholders.

1. Deadline:

No later than 5:00 p.m. on Monday, June 20, 2022 (Japan time)

2. How to register

- (a) After logging in to the Website, please click the “Questions in Advance” button.
- (b) Please select a question category, enter your question, agree to the Terms of Use, and click the “Confirm” button.
- (c) After confirming the content of your question, please click the “Submit” button.

Points to note

- Viewing the General Meeting of Shareholders by livestreaming 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.
- 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.

Inquiries regarding the Website

Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department

Tel: 0120-676-808 (Toll free only from Japan)

Weekdays 9:00 - 17:00 except Saturdays, Sundays, national holidays, etc. (On the day of the General Meeting of Shareholders, from 9:00 to the end of the General Meeting of Shareholders)

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/investors/stockinfo/meeting.html>)



【53rd Ordinary General Meeting of Shareholders】

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Partial Amendments to the Articles of Incorporation

1. Reason for Proposal

The amended provisions set out in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced from September 1, 2022, so MMC proposes the following amendments to the Corporation's Articles of Incorporation in order to prepare for the introduction of the system for providing materials for the General Meeting of Shareholders in electronic format.

- (i) The proposed amended Article 13, Paragraph 1 will stipulate to the effect that measures for provision in electronic format are to be taken in relation to information constituting the contents of reference documents, etc. for the General Meeting of Shareholders.
- (ii) The proposed amended Article 13, Paragraph 2 will establish provisions that limit the scope of matters stated in written documents delivered to shareholders who request delivery of written documents.
- (iii) The provisions of "Deemed Provision of Reference Material, etc. for Shareholders Meetings Disclosed via the Internet" (Article 13 of the current Articles of Incorporation) will become unnecessary, so those provisions are to be deleted.
- (iv) As a consequence of the additions and deletion stated above, a supplementary provision related to the effective date and the like are to be established.

2. Details of the Amendments

Details of the amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<u>(Deemed Provision of Reference Material, etc. for Shareholders Meetings Disclosed via the Internet)</u> <u>Article 13</u> <u>The Corporation shall be deemed to have provided to its shareholders the information to be described or stated in the Reference Material for Shareholders Meetings, Business Report, and Non-consolidated and Consolidated Accounting Documents in the case of convocation of Shareholders Meetings, if it has disclosed such information by means of the Internet in accordance with provisions of the Ministry of Justice Order.</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="853 253 1430 667">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 13 of the current Articles of Incorporation regarding “Deemed Provision of Reference Material, etc. for Shareholders Meetings Disclosed via the Internet” shall continue to be effective in relation to a Shareholders Meeting whose date falls within 6 months after the Enforcement Date.</u></p> <p data-bbox="853 701 1430 969">3. <u>This Supplementary Provision shall be deleted after the later of the day on which 6 months will have elapsed since the Enforcement Date or the day on which 3 months will have elapsed since a Shareholders Meeting provided for in the preceding paragraph.</u></p>

Proposal No. 2 Election of 13 Members of the Board

As the terms of office of 13 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 on the pages 13 and 14.

The policy for nominating candidates for Directors and the composition and size of the Board of Directors are determined as follows by the Nomination Committee, the majority of members of which are Outside Directors.

Policy for the Nomination of Candidates for Directors

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

Composition and Size of the Board

In accordance with the above policy, the independence and diversity of the Board shall be ensured as follows:

Size and composition		In order to strengthen the supervisory function of the Board, the majority of Board members shall be Outside Directors. Furthermore, in order to fulfill their duties from an independent and objective standpoint, at least one-third of the Directors shall be Independent Directors, and consideration shall be given to their total term of office. In addition, the majority of the Nomination, Compensation, and Audit Committees, respectively, shall be Outside Directors, and in principle, the chairperson of each committee shall be an Outside Director. It shall be ensured that the Board is composed of the number of people who can openly and constructively discuss and exchange opinions.
Nomination policy	Outside Directors	Outside Directors shall be nominated based on their diverse knowledge, experience, and expertise, which cannot be obtained from Internal Directors alone, for example, specialists in law, accounting, finance, etc., persons with management experience at global companies above a certain size, and persons with a wealth of knowledge of world affairs or social and economic trends, etc. Importance shall be placed on their eagerness to devote the necessary time and efforts to understand the business of the Company as a group, and discuss the direction the Company as a group should take, and to express their opinions to the management without hesitation. In addition, the diversity of backgrounds such as gender, age, and internationality shall be also taken into account, as it shall be recognized that multiple perspectives contribute to business promotion and appropriate supervision and auditing.
	Internal Directors	Executive Officer, President & CEO, and a person who can appropriately serve as a member of the Audit Committee based on his or her execution experience of operation at the Company shall be nominated.

No.	Name		Current position and responsibility in MMC	Board of Directors Meeting attendance (FY 2021)	Term of office (at the conclusion of this meeting)
1	Tomofumi Hiraku	<div>Reappointment</div> <div>Outside</div> <div>Independent</div>	Chairman of the Board (Outside Director) Member of the Nomination Committee	12/12	1 year
2	Takao Kato	<div>Reappointment</div>	Member of the Board (Internal Director) Representative Executive Officer, President & CEO Member of the Compensation Committee	15/15	3 years
3	Hitoshi Inada	<div>New</div>	Advisor	—	—
4	Shunichi Miyanaga	<div>Reappointment</div> <div>Outside</div>	Member of the Board (Outside Director) Member of the Compensation Committee (Chairperson)	15/15	8 years
5	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	15/15	4 years
6	Yaeko Takeoka	<div>Reappointment</div> <div>Outside</div> <div>Independent</div>	Member of the Board (Outside Director) Member of the Audit Committee (Chairperson)	15/15	3 years
7	Kenichiro Sasae	<div>Reappointment</div> <div>Outside</div> <div>Independent</div>	Member of the Board (Outside Director) Member of the Nomination Committee Member of the Compensation Committee	15/15	3 years

No.	Name		Current position and responsibility in MMC	Board of Directors Meeting attendance (FY 2021)	Term of office (at the conclusion of this meeting)
8	Hideyuki Sakamoto	Reappointment Outside	Member of the Board (Outside Director) Member of the Nomination Committee	15/15	3 years
9	Yoshihiko Nakamura	Reappointment Outside Independent	Member of the Board (Outside Director) Member of the Audit Committee	15/15	2 years
10	Joji Tagawa	Reappointment Outside	Member of the Board (Outside Director) Member of the Compensation Committee	15/15	2 years
11	Takahiko Ikushima	Reappointment Outside	Member of the Board (Outside Director) Member of the Audit Committee	15/15	2 years
12	Takehiko Kakiuchi	New Outside	—	—	—
13	Kanetsugu Mike	New Outside	—	—	—


Knowledge, experience, and expertise of the Board


The knowledge, experience, and expertise that are important for the Board of a listed company operating globally in the automotive industry amid major changes, shall be defined as follows: "management experience at a listed company," "expertise in the automotive field," "expertise in law, accounting or finance," and "knowledge of world affairs or social and economic trends".


If the proposals at this meeting are approved as proposed, the knowledge, experience, and expertise of each Director on MMC's Board of Directors will be as follows:


Name	Classification	Persons with Management experience in a listed company	Persons with expertise in the automotive field	Persons with expertise in legal, accounting, and finance	Experts on world affairs, social and economic trends
1 Tomofumi Hiraku	Outside Independent				•
2 Takao Kato			•		
3 Hitoshi Inada				•	
4 Shunichi Miyanaga	Outside	•			
5 Main Kohda	Outside Independent				•
6 Yaeko Takeoka	Outside Independent			•	
7 Kenichiro Sasae	Outside Independent				•
8 Hideyuki Sakamoto	Outside		•		
9 Yoshihiko Nakamura	Outside Independent			•	
10 Joji Tagawa	Outside		•		
11 Takahiko Ikushima	Outside			•	
12 Takehiko Kakiuchi	Outside	•			
13 Kanetsugu Mike	Outside	•			


(Note) The above table does not represent all the knowledge and experience possessed by each director.


No.	Name (Date of birth)	History, position and responsibility in MMC and important concurrent positions	Number of MMC shares owned
1	 <p>Tomofumi Hiraku (March 23, 1956) Term of office as Director 1 year Attendance at Meetings in FY 2021 Board of Directors: 12/12 Nomination Committee: 9/9</p> <div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div>	<p>April 1978 Joined the Ministry of International Trade and Industry (MITI) (present: Ministry of Economy, Trade and Industry (METI))</p> <p>April 1993 Director, Industrial Labor Policy Office, Industrial Policy Bureau, MITI</p> <p>May 1994 Consul, Consulate-General of Japan at Vancouver, Canada, Ministry of Foreign Affairs</p> <p>June 1997 Director, Tariff Division, International Economic Affairs Department, International Trade Policy Bureau, MITI</p> <p>July 1998 Director-General, General Coordination and Policy Planning Department, Kansai Bureau, MITI (present: Ministry of Economy, Trade and Industry (METI))</p> <p>June 2000 Director, Planning Division, Coal and New Energy Department, Agency for Natural Resources and Energy, MITI</p> <p>January 2001 Director, Policy Planning Division, Energy Conservation and Renewable Energy Department, Agency for Natural Resources and Energy, METI</p> <p>July 2002 Director, Economic and Fiscal Management Bureau, Cabinet Office, Government of Japan</p> <p>September 2005 Director-General for Manufacturing Industries Policy, Manufacturing Industries Bureau, METI</p> <p>July 2006 Director-General for Natural Resources and Energy Policy, Agency for Natural Resources and Energy, METI</p> <p>July 2008 Director-General, Kansai Bureau, METI</p> <p>July 2009 Director-General, Manufacturing Industries Bureau, METI</p> <p>October 2010 Joined IBM Japan, Ltd. as an Executive Advisor</p> <p>June 2021 Chairman of the Board, MMC (to the present)</p> <p>(Responsibility) Member of the Nomination Committee</p>	22,851
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Although Mr. Tomofumi Hiraku does not have experience of involvement in the management of a company by means other than serving as an outside officer, 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 continuously 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 3 years</p> <p>Attendance at Meetings in FY 2021</p> <p>Board of Directors: 15/15 Nomination Committee: 1/1 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 Compensation Committee</p>	11,705
<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>Hitoshi Inada (June 4, 1957)</p> <div>New</div>	<p>April 1980</p> <p>April 2009</p> <p>July 2010</p> <p>October 2011</p> <p>April 2013</p> <p>April 2015</p> <p>July 2016</p> <p>January 2017</p> <p>October 2017</p> <p>April 2019</p> <p>June 2019</p> <p>April 2020</p> <p>April 2022</p>	<p>Joined Mitsubishi Corporation</p> <p>General Manager of Legal Dept., Mitsubishi Corporation</p> <p>Senior Vice President (Compliance), Mitsubishi International Corporation</p> <p>Vice Corporate General Manager of Corporate Planning Office, MMC</p> <p>Corporate Vice President, Vice Corporate General Manager of Corporate Planning Office, MMC</p> <p>Corporate Vice President, Corporate General Manager of CSR Promotion Office, MMC</p> <p>Senior Executive Officer, Corporate General Manager of CSR Promotion Office, MMC</p> <p>Senior Executive Officer (Legal), Corporate General Manager of CEO/COO Office, MMC</p> <p>Senior Executive Officer (Corporate Governance), MMC</p> <p>Senior Vice President (Corporate Governance), MMC</p> <p>Executive Officer, Senior Vice President (Corporate Governance), MMC</p> <p>Senior Executive Officer (Corporate Governance), MMC</p> <p>Advisor, MMC (to the present)</p>	20,183
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Hitoshi Inada has achievements, considerable experience and insight gained over many years in legal affairs, compliance, and corporate governance at a general trading company that operates worldwide and at MMC. As such, MMC proposes him as a candidate for Member of the Board with the expectation that he will apply this experience and insight to the management of MMC.</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 8 years</p> <p>Attendance at Meetings in FY 2021</p> <p>Board of Directors: 15/15 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, 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>	18,841
<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>Main Kohda (Real Name: Tokuko Sawa) (April 25, 1951) Term of office as Director 4 years Attendance at Meetings in FY 2021 Board of Directors: 15/15 Nomination Committee: 10/10 Compensation Committee: 9/9</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>	12,439
<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
6	 <p>Yaeko Takeoka (May 10, 1957)</p> <p>Term of office as Director 3 years</p> <p>Attendance at Meetings in FY 2021</p> <p>Board of Directors: 15/15 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>	17,686
<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
7	 <p>Kenichiro Sasae (September 25, 1951)</p> <p>Term of office as Director 3 years</p> <p>Attendance at Meetings in FY 2021</p> <p>Board of Directors: 15/15 Nomination Committee: 10/10 Compensation 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>June 2018 President and Director General, The Japan Institute of International Affairs</p> <p>June 2019 Outside Director, SEIREN CO., LTD. (to the present)</p> <p>June 2019 Member of the Board, MMC (to the present)</p> <p>December 2020 President, The Japan Institute of International Affairs (to the present)</p> <p>June 2021 Outside Director, Fujitsu Limited (to the present)</p> <p>March 2022 Outside Director, Asahi Group Holdings, Ltd. (to the present)</p> <p>(Responsibility) Member of the Nomination Committee Member of the Compensation Committee</p> <p><Important concurrent positions> President, The Japan Institute of International Affairs Outside Director, SEIREN CO., LTD. Outside Director, Fujitsu Limited Outside Director, Asahi Group Holdings, Ltd.</p>	10,554
<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
8	 <p>Hideyuki Sakamoto (April 15, 1956) Term of office as Director 3 years Attendance at Meetings in FY 2021 Board of Directors: 15/15 Nomination Committee: 10/10</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</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. Board Member, Chairman, AICHI MACHINE INDUSTRY CO., LTD. Chairman of the Board, Nissan Motor Kyushu Co., Ltd.</p>	10,554
<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
9	 <p>Yoshihiko Nakamura (November 28, 1956)</p> <p>Term of office as Director 2 years</p> <p>Attendance at Meetings in FY 2021</p> <p>Board of Directors: 15/15 Audit Committee: 15/15</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) Member of the Audit Committee</p> <p><Important concurrent positions> CPA Yoshihiko Nakamura Accounting Office Auditor, Seika Corporation</p>	7,514
<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
10	 <p>Joji Tagawa (July 12, 1960) Term of office as Director 2 years Attendance at Meetings in FY 2021 Board of Directors: 15/15 Compensation Committee: 9/9</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>June 2021 Senior Vice President, Chief Sustainability Officer, Compliance, Corporate Service, Crisis Management and Security, Environment/Sustainability, Global External & Government Affairs, IP Customer Business Development, Nissan Motor Co., Ltd. (to the present)</p> <p>(Responsibility) Member of the Compensation Committee</p> <p><Important concurrent positions> Senior Vice President, Nissan Motor Co., Ltd. Outside Director, Renault</p>	7,514
<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
11	 <p>Takahiko Ikushima (January 13, 1967)</p> <p>Term of office as Director 2 years</p> <p>Attendance at Meetings in FY 2021</p> <p>Board of Directors: 15/15</p> <p>Audit Committee: 12/12</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.</p> <p>June 2020 Member of the Board, MMC (to the present)</p> <p>August 2021 Corporate Vice President, Global Controller, Global Revenue Control, Regions' Performance Optimization, Accounting, Nissan Motor Co., Ltd. (to the present)</p> <p>(Responsibility) Member of the Audit Committee</p> <p><Important concurrent positions> Corporate Vice President, Nissan Motor Co., Ltd.</p>	7,514
<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 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 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>Takehiko Kakiuchi (July 31, 1955)</p> <div>New</div> <div>Outside Director</div>	<p>April 1979 Joined Mitsubishi Corporation</p> <p>April 2010 Senior Vice President, Division COO, Foods (Commodity) Div., Mitsubishi Corporation</p> <p>April 2011 Senior Vice President, General Manager, Living Essential Group CEO Office (Concurrently) Division COO, Foods (Commodity) Div., Mitsubishi Corporation</p> <p>April 2013 Executive Vice President, Group CEO, Living Essentials Group, Mitsubishi Corporation</p> <p>April 2016 President and CEO, Mitsubishi Corporation</p> <p>June 2016 Member of the Board, President and CEO, Mitsubishi Corporation</p> <p>April 2022 Chairman of the Board, Mitsubishi Corporation (to the present)</p> <p><Important concurrent positions> Chairman of the Board, Mitsubishi Corporation</p>	—
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Mr. Takehiko Kakiuchi has considerable experience and achievements as a manager in a general trading company that operates worldwide and extensive insight into global business management. 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 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
13	 <p>Kanetsugu Mike (November 4, 1956)</p> <div>New</div> <div>Outside Director</div>	<p>April 1979 Joined The Mitsubishi Bank, Ltd.</p> <p>June 2005 Executive Officer, The Bank of Tokyo-Mitsubishi, Ltd.</p> <p>Executive Officer, Mitsubishi Tokyo Financial Group, Inc.</p> <p>May 2009 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”)</p> <p>May 2011 Managing Officer, Mitsubishi UFJ Financial Group, Inc. (“MUFG”)</p> <p>June 2011 Member of the Board of Directors, Managing Executive Officer, BTMU</p> <p>May 2013 Senior Managing Executive Officer, BTMU</p> <p>October 2015 Executive Chairman of MUFG Americas Holdings Corporation</p> <p>Executive Chairman of MUFG Union Bank, N.A.</p> <p>May 2016 Deputy President, BTMU</p> <p>June 2016 Member of the Board of Directors, Deputy President, BTMU</p> <p>June 2017 President & CEO, BTMU</p> <p>Member of the Board of Directors, Deputy Chairman, MUFG</p> <p>April 2019 Member of the Board of Directors, President & Group CEO, MUFG</p> <p>April 2020 Member of the Board of Directors, Deputy Chairman, MUFG</p> <p>April 2021 Member of the Board of Directors, Chairman, MUFG (to the present)</p> <p><Important concurrent positions></p> <p>Member of the Board of Directors, Chairman, MUFG</p> <p>Outside Director, Tokio Marine & Nichido Fire Insurance Co., Ltd. (inauguration planned in June 2022)</p>	—
<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>Mr. Kanetsugu Mike has considerable experience and extensive insight as a manager of an international financial institution. As such, MMC proposes him as a candidate for Outside Director with the expectation that with this experience and insight, 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>			

- (Notes)
1. There are no special conflicts of interests between MMC and each director candidate.
 2. MMC has concluded agreements with Mr. Tomofumi Hiraku, Mr. Shunichi Miyanaga, Ms. Main Kohda, Ms. Yaeko Takeoka, Mr. Kenichiro Sasae, 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.
 3. MMC intends to conclude agreements with Mr. Hitoshi Inada, Mr. Takehiko Kakiuchi and Kanetsugu

Mike 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 if their elections are approved.

4. 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 58 to 59 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.
5. 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. 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. On March 3, 2022, the said company was convicted by the Tokyo District Court of violating the Financial Instruments and Exchange Act (submission of a securities report containing a false statement) and sentenced to a fine of 200 million yen (amount sought by the prosecution: 200 million yen). 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).

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.

7. In February 2019, while Mr. Kanetsugu Mike was a Member of the Board of Directors of MUFG Bank, Ltd., the bank agreed with the Office of the Comptroller of the Currency (the "OCC") to take remedial measures with respect to the OCC's finding that the bank's internal control system, etc. for the prevention of money laundering under the U.S. Bank Secrecy Act was inadequate.
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. 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 Vice President, Director, Executive Vice President, and Executive Officer and Executive Vice President in the past ten years. In addition, he served as a Chairman at JATCO Ltd, a specified affiliated business operator (MMC's affiliate). Moreover, he has served as a Director at NMKV Co., Ltd. (MMC's affiliate) in the past ten years.
10. 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 Officer, Corporate Vice President and Senior Vice President in the past ten years. Moreover, he has received remuneration as a Senior Vice President in the last two years, and he plans on continue receiving remuneration as a Senior Vice President.
11. 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 a Corporate Vice President in the last two years, and he plans on continue receiving remuneration as a Corporate Vice President.
12. Mr. Takehiko Kakiuchi currently serves as a Chairman of the Board of Mitsubishi Corporation, a specified affiliated business operator (major trading partner) and has served as an Senior Vice President, Executive Vice President, President and CEO, Member of the Board and President and CEO, and Chairman of the Board of Mitsubishi Corporation in the past ten years.
13. If this proposal is approved, the composition of each committee will be as follows:

Nomination Committee:	Ms. Main Kohda (Chairperson), Mr. Kenichiro Sasae, Mr. Hideyuki Sakamoto, Mr. Tomofumi Hiraku and Mr. Takehiko Kakiuchi
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. Yoshihiko Nakamura, Mr. Takahiko Ikushima, Mr. Kanetsugu Mike and Mr. Hitoshi Inada

Reference

Independence Standards and Qualification for Outside Directors

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

Reference

Corporate Governance: Basic Views and Policies

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

In order to strengthen and improve corporate governance, MMC will work to make explicit the separation of the roles of and to enhance the functioning of supervisory and executive functions as a company with three committees, and it will also further enhance the soundness, transparency, and objectivity of management. Our basic framework and views to corporate governance are summarized in our Corporate Governance Guidelines and are disclosed on the MMC's website below.

MMC's website: <https://www.mitsubishi-motors.com/jp/sustainability/pdf/report-2019/CSR2019-governance-guideline.pdf>

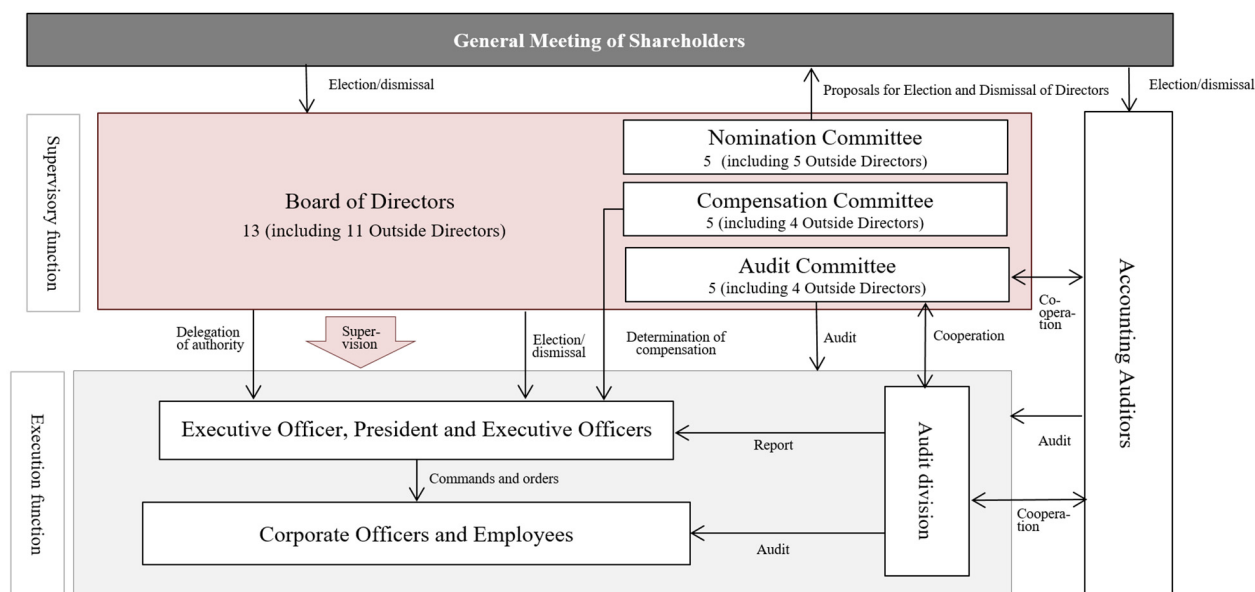
Corporate Governance Structure

The Board of Directors decides certain material items related to business management, and delegates decision-making authority for the execution of other business to Executive Officers. Then, the Board of Directors and the three committees, comprising of Nomination Committee, Compensation Committee and Audit Committee, fulfill the function of supervising the execution of business by the Executive Officers. The majority of the Board of Directors and each Committees is composed of Outside Directors, and a system is in place to ensure that fair and transparent corporate governance functions substantially.

The Nomination Committee determines candidates for Directors, deliberates in advance on the selection and dismissal of Executive Officers in connection with decisions of the Board of Directors, and formulates succession plans for the Executive Officer, President.

The Compensation Committee determines the compensation system for Directors and Executive Officers and the amount of compensation to be paid based on the system, etc.

The Audit Committee conducts audits of the execution of duties by Directors and Executive Officers and the operation of internal controls, etc.



(Note) The number of persons in the case of approval of Proposal No. 2 at this General Meeting of Shareholders is presented.

(Attached documents)

Business Report
(From April 1, 2021 to March 31, 2022)

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 COVID-19 pandemic, which has continued since 2020, has spread in repeated waves due to variant strains, striking a serious blow to the supply chain and sales. Then from the second half of the fiscal year, cost increases due to soaring material and logistics costs also became apparent. In addition, geopolitical risks, triggered by Russia’s military invasion of Ukraine emerged, and the business environment surrounding the MMC group became more uncertain and changed day by day during the fiscal year under review.

Despite the difficulties in navigating the difficult business environment, the MMC group’s earnings are on a recovery track as a result of the flexible response to the changing environment by the entire MMC group, in addition to many customers purchasing products such as new *Outlander* and *XPANDER*.

As a result, full-year global sales volume was 937,000 units, up 17% from the previous fiscal year, and full-year consolidated net sales were 2,038.9 billion yen, up 40% from the previous fiscal year. Consolidated operating profit recovered to 87.3 billion yen (up 182.6 billion yen year on year) due to the increase in sales volume, and the effects of price discount restraint and cost improvement, in addition to the tailwind from exchange rates. The operating profit margin was 4.3%, an improvement of approximately 11 percentage points from the previous fiscal year. Consolidated ordinary profit was 101.0 billion yen (up 206.2 billion yen year on year), and consolidated net income (profit attributable to owners of parent) was 74.0 billion yen (up 386.3 billion yen year on year).

As for the consolidated results of each business, net sales in the automotive business were 2,018.7 billion yen (up 582.2 billion yen year on year), and operating profit was 83.5 billion yen (up 184.8 billion yen year on year). Net sales in the financial services business were 38.0 billion yen (up 2.2 billion yen year on year), and operating profit was 4.6 billion yen (down 0.2 billion yen year on year). The net sales and operating profit figures of each business are prior to eliminations on consolidation.

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 mid-term business plan, “Small but Beautiful.” The main actions are as follows:

As for new models, we launched the new *Outlander* from North America, the new *Outlander* PHEV model from Japan, the new *XPANDER* from Indonesia, and the new *Airtrek* electric vehicle from China. The new *Outlander* is the flagship model of the MMC group that brings together the best of the MMC group’s electrification and four-wheel control technologies, and utilizes a new-generation platform and advanced technologies. The new *XPANDER* has a new front and rear design, as well as a redesigned interior to enhance its SUV-like appearance, and a new high-efficiency CVT transmission to achieve lower fuel consumption. The new models have been well received by customers and are contributing to the sales recovery, with orders continuing to exceed plan.

Meanwhile, the MMC group was also affected by semiconductor supply shortages and logistics disruptions, forcing us to reduce production. Despite the headwinds, we responded flexibly and minimized production suspensions. In addition, we have been promoting the improvement of sales quality in each country, especially in North America, by reviewing selling prices and reducing selling expenses, mainly through incentives.

With regard to fixed cost reduction, we set a reduction plan in our mid-term business plan to reduce fixed costs by 20% or more over a two-year period, which we achieved in FY2020, one year ahead of schedule. In FY2021, we completed the reorganization of our domestic production structure as planned as part of our structural reforms by suspending production and closing the plant of our domestic production subsidiary, Pajero Manufacturing Co., Ltd.

As a result of these efforts, we were able to achieve the first step targets of our mid-term business plan, which are operating profit of 50.0 billion yen and operating profit margin of 2.3% for FY2022, ahead of schedule during the fiscal year under review.

Although the business environment is expected to remain severe and unstable in FY2022, we intend to achieve our profit targets by constantly identifying and resolving issues one by one, and to link this to the next mid-term business plan.

(2) State of capital expenditure

The MMC group invested a total of 62.7 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, 2022 was 452.7 billion yen.

(4) Issues to be addressed

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

In the past, the MMC group has tried to cover a wide range of regions and segments with limited development resources, resulting in a lack of regular product enhancements or prolonged product life. We believe that there has been a tendency to secure sales volume through price discounting in order to maintain factory utilization rates as models age. In the future, we intend to change our approach to sales by introducing attractive products that incorporate Mitsubishi Motors' unique value, carefully managing their life cycles, ensuring that customers fully understand the value of the MMC group's products, and selling them at prices that are commensurate with their value.

<Acceleration of electrification and acceleration of initiatives to strengthen the ASEAN market>

First, during the period of the current mid-term business plan from FY2020 to FY2022, we have been working to strengthen our lineup of environmentally friendly vehicles by integrating our proprietary and alliance technologies. Until FY2021, we have particularly focused on PHEVs and have successively introduced the *Eclipse Cross* PHEV and the *Outlander* PHEV. The trend toward decarbonization and electrification will accelerate, and the MMC group, as a pioneer of electric vehicles, will seize this trend and make a solid contribution to the environment.

In FY2022, we will introduce three BEVs (battery electric vehicles): the new *Airtrek*, which was launched in China in March, a minicar EV to be launched soon through joint development with Nissan, and the *MINICAB-MiEV*,

which will resume sales this fall, and by adding these to our model lineup, we will offer customers even more electric vehicle options.

Then from FY2022 onward, we will enter a cycle of strengthening the ASEAN market. As round one to strengthen our product lineup, we are preparing to launch the next *Triton*, the core model of the MMC group, as the first model to lead the ASEAN new car offensive, and we are fully prepared to start its production.

In addition to products, we have positioned FY2022 as an important year for strengthening sales for the new car offensive, and will steadily implement measures to achieve this goal.

<Initiatives to promote the uniqueness of Mitsubishi Motors>

Last year, the MMC group redefined Mitsubishi Motors' uniqueness as "Environment × Safety, Security, and Comfort." We believe that introducing products and conducting promotional activities that enable customers to fully understand the value of Mitsubishi Motors' uniqueness are also important measures.

The response to the new *Outlander* PHEV, which went on sale for the domestic market on December 16, 2021, has far exceeded the MMC group's expectations, and the model has been awarded first place in plug-in hybrid EV sales in Japan for FY2021. It has also received high acclaim for its design and installed equipment, winning the "Technology Car of the Year" award from CAR OF THE YEAR JAPAN, the "iF Design Award 2022," and the "Five Star Award," the highest rating in the "Vehicle Safety Performance 2021" Japan New Car Assessment Program (JNCAP). The new *Outlander* launched from the U.S. and its PHEV model launched initially in Japan will be further expanded globally so that the value of the MMC group can be widely understood by customers.

Next, by expanding our lineup of electric vehicles, such as the minicar EV, we will work to gain a wider understanding of the environmental aspects of Mitsubishi Motors' uniqueness. We are already conducting test introductions and demonstration trials with many companies for the *MINICAB-MiEV*, which is scheduled to resume sales in the fall of this year, but we are still receiving new requests from many companies to consider introduction or to explore collaboration, and we feel that public interest is extremely high. We will continue to explore the provision of services throughout the value chain as a way to offer new value to our customers.

RALLIART, which we declared last year to be revived, is a heritage brand of the MMC group, which has forged its driving and technical skills in the demanding fields of the World Rally Championships and the Paris-Dakar Rally. While cherishing this heritage, we will further evolve it as a brand that leads with the Mitsubishi Motors' uniqueness and "Monozukuri (manufacturing) Spirit" with the highest level of technology. Specifically, we will continue to refine the brand through participation in the Asia Cross Country Rally by "Team Mitsubishi Ralliart" and the sale of exclusive accessories and special edition vehicles.

Reference

Promoting Sustainability Activities

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

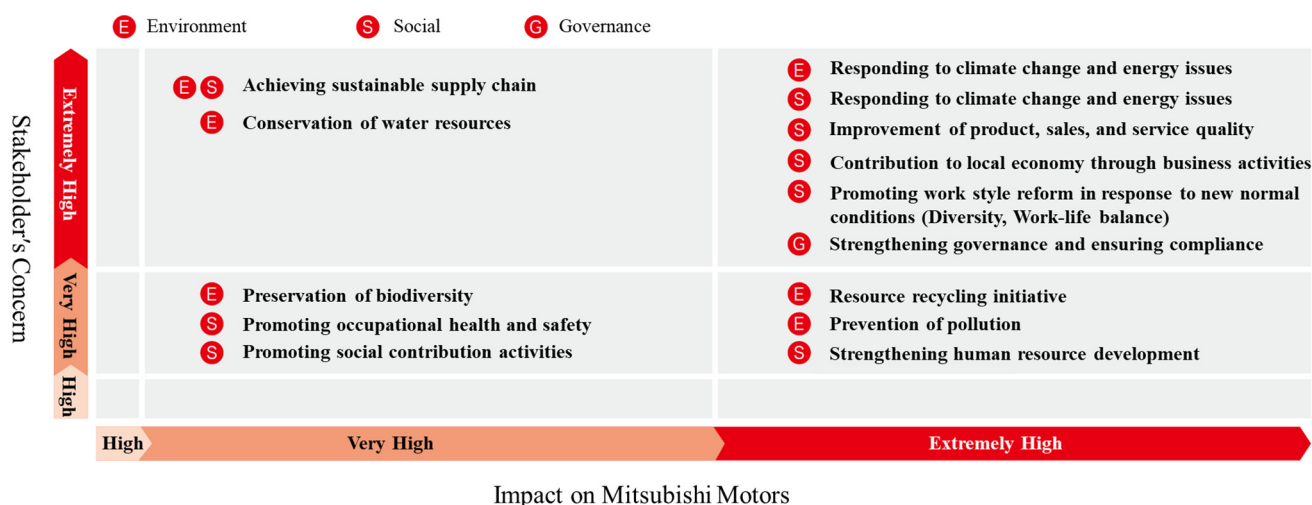
1 Sustainability Management

(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.

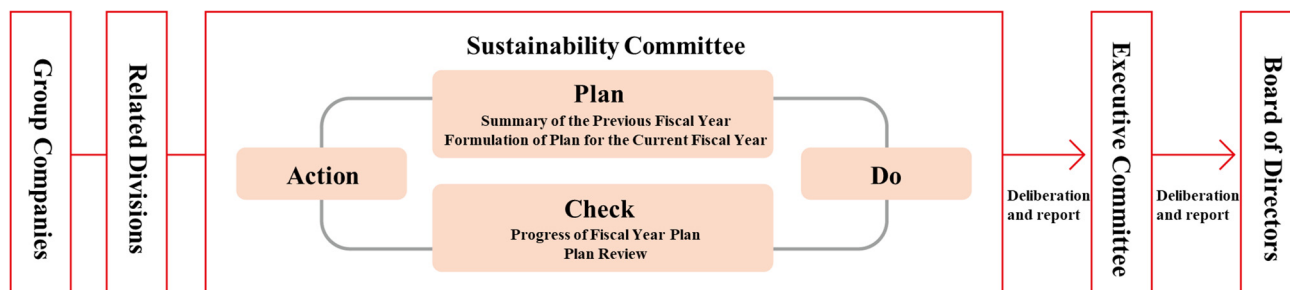
(b) MITSUBISHI MOTORS' Materiality (Material Issues)

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. We have been working on material issues while flexibly reviewing it as necessary based on our assessment of the impact of the significant and rapid changes in social trends related to sustainability, which have been occurring in recent years, on our stakeholders and MMC.



(c) Framework for Promoting Sustainability

MMC has established a Sustainability Committee, chaired by the Executive Officer, President, to promote sustainability initiatives throughout the MMC group. We have appointed officer class personnel to take responsibility for the identified material issues. The fiscal year targets are deliberated by the Sustainability Committee, and the Committee also checks the progress of execution^{*1} to deliver results. Structures are in place to deliberate important matters and report them to the Board of Directors.



^{*1} For details about the initiatives to promote sustainability, see our Sustainability Report 2021.

→ https://www.mitsubishi-motors.com/en/sustainability/pdf/report-2021/sustainability2021-management_02.pdf

2 Environmental Issues and Climate Change Initiatives

(a) Environmental Plan Package

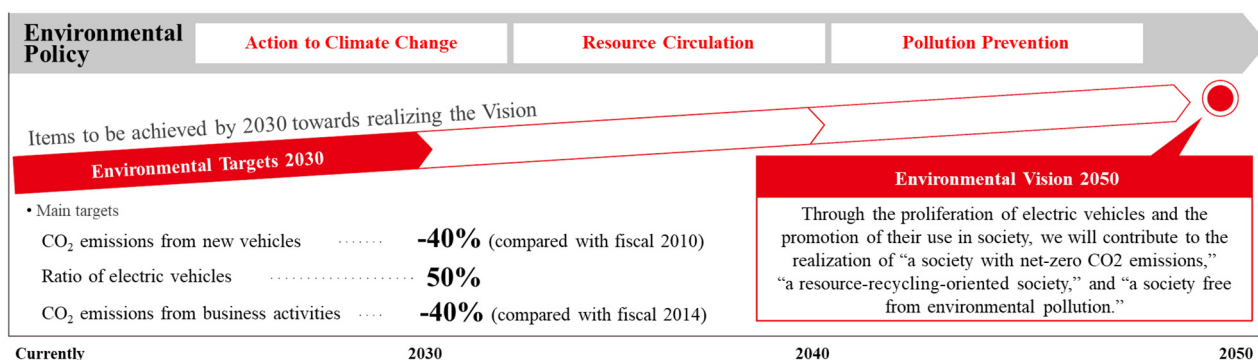
In light of the emerging climate change issues and social trends since the conclusion of the Paris Agreement, we recognize the need to set a direction for its environmental initiatives that anticipates society 30 years in the future, and formulated the Environmental Plan Package^{*2} in 2020.

The 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.

We have positioned “Action to climate change,” “Resource circulation” and “Pollution prevention” as three environmental issues that MMC will face head-on, and we have set specific goals to address them.

In terms of action to climate change, which we see as our most important issue, we have set 2030 targets of “a 40% reduction of CO₂ emissions from new vehicles (compared with fiscal 2010),” “a 50% electric vehicle sales ratio,” and “a 40% reduction of CO₂ emissions from business activities (compared with fiscal 2014),” as we work to contribute to realizing a society with net-zero CO₂ emissions.

Three Environmental Issues that MMC Will Face Head-on



*2 For details about the Environmental Plan Package, see our website below.

→ <https://www.mitsubishi-motors.com/en/sustainability/environment/einitatives/>

(b) Response to TCFD Recommendations

Recognizing that the medium- and long-term risks and opportunities posed by climate change could affect our business areas, we expressed our support for the TCFD^{*3} recommendations in July 2021. Taking this opportunity, we are currently conducting an analysis of the impact of climate change on our business and financial position (scenario analysis).

We believe that we can respond flexibly to uncertain future scenarios and diverse needs in different countries and regions by combining diverse options through the alliance and proprietary technologies.

We will reflect the results of the scenario analysis in our management strategies and enhance information disclosure in accordance with the TCFD recommendations.

- Principal Risks and Opportunities the Company Recognizes, and their Response Measures

Global changes	Risks to the Company	Opportunities for the Company	Principal response measures
Strengthening of requirements for fuel economy and zero-emission vehicles	<ul style="list-style-type: none"> - Fines for failing to meet fuel economy requirements - Additional costs to respond to requirements 	Increased sales of EVs	<ul style="list-style-type: none"> - Promote EVs, centering on plug-in hybrid electric vehicles (PHEVs) - Reduce costs by taking advantage of the alliance, such as by standardizing components
Introduction of carbon taxes and other carbon pricing	<ul style="list-style-type: none"> - Higher costs to procure electricity and raw materials 	—	<ul style="list-style-type: none"> - Promote energy conservation activities and introduce renewable energy
Increasing frequency and intensity of meteorological disasters	<ul style="list-style-type: none"> - Production stoppages due to damage to production facilities and disruption of supply chains 	Increased sales of EVs in line with a growing need to secure emergency power sources	<ul style="list-style-type: none"> - Implement BCM-related systems and operating procedures - Promote EVs, centered on PHEVs - Promote V2X^{*4}

*3 TCFD (Task Force on Climate-related Financial Disclosures): The Financial Stability Board (FSB) established the TCFD amid escalating climate change issues. In June 2017, it published a final report (TCFD recommendations) summarizing a framework for climate change-related disclosures.

*4 V2X: Generic term of V2H (Vehicle to Home), V2G (Vehicle to Grid), etc.

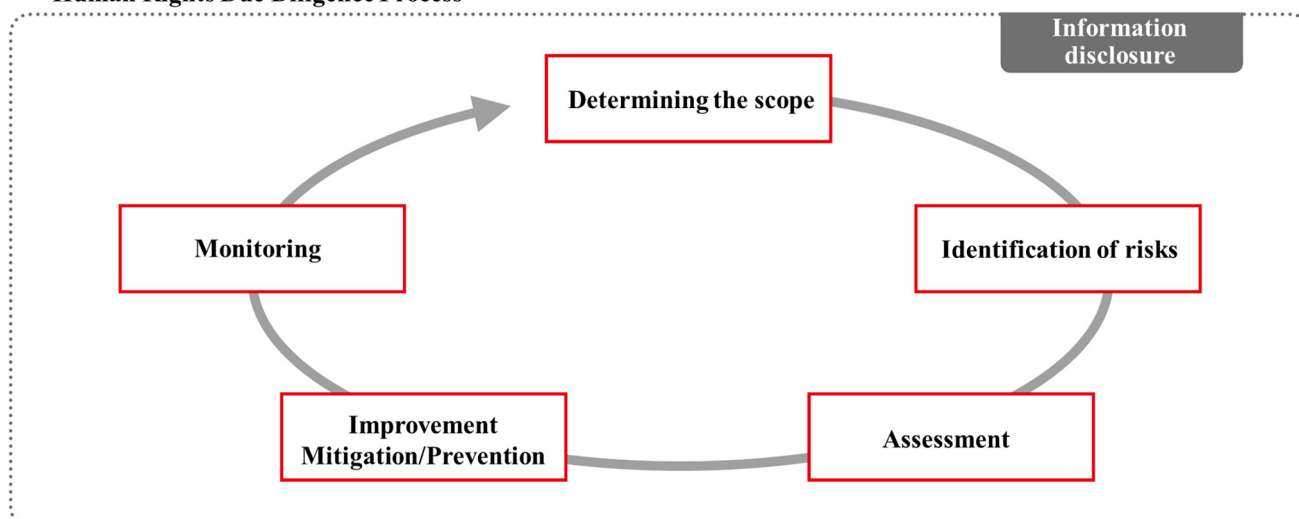
3 Respect for Human Rights

Based on the idea that respect for human rights^{*5} is the foundation of our business activities, we signed the United Nations Global Compact^{*6} in May 2019. In addition, we declare that “we will identify, prevent, or mitigate negative impacts on human rights which may be caused by our business activities through the application and support of human rights due diligence^{*7} processes.” in our human rights policy established in the same year. We acknowledge that human rights of employees such as working conditions and health and safety is a significant issue which can cause a great impact through business activities.

Based on this acknowledgement, as part of our human rights due diligence, we conducted in the second half of FY2021 the human rights assessment^{*8} at the headquarters and three production sites in Japan. In conducting the assessment, we worked together with an external assessment entity in order to ensure objectivity and alignment with international norms.

We found no item that will have serious impact on our business in this assessment. However, based on the recommendations from the assessment entity and the acquired knowledge, we intend to continue our efforts to reduce human rights risks and live up to the expectation of the stakeholders.

• Human Rights Due Diligence Process



^{*5} For details about initiatives for respecting human rights, see our Sustainability Report 2021.

→ https://www.mitsubishi-motors.com/en/sustainability/pdf/report-2021/sustainability2021-society-human_rights.pdf

^{*6} United Nations Global Compact: An initiative proposed by then UN Secretary-General Annan at the 1999 Davos Forum. Companies and organizations are expected to act voluntarily on ten principles in four areas: human rights, labor, environment, and anti-corruption.

^{*7} Human Rights Due Diligence: A process by which companies themselves identify, prevent, and mitigate negative impacts on human rights and stay accountable for addressing these negative impacts.

^{*8} Please refer to our “Sustainability News” for the implementation of the Human Rights Assessment.

→ <https://www.mitsubishi-motors.com/en/sustainability/sustainabilitynews/2022/03/24.html>

(5) Financial position and operating results

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Net sales (In millions of yen)	2,514,594	2,270,276	1,455,476	2,038,909
Automobile business	2,495,601	2,251,941	1,436,480	2,018,754
Financial service business	24,086	40,391	35,788	37,974
Elimination of transactions among segments	(5,092)	(22,056)	(16,793)	(17,819)
Operating profit (In millions of yen)	111,815	12,788	(95,321)	87,331
Ordinary profit (In millions of yen)	119,850	(3,843)	(105,203)	100,969
Profit (loss) attributable to owners of parent (In millions of yen)	132,871	(25,779)	(312,317)	74,037
Earnings per share (In yen)	89.26	(17.32)	(209.88)	49.76
Net assets (In millions of yen)	881,203	788,363	525,251	630,301
Stockholders' equity per share (In yen)	585.75	519.15	341.44	407.82
Total assets (In millions of yen)	2,010,309	1,938,123	1,856,279	1,928,443

- (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. The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations have been applied from the beginning of the fiscal year under review, and each figure for the fiscal year under review is after applying such accounting standards.

(6) Major subsidiaries (As of March 31, 2022)

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.	Osaka	JPY 100	100.00	Automobile sales
Mitsubishi Automotive Logistics Technology Co., Ltd.	Kanagawa	JPY 436	100.00	Automobile sales of parts and maintenance
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.	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 237	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. Pajero Manufacturing Co., Ltd. terminated business activities in August 2021.
 2. Mitsubishi Motors Europe B.V. increased its capital from 107 million euros to 237 million euros on August 4, 2021.

(7) Major businesses (As of March 31, 2022)

The businesses of the MMC group are as follows:

(a) Automobile business

(i) EVs, PHEVs

Eclipse Cross (PHEV), Outlander (PHEV), 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, 2022)

(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, 2022)

Business segment	Number of Employees (persons)	
Automobile business	28,617	(7,892)
Financial service business	179	(56)
Total	28,796	(7,948)

- (Notes)
1. The number of employees is the number of employees currently on duty (excluding individuals seconded from the MMC group to other companies and including individuals seconded to the 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, 2022)

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.	81,362 million yen
Mizuho Bank, Ltd.	48,522
Sumitomo Mitsui Banking Corporation	41,356

(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, 2022, and newly entered into a commitment line agreement, which came into effect on April 1, 2022, 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, 2022)**(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

255,532 persons (decreased by 9,229 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	34.02%
Mitsubishi Corporation	298,012,214	20.01
The Master Trust Bank of Japan, Ltd. (Trust account)	91,864,800	6.16
Mitsubishi Heavy Industries, Ltd.	21,572,455	1.44
MUFG Bank, Ltd.	14,877,512	0.99
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	14,321,500	0.96
Custody Bank of Japan, Ltd. (Trust account)	10,889,000	0.73
HSBC Asia Equity Finance - Japan Equities (Trading)	10,062,511	0.67
SANWA SUPPLY INC.	10,000,000	0.67
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	9,852,773	0.66

(Note) The above ratios of shareholding have been calculated excluding treasury shares (1,292,512 common stock). Treasury shares do not include MMC shares held by the officer compensation BIP Trust (1,137,650 shares).

(5) Shares issued to Members of the Board and Executive Officers as consideration for execution of their duties during the fiscal year under review

	Number of Shares	Number of Eligible Recipients
Executive Officers	3,300 shares	1

(Notes) 1. A description of MMC's share-based compensation is provided in "3. (3) Compensation, etc. of Members of the Board and Executive Officers" on page 50 to 53 of the Business Report.

2. The above information indicates the number of shares issued to a retired officer.

3. Members of the Board and Executive Officers

(1) Members of the Board (As of March 31, 2022)

Position and Responsibility	Name	Important Concurrent Positions
Chairman of the Board (Outside Director) Member of the Nomination Committee	Tomofumi Hiraku	—
Member of the Board Member of the Compensation Committee	Takao Kato	Representative Executive Officer, President & 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. Outside Director, Mitsubishi Research Institute, 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 Member of the Compensation Committee	Kenichiro Sasae	President, The Japan Institute of International Affairs Outside Director, SEIREN CO., LTD. Outside Director, Fujitsu Limited Outside Director, Asahi Group Holdings, Ltd.
Member of the Board (Outside Director) Member of the Audit Committee	Kiyoshi Sono	Senior Advisor, MUFG Bank, Ltd. Outside Director, Nankai Electric Railway Co., Ltd. Outside Director, Kanagawa Kaihatsu Kanko Co., Ltd. Outside Director, YOMIURI TELECASTING CORPORATION
Member of the Board (Outside Director) Member of the Nomination Committee	Hideyuki Sakamoto	Director, Executive Officer, Executive Vice President, Nissan Motor Co., 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	Yoshihiko Nakamura	CPA Yoshihiko Nakamura Accounting Office Auditor, Seika Corporation
Member of the Board (Outside Director) Member of the Compensation Committee	Joji Tagawa	Senior Vice President, Nissan Motor Co., Ltd. Outside Director, Renault

Position and Responsibility	Name	Important Concurrent Positions
Member of the Board (Outside Director) Member of the Audit Committee	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. Mr. Ken Kobayashi, Member of the Board, was appointed as Outside Director of Mitsubishi Research Institute, Inc. on December 17, 2021.
 5. Mr. Kenichiro Sasae, Member of the Board, was appointed as Outside Director of Fujitsu Limited on June 28, 2021, and as Outside Director of Asahi Group Holdings, Ltd. on March 25, 2022.
 6. Mr. Kiyoshi Sono, Member of the Board, retired from the position of Outside Director of Mitsubishi UFJ NICOS Co., Ltd. on June 28, 2021. In addition, he was appointed as Outside Director of Kanagawa Kaihatsu Kanko Co., Ltd. on June 11, 2021 and as Outside Director of YOMIURI TELECASTING CORPORATION on June 25, 2021.
 7. Mr. Hideyuki Sakamoto, Member of the Board, retired from the position of Chairman of JATCO Ltd on June 25, 2021.
 8. MMC has submitted notifications, specifying Mr. Tomofumi Hiraku, Ms. Main Kohda, Ms. Yaeko Takeoka, Mr. Kenichiro Sasae and Mr. Yoshihiko Nakamura as independent directors, to Tokyo Stock Exchange, Inc.

(2) Executive Officers (As of March 31, 2022)

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	Assistant to officer in charge of Corporate Governance
Executive Officer	Noriaki Hirakata	Division General Manager, Corporate Strategy Management Div.
Executive Officer	Koji Yamada	Division General Manager, TCS (Total Customer Satisfaction) 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

- (Notes)
1. Executive Officer Mr. Takao Kato serves concurrently as a Member of the Board.
 2. As of March 31, 2022, Mr. Hitoshi Inada retired as Senior Executive Officer. Mr. Inada assumed the position of Advisor to MMC on April 1 of the same year.
 3. As of March 31, 2022, Mr. Yukihiro Hattori retired as Senior Executive Officer.
 4. As of March 31, 2022, Mr. Koji Yamada retired as Executive Officer. Mr. Yamada assumed the position of Assistant Division General Manager of TCS Div. on April 1 of the same year.
 5. The status of Executive Officers as of April 1, 2022 is 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	Noboru Tsuji	Responsible for Corporate Governance
Senior Executive Officer	Mitsunori Kitao	Responsible for Production
Senior Executive Officer	Tatsuo Nakamura	Assistant to Executive Vice President (responsible for Sales Strategy / Reformation)
Executive Officer	Noriaki Hirakata	Division General Manager, Corporate Strategy Management Div.
Executive Officer	Koichi Namiki	Responsible for Product Strategy and Division General Manager, Product Strategy Div.
Executive Officer	John Signoriello	Responsible for Global Marketing & Sales
Executive Officer	Tomoo Yoshida	Responsible for Procurement
Executive Officer	Ikuro Hirozane	Responsible for Internal Control / Corporate Affairs and Division General Manager, Corporate Affairs Div. and General Administration, Communication, Sustainability Div. (responsible for External & Government Relations)

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

(a) Total amount of compensation for FY2021

(A year from April 1, 2021 to March 31, 2022)

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	229	14	229	—	—	—	—
(of which, Outside Directors)	(195)	(13)	(195)	—	—	—	—
Executive Officers	659	12	464	12	127	12	24
Total	889	26	693	12	127	12	24

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	—	—	—	—	—	—	—	—
(of which, Outside Directors)	—	—	—	—	—	—	—	—
Executive Officers	—	—	12	19	1	2	1	20
Total	—	—	12	19	1	2	1	20

- (Notes)
- The number shown in the above table for Members of the Board indicates the number of persons who, of the total of 15 persons served as Members of the Board during FY2021, received compensation as Members of the Board. In addition, the number includes two Members of the Board (of which, two are Outside Directors) who resigned during FY2021.
 - 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.
 - Based on the business results for FY2020, the compensation for the fiscal year under review has been reduced as follows. The table above shows the amount after the reduction.
For Executive Officers, Long-Term Performance-Linked Compensation will not be paid, and compensation other than Long-Term Performance-Linked Compensation will be reduced by 10% to 12%.
The amount of base compensation was reduced by 5% to 12% due to the offer by Non-Executive Directors, including Outside Directors, to return a portion of their compensation.
 - 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 FY2021.

5. Since the performance evaluation for FY2021 has not completed, the amount of “Short-Term Performance-Linked Compensation” and “Additional Individual Compensation” to be paid has not yet been fixed. Accordingly, the above figures show the amounts that were posted as provision for the fiscal year under review.
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 18 million yen posted as expenses for granting 84,780 points (equivalent to 84,780 shares of MMC) during FY2021 for the BIP Trust and the 1 million yen posted as a provision for deferred retirement compensation for FY2021 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 20 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. In addition, the Company’s Compensation Committee has designed individual compensation categories in accordance with said policy, and has determined or will determine individual compensation, etc. for Directors and Executive Officers for the fiscal year under review after appropriate deliberations, etc., in accordance with such design, and the Company believes that this is in line with said policy.

<Basic approach>

- i) The compensation system shall contribute to the 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.

(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 MMC group's management targets.
- Additional Individual Compensation is an incentive for each Executive Officer (excluding the President) to achieve individual targets set for his or her area of responsibility, in addition to the Company's overall targets. The Executive Officer, President approves and determines the individual targets set by each Executive Officer for sales, profit, cost reduction, quality, productivity improvement, etc., and evaluates the degree of achievement. The amount of compensation paid is calculated by multiplying the standard amount of Additional Individual Compensation set for each position by the degree of achievement of goals in the range of 0% to 100%.
- 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.

<Performance-Linked Compensation>

- There are no performance indicators and results for Long-Term Performance-Linked Compensation for the fiscal year under review, as the Compensation Committee decided at the beginning of the fiscal year not to pay said compensation.
- For the performance indicators of Short-Term Performance-Linked Compensation for the fiscal year under review, "consolidated operating profit" and "consolidated profit after tax" are selected as indicators in order to achieve the required return to profitability as positioned for FY2021 in the current mid-term business plan, and the target values are set higher than the company-wide management targets from the viewpoint of providing incentives for further growth of the business. The amount to be paid is calculated by multiplying the standard amount of Short-Term Performance-Linked Compensation set for each position by the achievement rate of the target. The overall target achievement rate is the sum of the target achievement rate for each evaluation indicator calculated based on the thresholds corresponding to a 50% achievement rate (lower limit), the threshold corresponding to an 80% achievement rate, and the threshold corresponding to a 100% achievement rate (upper limit), multiplied by the evaluation weights. Indicators with an achievement rate of less than 50% are treated as 0.

- Targets, actual results and evaluation weights of performance indicators for Short-Term Performance-Linked Compensation in the fiscal year under review (FY2021)

Performance indicators	Targets (Achievement rate 100%) (billions of yen)	Results (billions of yen)	Evaluation weight
Consolidated operating profit	50.0	87.3	50%
Consolidated profit after tax	20.0	74.0	50%

(Note) Although the actual amounts for each indicator have been obtained, the amount to be paid will be determined through deliberation at a future meeting of the Compensation Committee, together with Additional Individual Compensation and other items.

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 FY2021 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.

(4) Outside Directors

- (a) Relationships between MMC and entities where Outside Directors hold important concurrent positions (As of March 31, 2022)

Name	Important Concurrent Positions	Relations with MMC
Tomofumi Hiraku	–	–
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 Corporation	Sale of automobiles outside Japan, etc.
	Outside Director, NISSIN FOODS HOLDINGS CO., LTD.	No notable relations
	Outside Director (Member of the Board), Mitsubishi Heavy Industries, Ltd.	Purchase of parts, etc.
	Outside Director, Mitsubishi Research Institute, 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.
	Outside Director, SEIREN CO., LTD.	Purchase of parts, etc.
	Outside Director, Fujitsu Limited	Use of software, etc.
	Outside Director, Asahi Group Holdings, Ltd.	No notable relations
Kiyoshi Sono	Senior Advisor, MUFG Bank, Ltd.	Banking transactions
	Outside Director, Nankai Electric Railway Co., Ltd.	No notable relations
	Outside Director, Kanagawa Kaihatsu Kanko Co., Ltd.	No notable relations
	Outside Director, YOMIURI TELECASTING CORPORATION	No notable relations
Hideyuki Sakamoto	Director, Executive Officer, Executive Vice President, Nissan Motor Co., Ltd.	OEM supply of automobiles, 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
Yoshihiko Nakamura	CPA Yoshihiko Nakamura Accounting Office	No notable relations
	Auditor, Seika Corporation	No notable relations

Name	Important Concurrent Positions	Relations with MMC
Joji Tagawa	Senior Vice President, Nissan Motor Co., Ltd.	OEM supply of automobiles, etc.
	Outside Director, Renault	Receipt of OEM supplied automobiles, etc.
Takahiko Ikushima	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
Tomofumi Hiraku	Board of Directors Meeting: 12/12	He used experience in key role in the Ministry of Economy, Trade and Industry (METI) and extensive insight regarding the industrial sector at large, 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 the management of board meetings as the Chairperson of the Board of Directors, and deliberations on the nomination of Director candidates and the appointment of Executive Officers as a Member of the Nomination Committee, etc.
	Nomination Committee: 9/9	
Shunichi Miyanaga	Board of Directors Meeting: 15/15	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.
	Compensation Committee: 9/9	
Ken Kobayashi	Board of Directors Meeting: 15/15	He used knowledge and insight based on extensive experience in corporate management as a senior executive of a general trading company that operates worldwide 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.
	Nomination Committee: 10/10	
Main Kohda	Board of Directors Meeting: 15/15	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.
	Nomination Committee: 10/10	
	Compensation Committee: 9/9	

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
Yaeko Takeoka	Board of Directors Meeting: 15/15 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.
Kenichiro Sasae	Board of Directors Meeting: 15/15 Nomination Committee: 10/10 Compensation 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, and deliberations on the MMC's officer compensation system as a Member of the Compensation Committee, etc.
Kiyoshi Sono	Board of Directors Meeting: 15/15 Audit Committee: 15/15	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: 15/15 Nomination Committee: 10/10	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.
Yoshihiko Nakamura	Board of Directors Meeting: 15/15 Audit Committee: 15/15	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: 15/15 Compensation Committee: 9/9	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: 15/15 Audit Committee: 12/12	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 working to maintain and improve the soundness of MMC's management through audits as a Member of the Audit Committee, etc.

- (Notes) 1. The number of Board of Directors meetings available for attendance for Tomofumi Hiraku differs from that of the other Members of the Board as he was appointed as Member of the Board on June 23, 2021.
2. As Tomofumi Hiraku, Kenichiro Sasae, and Takahiko Ikushima were respectively appointed as Member of the Nomination Committee, Member of the Compensation Committee, and Member of the Audit Committee on June 23, 2021, 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, 2022)

(In millions of yen)

Assets		Liabilities and net assets	
(Assets)	1,928,443	(Liabilities)	1,298,142
Current assets	1,255,920	Current liabilities	1,084,173
Cash and deposits	511,502	Notes and accounts payable – trade	324,091
Notes and accounts receivable – trade, and contract assets	119,829	Electronically recorded obligations – operating	56,612
Finance receivables	222,463	Short-term borrowings	21,778
Merchandise and finished goods	192,292	Commercial papers	43,000
Work in process	53,266	Current portion of long-term borrowings	292,134
Raw materials and supplies	54,033	Lease liabilities	3,751
Short-term loans receivable	624	Accounts payable – other, and accrued expenses	204,894
Other	111,367	Income taxes payable	8,487
Allowance for doubtful accounts	(9,459)	Provision for product warranties	50,029
		Other	79,393
Non-current assets	672,523	Non-current liabilities	213,968
Property, plant and equipment	429,455	Long-term borrowings	95,768
Buildings and structures	85,110	Lease liabilities	24,101
Machinery, equipment and vehicles	132,116	Deferred tax liabilities	17,127
Tools, furniture and fixtures	64,638	Retirement benefit liability	32,240
Land	123,068	Other	44,731
Construction in progress	24,521		
Intangible assets	38,273	(Net assets)	630,301
Intangible assets	38,273	Shareholders' equity	652,531
Investments and other assets	204,794	Share capital	284,382
Investment securities	98,433	Capital surplus	199,837
Long-term loans receivable	2,817	Retained earnings	169,694
Retirement benefit asset	4,775	Treasury shares	(1,382)
Deferred tax assets	43,669	Accumulated other comprehensive income	(45,759)
Other	58,818	Valuation difference on available-for-sale securities	1,111
Allowance for doubtful accounts	(3,720)	Deferred gains or losses on hedges	(31)
		Foreign currency translation adjustment	(32,571)
		Remeasurements of defined benefit plans	(14,267)
		Share acquisition rights	195
		Non-controlling interests	23,334
Total	1,928,443	Total	1,928,443

Consolidated Statement of Income
(From April 1, 2021 to March 31, 2022)

(In millions of yen)

Net sales	2,038,909
Cost of sales	1,676,459
Gross profit	362,450
Selling, general and administrative expenses	275,118
Operating profit	87,331
Non-operating income	24,462
Interest and dividend income	2,510
Foreign exchange gains	9,241
Share of profit of entities accounted for using equity method	8,527
Subsidies for employment adjustment	919
Other	3,263
Non-operating expenses	10,824
Interest expenses	5,085
Litigation expenses	1,586
Financing expenses	1,476
Other	2,675
Ordinary profit	100,969
Extraordinary income	7,131
Gain on sales of non-current assets	2,858
Gain on sales of investments in capital of subsidiaries and affiliates	2,791
Gain on reversal of asset retirement obligations	833
Other	648
Extraordinary losses	13,411
Loss on retirement of non-current assets	2,887
Impairment loss	1,451
Loss related to Russian operations	8,220
Other	851
Profit before income taxes	94,689
Income taxes – current	13,362
Income taxes – deferred	2,177
Profit	79,149
Profit attributable to non-controlling interests	5,112
Profit attributable to owners of parent	74,037

Non-Consolidated Financial Statements

Balance Sheet

(As of March 31, 2022)

(In millions of yen)

Assets		Liabilities and net assets	
(Assets)	985,999	(Liabilities)	667,873
Current assets	527,619	Current liabilities	647,995
Cash and deposits	169,037	Electronically recorded obligations – operating	55,407
Accounts receivable – trade	211,437	Accounts payable – trade	201,907
Finished goods	29,637	Short-term borrowings	200,000
Work in process	33,815	Lease liabilities	499
Raw materials and supplies	19,300	Accounts payable – other	117,902
Prepaid expenses	2,091	Accrued expenses	8,891
Short-term loans receivable	10,670	Income taxes payable	2,621
Accounts receivable – other	46,531	Deposits received	9,696
Other	13,984	Provision for product warranties	28,931
Allowance for doubtful accounts	(8,887)	Other	22,137
Non-current assets	458,380	Non-current liabilities	19,878
Property, plant and equipment	208,862	Lease liabilities	73
Buildings	30,289	Guarantee deposits received	1,829
Structures	4,237	Provision for retirement benefits	8,577
Machinery and equipment	52,764	Deferred tax liabilities	1,021
Vehicles	621	Asset retirement obligations	3,807
Tools, furniture and fixtures	45,187	Other	4,568
Land	69,381	(Net assets)	318,125
Construction in progress	6,380	Shareholders' equity	316,991
Intangible assets	34,214	Share capital	284,382
Intangible assets	34,214	Capital surplus	203,694
Investments and other assets	215,302	Capital reserve	118,680
Investment securities	8,526	Other capital surplus	85,013
Shares of subsidiaries and affiliates	173,006	Retained earnings	(169,702)
Long-term loans receivable	374	Legal reserve	5,605
Investments in capital of subsidiaries and affiliates	6,321	Other retained earnings	(175,308)
Guarantee deposits	5,342	Retained earnings brought forward	(175,308)
Long-term prepaid expenses	16,398	Treasury shares	(1,382)
Other	5,785	Valuation and translation adjustments	939
Allowance for doubtful accounts	(452)	Valuation difference on available-for-sale securities	939
Total	985,999	Share acquisition rights	195
Total	985,999	Total	985,999

Statement of Income

(From April 1, 2021 to March 31, 2022)

(In millions of yen)

Net sales	1,614,787
Cost of sales	1,410,172
Gross profit	204,614
Selling, general and administrative expenses	170,291
Operating profit	34,323
Non-operating income	23,172
Interest and dividend income	10,012
Foreign exchange gains	10,828
Other	2,332
Non-operating expenses	5,402
Interest expenses	1,026
Other	4,375
Ordinary profit	52,093
Extraordinary income	4,864
Gain on sales of non-current assets	2,700
Gain on sales of investments in capital of subsidiaries and affiliates	1,945
Other	218
Extraordinary losses	15,123
Loss on retirement of non-current assets	2,448
Loss related to Russian operations	6,491
Loss on valuation of investments in capital of subsidiaries and affiliates	4,283
Other	1,899
Profit before income taxes	41,835
Income taxes – current	1,971
Income taxes – deferred	(285)
Profit	40,149

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

Independent Auditor's Report

May 19, 2022

The Board of Directors

MITSUBISHI MOTORS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo, Japan

Hirohisa Fukuda
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, 2021 to March 31, 2022.

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, 2022, 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.

Emphasis of Matter

We draw attention to Note "Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates" to the consolidated financial statements, which describes MMC and its domestic consolidated subsidiaries have changed the depreciation method for property, plant and equipment from the declining balance method to the straight line method and reviewed the useful lives of machinery and equipment, effective from the fiscal year ended March 31, 2022. In addition, the residual value of property, plant and equipment has been changed to the memorandum value.

Our opinion is not modified in respect of these matters.

Other information

The other information comprises the Business report and the related supplementary schedules. The Audit Committee responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and 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 19, 2022

The Board of Directors

MITSUBISHI MOTORS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo, Japan

Hirohisa Fukuda
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, 2021 to March 31, 2022.

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, 2022, 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.

Emphasis of Matter

We draw attention to Note "Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates" to the financial statements, which describes MMC has changed the depreciation method for property, plant and equipment from the declining balance method to the straight line method and reviewed the useful lives of machinery and equipment, effective from the fiscal year ended March 31, 2022. In addition, the residual value of property, plant and equipment has been changed to the memorandum value.

Our opinion is not modified in respect of these matters.

Other information

The other information comprises the Business report and the related supplementary schedules. The Audit Committee responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and 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, 2021 to March 31, 2022. 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, 2022

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

(Note) Members of the Audit Committee, Yaeko Takeoka, Kiyoshi Sono, Yoshihiko Nakamura, and Takahiko Ikushima 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 53rd Ordinary General Meeting of Shareholders

Fiscal 2021 (from April 1, 2021 to March 31, 2022)

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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, 2022)**Status of the stock options of MMC as of March 31, 2022**

	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 1 Executive Officer 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	278 million yen
Sum of the amount of money and other material advantage to be paid by MMC and its subsidiaries to Accounting Auditors	368

- (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 FY2021 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, paragraph (4) of the Companies Act, these expenses or debts shall be paid promptly or settled after being examined by relevant sections unless it can be verified that these expenses or debts are not necessary for 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.

(Note) The Company changed the title of the position of Executive Officer, CEO to Executive Officer, President & CEO on April 1, 2021.

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 FY2021, in addition to working to enhance education on laws and regulations, MMC implemented compliance training for all officers, communication training for management-level employees, and lectures conducted by outside instructors for management-level employees. 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 as provide a means for an organization's self-correction. These consultation offices consist of an internal office, which receives reports and offers counseling to employees of MMC and domestic subsidiaries and affiliates (Employee Counseling Office), an external office, which is run by outside attorneys, and the Mitsubishi Motors Global Whistleblowing Office, which can be used by employees of major domestic and overseas subsidiaries and affiliates as well. 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 13 members, including 11 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 implementing global audits, as well as expediting investigations necessary for management purposes, the Internal Audit Office, directly reporting to the Executive Officer, President, performs audits and shares information with the Audit Committee and Accounting Auditors where appropriate.
- Under the Internal Control Committee with the Executive Officer, President 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

- 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, in accordance with internal rules, MMC has established a division in charge of primary management to serve as the division responsible for overall administration of management for the respective subsidiaries and affiliates, and in conjunction with this, it provides a system in which the functional divisions (production, development, procurement, and sales) and the corporate divisions support the division in charge of primary management as fits their respective roles and provides assistance, checks and supervision in various forms to promote the strengthening and growth of its subsidiaries and affiliates.
- 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, President, 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 division.

(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, 2021 to March 31, 2022)

(In millions of yen)

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

	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	511	(554)	(63,035)	(7,617)	(70,696)	352	16,993	525,251
Cumulative effects of changes in accounting policies								(271)
Restated balance at beginning of year	511	(554)	(63,035)	(7,617)	(70,696)	352	16,993	524,980
Changes in items during the period								
Profit attributable to owners of parent								74,037
Purchase of treasury shares								(0)
Disposal of treasury shares								3
Exercise of share acquisition rights								160
Net changes in items other than shareholders' equity	600	523	30,464	(6,650)	24,937	(157)	6,341	31,120
Total changes in items during the period	600	523	30,464	(6,650)	24,937	(157)	6,341	105,321
Balance at end of year	1,111	(31)	(32,571)	(14,267)	(45,759)	195	23,334	630,301

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., Mitsubishi Motors North America, Inc., Mitsubishi Motors Europe B.V., Mitsubishi Motors (Thailand) Co., Ltd., Mitsubishi Motors Australia, Ltd., etc.

(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 the above unconsolidated subsidiaries 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: 18

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

MMC Rus LLC, which is a distributor in Russia, was included in the scope of equity method due to share acquisition.

FF Sheffe B.V., which had been the parent company of MMC Rus LLC in Russia, was excluded from the scope of equity method due to the liquidation, and South East (Fujian) Motor Co., Ltd. was excluded from the scope of equity method due to its sale of equity interests.

(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 the above 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.

Available-for-sale securities

Securities, excluding shares without market value:

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

Shares without market value:

Carried at cost determined by the moving average method.

(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 by the straight line method based on the estimated useful lives for MMC and some domestic consolidated subsidiaries, based on the Corporation Tax Act for the other domestic consolidated subsidiaries, and based on the expected useful lives for the overseas consolidated subsidiaries.

(ii) Intangible assets (excluding leased assets)

Intangible assets (excluding leased assets) are amortized by the straight line method for MMC and its domestic consolidated subsidiaries and by the straight line method primarily over the expected useful lives for its overseas consolidated subsidiaries. Software intended for use by MMC and its domestic consolidated subsidiaries is amortized by 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 by 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) Revenue and expense recognition

The principal performance obligation in the automobile business is the sale of vehicles and parts. For the normal point in time at which the performance obligation in this sale of vehicles and parts is satisfied (the normal point in time at which revenue is recognized), revenue is recognized when control over the goods or services is transferred to the customer, such as upon delivery of the vehicle. In accordance with the alternative treatment prescribed in paragraph 98 of the “Implementation Guidance on Accounting Standard for Revenue Recognition,” for certain sales in Japan and other countries, revenue is recognized at the time of shipment if the period between the time of shipment and the time when control of the goods or products is transferred to the customer is a normal period. Sales incentive payments to sales companies are considered as variable consideration in the calculation of the transaction price, and the estimated amount of sales incentives expected to be paid in the future in the period in which control over the goods or services is transferred is deducted from net sales.

For product warranties provided in connection with the sale of products, etc., the Company recognizes a provision for product warranties for the costs associated with such warranties, as these are warranties that the products sold are in accordance with the specifications agreed upon with the customer.

The principal performance obligations in the finance business are sales financing and the provision of leasing related services (including the sale, etc. of property upon lease expiration or termination. Interest income generated through sales financing is recognized based on the interest method over the contract period. Lease income for operating leases is recognized on a straight-line basis over the lease term, while for finance leases, lease payments received in each period during the lease term are recognized as lease income in the respective periods.

(e) 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 by the straight line method over periods within the estimated average

remaining service years of the employees.

Actuarial gains and losses are being amortized by 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) Application of consolidated taxation system

The consolidated taxation system is applied.

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

The Company and its consolidated subsidiaries in Japan will transition from the consolidated taxation system to the group tax sharing system from next fiscal year. However, as for items regarding 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).

From the beginning of the next fiscal year, the Company plans to apply “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No. 42, March 31, 2020), which prescribes treatment for accounting and disclosure for income tax, local income tax, and deferred tax accounting in cases where the group tax sharing system is applied.

2. Changes in accounting policies

(Application of Accounting Standard for Revenue Recognition and related implementation guidance)

MMC and its domestic subsidiaries have applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related implementation guidance effective from the beginning of the fiscal year ended March 31, 2022, and they recognize revenue at the amount expected to be received when control of promised goods or services is transferred to the customer.

As a result of this application, for some transactions where revenue was previously recognized at the time of vehicle registration for contracts with the customers of MMC and its domestic subsidiaries, revenue has been recognized when control of the goods or services is transferred to the customer.

Furthermore, the payment of sales incentives to distributors takes into consideration variable consideration for the calculation of transaction prices, and in the fiscal year in which the control of goods or services is transferred to the distributor, the sales incentive estimate, which is expected to be paid in the future, is deducted from net sales. In addition, in the accounting for materials supplied with payment to suppliers, although materials supplied with payment were previously derecognized, the accounting method has been changed so that they are no longer derecognized if MMC bears an obligation to repurchase the supplied materials.

The application of the Accounting Standard for Revenue Recognition and related implementation guidance is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. MMC group recognized the cumulative effect of adopting them on the date of their initial application.

Notes and accounts receivable trade, which was presented under current assets on the consolidated balance sheet for the previous fiscal year, has been included in notes and accounts receivable trade, and contract assets from the fiscal year ended March 31, 2022.

As a result, compared with before the application of the Accounting Standards for Revenue Recognition, in consolidated balance sheet as of March 31, 2022, work in process increased by 20,592 million yen and notes and accounts payable - trade increased by 19,044 million yen. In the consolidated statement of income for the fiscal year ended March 31, 2022, operating profit decreased by 41 million yen and ordinary profit and profit before income taxes both increased by 40 million yen due to net sales decreasing by 7,806 million yen, cost of sales increasing by 326 million yen, selling, general and administrative expenses decreasing by 8,090 million yen and non-operating income increasing by 81 million yen.

Since the cumulative effect is reflected in net assets as of the beginning of the fiscal year ended March 31, 2022, the opening balance of “Retained earnings” in the consolidated statement of changes in net assets decreased by 271 million yen.

The impact of this change on net assets per share and basic earnings per share for the fiscal year ended March 31, 2022 was immaterial.

(Application of Accounting Standard for Fair Value Measurement and related implementation guidance)

MMC and its domestic subsidiaries have applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and related implementation guidance effective from the beginning of the fiscal year ended March 31, 2022. In accordance with the transitional treatment provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the MMC group recognized the cumulative effect of adopting them on the date of their initial application. There are no impacts on the consolidated financial statements. Moreover, notes on matters concerning components of fair value of financial instruments by level, etc. are provided in “10. Financial instruments.”

3. Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates

(Change in depreciation method for property, plant and equipment)

Previously, MMC and its domestic consolidated subsidiaries used the declining balance method for certain property, plant and equipment, but from the fiscal year ended March 31, 2022, they have changed to the straight line method.

The MMC group has entered into a strategic alliance with Renault S.A. and Nissan Motor Co., Ltd. to strengthen and optimize its production system on a global level. The MMC group is also promoting the sharing of development of new technologies, common vehicle platforms, and the sharing of purchasing functions and production bases under the alliance.

Under such circumstances, the MMC group has consolidated production at domestic plants for structural reforms from FY2021, taking the opportunity of the formulation of the new mid-term business plan in July 2020. As a result of examining the actual use of the MMC group's property, plant and equipment and the nature of the capital investment, and considering that property, plant and equipment are expected to operate on a level basis due to stable production, MMC has determined that the straight line method, which allocates expenses evenly over the useful life of the assets, is a more appropriate method for calculating periodic income.

In addition, as a result of re-examining the estimated period of use of property, plant and equipment in conjunction with the change in the depreciation method, MMC group has changed the useful lives of some machinery and equipment to be more consistent with actual conditions and based on economically usable estimates. Furthermore, as a result of examining the value of property, plant and equipment at the time of retirement after the end of their useful lives, the residual value of some property, plant and equipment has been changed to one yen, the memorandum value.

As a result of the above changes, operating profit, ordinary profit and profit before income taxes for the fiscal year ended March 31, 2022 each increased by 13,898 million yen, compared with those based on the previous method.

4. Notes to changes in presentation method

(Consolidated balance sheet)

"Provision for loss on fuel consumption test," which was separately presented under Current liabilities as 1,066 million yen in the fiscal year ended March 31, 2021, has been included in "Other" of Current liabilities from the fiscal year ended March 31, 2022, due to a decrease in materiality. "Provision for loss on fuel consumption test" included in "Other" amounted to 595 million yen.

(Consolidated statements of income)

"Financing expenses," which were 1,603 million yen included in "Other" of Non-operating expenses in the fiscal year ended March 31, 2021, have been separately presented from the fiscal year ended March 31, 2022, due to an increase in materiality.

5. Notes to accounting estimates

(1) Liabilities related to market quality measures

(a) Amount recorded in the consolidated financial statements as of March 31, 2022

	As of March 31, 2022 (millions of yen)
Liabilities related to market quality measures	37,962

(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 experience and other factors considering the sales region and vehicle age.

(iii) Impact on the consolidated financial statements for the fiscal year ending March 31, 2023

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) Information related to Russian operations

(a) Amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2022

	Fiscal year ended March 31, 2022 (millions of yen)
Loss related to Russian operations	8,220

(The contents of loss related to Russian operations are provided in "8. Notes to consolidated statement of income (2) Loss related to Russian operations.")

(b) Information on significant accounting estimates for identified items

(i) Calculation method

On February 24, 2022, Russian forces invaded Ukraine, and in response, several countries and regions, including Japan, have imposed economic sanctions against Russia. In addition, due to the military invasion of Ukraine by Russia, logistics networks have been disrupted and parts supplies have stopped, leading to a temporary halt in production at a subsidiary and affiliates in Russia.

In light of this impact on the Group from geopolitical issues caused by the military invasion of Ukraine by Russia, among the receivables held by the Company against its subsidiary and affiliates in Russia, the amount of receivables for which concerns arose regarding collection has been estimated. Moreover, among the inventory assets for Russia held by the Company and its consolidated subsidiary, the amount of inventory assets whose profitability has declined has been estimated.

(ii) Key assumption

The amounts of receivables for which concerns arose regarding collection and the amounts of inventory assets whose profitability has declined have been estimated assuming that the production halt due to the impact of geopolitical issues caused by the military invasion of Ukraine by Russia will continue for a certain time in the fiscal year ending March 31, 2023.

(iii) Impact on the consolidated financial statements for the fiscal year ending March 31, 2023

The Company has assumed the best estimate of the impact of geopolitical issues caused by the military invasion of Ukraine by Russia; however, the impact of these issues is subject to many uncertainties, and the changes in the situation going forward could have a material impact on the Group's financial position and operating results for the fiscal year ending March 31, 2023 onward.

6. 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, 2022, is 248 million yen, and the number of shares is 1,137,650 shares.

7. Notes to consolidated balance sheet

(1) Remaining balance of receivables from contracts with customers, contract assets, and contract liabilities

The amount of receivables from contracts with customers and contract assets in notes and accounts receivable - trade, and contract assets, and the amount of contract liabilities in other under current liabilities and in other under non-current liabilities are provided in “12. Revenue recognition (3) Information to understand the amount of revenue in the current and subsequent fiscal years.”

(2) Assets pledged as collateral and liabilities secured

(a) Assets pledged as collateral

Finance receivables	92,389 million yen
Other (Note)	1,973 million yen
Total	94,363 million yen

(Note) Accounts receivable – other of 1,206 million yen was pledged based on a liability in a term lease contract relating to a building with Murata Medical Services, Ltd.

(b) Liabilities secured

Short-term borrowings and long-term borrowings (including current portion)	80,293 million yen
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(3) Accumulated depreciation of property, plant and equipment 904,758 million yen

(4) Balance of guarantee liabilities

(a) Guarantee recipients

MMD Automobile GmbH	2,911 million yen
Mitsubishi Corporation	875 million yen
Mitsubishi Motor Automobile Schweiz AG	109 million yen
M Motors Automobiles France S.A.S.	19 million yen
Employees	160 million yen
Total	4,076 million yen

(b) Recourse obligation following liquidation of accounts receivable – trade 1,162 million yen

8. Notes to consolidated statement of income

(1) Revenue from contracts with customers

Revenue from contracts with customers and other revenue are not presented in net sales by categories.

The amounts of revenue from contracts with customers are provided in “Revenue recognition (1) Information on disaggregation of revenue from contracts with customers.”

(2) Loss related to Russian operations

On February 24, 2022, Russian forces invaded Ukraine, and in response, several countries and regions, including Japan, have imposed economic sanctions against Russia.

MMC group has been assembling and selling finished vehicles at a consolidated subsidiary and equity-method affiliates in Russia. However, due to the military invasion of Ukraine by Russia, logistics networks were disrupted and parts supply stagnated, so production has been suspended.

Accordingly, there arose concerns about the collection of some receivables that MMC has from these companies,

and some of the inventories held by MMC and its consolidated subsidiaries have also experienced a decline in profitability.

As a result, a provision of 6,262 million yen for allowance for doubtful accounts for such receivables and a valuation loss of 1,958 million yen based on the decreased profitability of inventories were recorded as loss related to Russian operations of 8,220 million yen under extraordinary losses.

9. 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, 2022

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, 2022 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, 2022

Common stock:	67,044 shares
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10. 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, and contract assets, 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, 2022 are as follows. Shares without market value (carrying amount in the consolidated balance sheet: 97,454 million yen) are not included in “Available-for-sale securities.” Furthermore, notes for “Cash and deposits,” “Notes and accounts receivable – trade, and contract assets,” “Notes and accounts payable – trade,” “Electronically recorded obligations – operating,” “Short-term borrowings,” “Commercial papers” and “Accounts payable – other, and accrued expenses” have been omitted as the fair values are almost the same as the book values since they are cash and settled in a short period of time.

	Carrying amount	Fair value	Difference
	<i>(In millions of yen)</i>	<i>(In millions of yen)</i>	<i>(In millions of yen)</i>
(a) Finance receivables	222,463	219,328	(3,135)
(b) Investment securities			
Available-for-sale securities	978	978	—
Total assets	223,442	220,307	(3,135)
(a) Long-term borrowings	387,903	387,952	49
Total liabilities	387,903	387,952	49
Derivative transactions (*)	(1,086)	(1,086)	—

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

(3) Matters concerning components of fair value of financial instruments by level, etc.

The fair value of financial instruments has been categorized into the following three levels according to the observability and significance of the inputs used in the calculation of fair value.

Level 1 fair value: Fair-value measurement based on quoted prices in active markets for these or identical assets or liabilities.

Level 2 fair value: Fair-value measurement based on inputs that are observable other than Level 1.

Level 3 fair value: Fair-value measurement based on inputs for which no observable market data is available.

If multiple inputs that significantly affect the calculation of fair value are used, fair value is classified into the level with the lowest priority for the calculation of fair value within each of the levels to which these inputs belong.

(a) Financial assets and financial liabilities recorded in the consolidated balance sheet at fair value

Category	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(In millions of yen)</i>	<i>(In millions of yen)</i>	<i>(In millions of yen)</i>	<i>(In millions of yen)</i>
Investment securities				
Available-for-sale securities				
Shares	978	—	—	978
Derivative transactions				
Currency-related transactions	—	76	—	76
Total assets	978	76	—	1,055
Derivative transactions				
Currency-related transactions	—	1,162	—	1,162
Total liabilities	—	1,162	—	1,162

(b) Financial assets and financial liabilities not recorded in the consolidated balance sheet at fair value

Category	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(In millions of yen)</i>	<i>(In millions of yen)</i>	<i>(In millions of yen)</i>	<i>(In millions of yen)</i>
Finance receivables	—	219,328	—	219,328
Total assets	—	219,328	—	219,328
Long-term borrowings	—	387,952	—	387,952
Total liabilities	—	387,952	—	387,952

(Note) Explanation of valuation techniques used in the calculation of fair value and inputs pertaining to the calculation of fair value

Investment securities

Listed shares are valued using quoted prices. As listed shares are traded on active markets, their fair value is classified as level 1 fair value.

Derivative transactions

The fair value of derivative transactions is determined by quotes provided by counterparty financial institutions and classified as level 2 fair value.

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, and classified as level 2 fair value.

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, and classified as level 2 fair value.

11. Per share data

Net assets per share 407.82 yen

Profit per share 49.76 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 1,137,650 shares, and the average number of such shares during the period was 1,139,910 shares.

12. Revenue recognition

(1) Information on disaggregation of revenue from contracts with customers

(a) The amounts of net sales by reportable segment, and information on disaggregation of revenue

(In millions of yen)

	Automobiles	Financial services	Total
Net sales			
Net sales to external customers			
Revenue from contracts with customers	2,002,817	17,288	2,020,106
Other revenue	505	18,297	18,802
Total	2,003,322	35,586	2,038,909

(b) Net sales to external customers classified by the geographic location of the external customers, and information on disaggregation of revenue

(In millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers							
Revenue from contracts with customers	375,521	396,902	257,683	482,776	254,590	252,631	2,020,106
Other revenue	18,418	293	—	—	90	—	18,802
Total	393,940	397,196	257,683	482,776	254,681	252,631	2,038,909

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

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

- (c) Net sales classified by the geographic location of MMC and its consolidated subsidiaries, and information on disaggregation of revenue

(In millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers							
Revenue from contracts with customers	736,742	391,033	211,883	414,421	254,590	11,435	2,020,106
Other revenue	18,418	293	—	—	90	—	18,802
Total	755,160	391,326	211,883	414,421	254,681	11,435	2,038,909

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

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

- (2) Information that provides a basis for understanding revenue from contracts with customers

As described in “1. Basis of consolidated financial statements, (4) Accounting policies, (d) Revenue and expense recognition.”

- (3) Information to understand the amount of revenue in the current and subsequent fiscal years

- (a) Outstanding contract assets and contract liabilities, etc.

(In millions of yen)

	Fiscal year ended March 31, 2022	
	Balance at beginning of year	Balance at end of year
Receivables from contracts with customers	150,780	110,284
Contract assets	3,834	9,866
Contract liabilities	15,087	19,637

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

- (b) Transaction price allocated to remaining performance obligations

In noting the transaction prices allocated to the remaining performance obligations, the Company and its consolidated subsidiaries apply the practical expedient and do not include in the notes contracts with an initial expected contract term of one year or less. The performance obligations are mainly related to after-sales services and contracted development in the automobile business, and the aggregate transaction price allocated

to the remaining performance obligations and the period over which revenue is expected to be recognized are as follows.

(In millions of yen)

	Fiscal year ended March 31, 2022
Within 1 year	5,803
More than 1 year	4,045
Total	9,848

13. Subsequent events

Not applicable.

Statement of Changes in Net Assets
(From April 1, 2021 to March 31, 2022)

(In millions of yen)

(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	Total retained earnings		
						Retained earnings brought forward			
Balance at beginning of year	284,382	118,680	85,126	203,807	5,605	(215,176)	(209,570)	(1,659)	276,959
Cumulative effects of changes in accounting policies						(281)	(281)		(281)
Restated balance at beginning of year	284,382	118,680	85,126	203,807	5,605	(215,457)	(209,852)	(1,659)	276,678
Net change									
Profit						40,149	40,149		40,149
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares								3	3
Exercise of share acquisition rights			(113)	(113)				273	160
Net changes in items other than shareholders' equity									
Total net change	—	—	(113)	(113)	—	40,149	40,149	276	40,313
Balance at end of year	284,382	118,680	85,013	203,694	5,605	(175,308)	(169,702)	(1,382)	316,991

	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	385	(437)	(52)	352	277,260
Cumulative effects of changes in accounting policies					(281)
Restated balance at beginning of year	385	(437)	(52)	352	276,978
Net change					
Profit					40,149
Purchase of treasury shares					(0)
Disposal of treasury shares					3
Exercise of share acquisition rights					160
Net changes in items other than shareholders' equity	554	437	991	(157)	834
Total net change	554	437	991	(157)	41,147
Balance at end of year	939	—	939	195	318,125

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.

Available-for-sale securities

Securities, excluding shares without market value:

Carried at fair value and the cost of securities sold is computed based on the moving average method.

The difference between the acquisition cost and the carrying value of available-for-sale securities, including unrealized gains and losses, is recognized in valuation difference on available-for-sale securities in the accompanying balance sheet.

Shares without market value:

Carried at cost determined by the moving average method.

(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 by the straight line method based on the estimated useful lives of assets. The estimate useful lives of assets are as follows.

Buildings and structures

3 to 60 years

Machinery, equipment and vehicles

3 to 23 years

Tools, furniture and fixtures

2 to 20 years

(Low value depreciable assets)

Assets for which the acquisition cost is equal to or more than 100,000 yen and less than 200,000 yen are depreciated in even amounts over three years pursuant to the provisions of the Corporation Tax Act.

(b) Intangible assets (excluding leased assets)

Intangible assets are amortized by the straight line method.

Software intended for use by MMC is amortized by 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 by 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 by 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 by 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 by 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) Revenue and expense recognition

The principal performance obligation in the automobile business is the sale of vehicles and parts. For the normal point in time at which the performance obligation in this sale of vehicles and parts is satisfied (the normal point in time at which revenue is recognized), revenue is recognized when control over the goods or services is transferred to the customer, such as upon delivery of the vehicle. In accordance with the alternative treatment prescribed in paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition," revenue is recognized at the time of shipment if the period between the time of shipment and the time when control of the goods or products is transferred to the customer is a normal period. Sales incentive payments to sales companies are considered as variable consideration in the calculation of the transaction price, and the estimated amount of sales incentives expected to be paid in the future in the period in which control over the goods or services is transferred is deducted from net sales.

For product warranties provided in connection with the sale of products, etc., the Company recognizes a provision for product warranties for the costs associated with such warranties, as these are warranties that the products sold are in accordance with the specifications agreed upon with the customer.

(5) Hedge accounting

Forward foreign exchange contracts

Deferral hedge accounting (hedges of forecast transactions)

(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

The Company will transition from the consolidated taxation system to the group tax sharing system from next fiscal year. However, as for items regarding 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).

From the beginning of next fiscal year, the Company plans to apply “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No. 42, March 31, 2020), which prescribes treatment for accounting and disclosure for income tax, local income tax, and deferred tax accounting in cases where the group tax sharing system is applied.

2. Changes in accounting policies

(Application of Accounting Standard for Revenue Recognition and related implementation guidance)

MMC has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related implementation guidance effective from the beginning of the fiscal year ended March 31, 2022, and it recognizes revenue at the amount expected to be received when control of promised goods or services is transferred to the customer.

As a result of this application, for some transactions where revenue was previously recognized at the time of vehicle registration for contracts with the customers, revenue has been recognized when control of the goods or services is transferred to the customer.

Furthermore, the payment of sales incentives to distributors takes into consideration variable consideration for the calculation of transaction prices, and in the fiscal year in which the control of goods or services is transferred to the distributor, the sales incentive estimate, which is expected to be paid in the future, is deducted from net sales.

The application of the Accounting Standard for Revenue Recognition and related implementation guidance is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. MMC recognized the cumulative effect of adopting them on the date of their initial application.

As a result of the above, compared with before the application of the Accounting Standards for Revenue Recognition, net sales decreased by 10,987 million yen, cost of sales increased by 1,268 million yen, and selling, general and administrative expenses decreased by 12,031 million yen, while operating profit, ordinary profit and income before income taxes for the fiscal year ended March 31, 2022 each decreased by 225 million yen.

Since the cumulative effect is reflected in net assets as of the beginning of the fiscal year ended March 31, 2022, the opening balance of “Retained earnings” in the statement of changes in net assets decreased by 281 million yen.

The impact of this change on net assets per share and basic earnings per share for the fiscal year ended March 31, 2022 was immaterial.

(Application of Accounting Standard for Fair Value Measurement and related implementation guidance)

MMC has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and related implementation guidance effective from the beginning of the fiscal year ended March 31,

2022. In accordance with the transitional treatment provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), MMC recognized the cumulative effect of adopting them on the date of their initial application. There are no impacts on the financial statements.

3. Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates

(Change in depreciation method for property, plant and equipment)

Previously, MMC used the declining balance method for certain property, plant and equipment, but from the fiscal year ended March 31, 2022, it has changed to the straight line method.

MMC has entered into a strategic alliance with Renault S.A. and Nissan Motor Co., Ltd. to strengthen and optimize its production system on a global level. MMC is also promoting the sharing of development of new technologies, common vehicle platforms, and the sharing of purchasing functions and production bases under the alliance.

Under such circumstances, MMC has consolidated production at domestic plants for structural reforms from FY2021, taking the opportunity of the formulation of the new mid-term business plan in July 2020. As a result of examining the actual use of MMC’s property, plant and equipment and the nature of the capital investment, and considering that property, plant and equipment are expected to operate on a level basis due to stable production, MMC has determined that the straight line method, which allocates expenses evenly over the useful life of the assets, is a more appropriate method for calculating periodic income.

In addition, as a result of re-examining the estimated period of use of property, plant and equipment in conjunction with the change in the depreciation method, MMC has changed the useful lives of some machinery and equipment to be more consistent with actual conditions and based on economically usable estimates. Furthermore, as a result of examining the value of property, plant and equipment at the time of retirement after the end of their useful lives, the residual value of some property, plant and equipment has been changed to one yen, the memorandum value.

As a result of the above changes, operating profit, ordinary profit and profit before income taxes for the fiscal year ended March 31, 2022 each increased by 14,877 million yen, compared with those based on the previous method.

4. Notes to changes in presentation method

(Balance sheet)

“Provision for loss on fuel consumption test,” which was separately presented as 1,066 million yen under Current liabilities, and “Long-term accounts payable – other,” which was separately presented as 1,092 million yen under Non-current liabilities in the fiscal year ended March 31, 2021, have been included in “Other” under each item from the fiscal year ended March 31, 2022, due to a decrease in materiality. “Provision for loss on fuel consumption test” included in “Other” under Current liabilities and “Long-term accounts payable – other” included in “Other” under Non-current liabilities amounted to 595 million yen and 74 million yen, respectively.

(Statement of income)

“Gain on sales of investments in capital of subsidiaries and affiliates,” which was 889 million yen included in “Other” of Extraordinary income, and “Loss on valuation of investments in capital of subsidiaries and affiliates,” which was 2,706 million yen included in “Other” of Extraordinary losses in the fiscal year ended March 31, 2021, have been separately presented from the fiscal year ended March 31, 2022, due to an increase in materiality.

“Impairment loss,” which was separately presented as 107,619 million yen in the fiscal year ended March 31, 2021, has been included in “Other” of Extraordinary losses from the fiscal year ended March 31, 2022, due to a decrease in materiality. “Impairment loss” that has been included in “Other” amounted to 402 million yen.

5. Notes to accounting estimates

(1) Liabilities related to market quality measures

(a) Amount recorded in the financial statements as of March 31, 2022

	As of March 31, 2022 (millions of yen)
Liabilities related to market quality measure	34,369

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

(2) Information related to Russian operations

(a) Amount recorded in the financial statements for the fiscal year ended March 31, 2022

	Fiscal year ended March 31, 2022 (millions of yen)
Loss related to Russian operations	6,491

(The contents of loss related to Russian operations are provided in “8. Notes to statement of income (3) Loss related to Russian operations.”)

(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, 5. Notes to accounting estimates, (2) Information related to Russian operations (b) Information on significant accounting estimates for identified items.”

6. 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, 6. Additional information.”

7. Notes to balance sheet

(1) Assets pledged as collateral and liabilities secured

Accounts receivable – other (Note) 1,206 million yen

(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 568,735 million yen

(3) Balance of guarantee liabilities

(a) Guarantee recipients

MMD Automobile GmbH 2,911 million yen

Mitsubishi Corporation 875 million yen

Mitsubishi Motor Automobile Schweiz AG 109 million yen

M Motors Automobiles France S.A.S.	19 million yen
Employees	159 million yen
<hr/>	
Total	4,075 million yen
(b) Recourse obligation liquidation of accounts receivable – trade	1,162 million yen
(4) Monetary receivables from subsidiaries and affiliates, and payables to subsidiaries and affiliates	
Short-term monetary receivables	198,538 million yen
Short-term monetary payables	151,508 million yen
Long-term monetary payables	404 million yen

8. Notes to statement of income

(1) Transactions with subsidiaries and affiliates

Sales	1,387,078 million yen
Purchases	732,810 million yen
Non-operating transactions	12,086 million yen

(2) Total amount of research and development expenses

90,624 million yen

(3) Loss related to Russian operations

On February 24, 2022, Russian forces invaded Ukraine, and in response, several countries and regions, including Japan, have imposed economic sanctions against Russia.

MMC has been assembling and selling finished vehicles at a consolidated subsidiary and equity-method affiliates. However, due to the military invasion of Ukraine by Russia, logistics networks were disrupted and parts supply stagnated, so production has been suspended.

Accordingly, there arose concerns about the collection of some receivables that MMC has from these companies, and some of the inventories held by MMC has also experienced a decline in profitability.

As a result, a provision of 6,262 million yen for allowance for doubtful accounts for such receivables and a valuation loss of 229 million yen based on the decreased profitability of inventories were recorded as loss related to Russian operations of 6,491 million yen under extraordinary losses.

9. 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, 2022

Common stock: 2,430,162 shares

(Note) The total number of treasury shares as of March 31, 2022 includes 1,137,650 shares of MMC held in the “Board Incentive Plan (BIP) Trust Account.”

10. Notes to tax effect accounting

The significant components of deferred tax assets and liabilities

Deferred tax assets

Net operating losses carried forward	270,924 million yen
Allowance for doubtful accounts	2,828 million yen
Accrued retirement benefits	17,630 million yen
Loss on impairment of subsidiaries and affiliates' shares	119,593 million yen
Liabilities related to market quality measures	9,583 million yen
Provision for product warranties	8,760 million yen
Foreign tax credit carried forward	8,687 million yen
Non-current assets (including impairment loss)	34,300 million yen
Others	21,994 million yen
Subtotal	494,303 million yen
Less valuation allowance	(492,945) million yen
Total deferred tax assets	1,357 million yen

Deferred tax liabilities

Valuation difference on available-for-sale securities	(407) million yen
Others	(1,971) million yen
Total deferred tax liabilities	(2,379) million yen
Net deferred tax liabilities	(1,021) million yen

(Change in presentation method)

“Non-current assets (including impairment loss),” which was 43,755 million yen included in “Others” of “Deferred tax assets” in the fiscal year ended March 31, 2021, has been separately presented from the fiscal year ended March 31, 2022, in consideration of its qualitative materiality.

“Provision for loss on fuel consumption test,” which was separately presented in the fiscal year ended March 31, 2021 (180 million yen in the fiscal year ended March 31, 2022), has been included in “Others” of “Deferred tax assets” from the fiscal year ended March 31, 2022, due to a decrease in materiality.

11. 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 34.02	Concurrent positions of corporate officers, cross sharing of engineering assets, etc. and mutual sale of products, etc.	Purchase of parts (Note)2	134,645	Electronically recorded obligations – operating	27,596
						Accounts payable – trade	16,071
Related companies	Mitsubishi Corporation	Direct 20.01	Sales of products, etc. and purchase of raw materials	Sales of products, etc. (Note)1	230,470	Accounts receivable – trade	7,836

(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	471,324	Accounts payable – trade	55,810
				Sales of products, etc. (Note)1	33,789	Accounts receivable – trade	11,090
Subsidiary	Mitsubishi Motors Europe B.V.	Direct 100.0	Sales of products, etc.	Sales of products, etc. (Note)1	143,810	Accounts receivable – trade	14,340
				Underwriting of capital increase (Note)4	6,186	Short-term loans receivable	–
				Lending of funds	7,842		
Subsidiary	Mitsubishi Motors North America, Inc.	Direct 100.0	Sales of products, etc.	Sales of products, etc. (Note)1	213,819	Accounts receivable – trade	33,320

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 Motor Sales of Canada, Inc.	Indirect 100.0	Sales of products, etc.	Sales of products, etc. (Note)1	54,049	Accounts receivable – trade	11,638
Subsidiary	Mitsubishi Motors Australia, Ltd.,	Direct 100.0	Sales of products, etc.	Sales of products, etc. (Note)1	167,235	Accounts receivable – trade	24,649
Subsidiary	Mitsubishi Motors New Zealand Ltd.	Direct 100.0	Sales of products, etc.	Sales of products, etc. (Note)1	61,399	Accounts receivable – trade	12,193
Subsidiary	Mitsubishi Motors de México S.A. de C.V.	Direct 100.0	Sales of products, etc.	Sales of products, etc. (Note)1	31,123	Accounts receivable – trade	10,093
Subsidiary	Mitsubishi Motors Philippines Corp.	Direct 100.0	Sales of products, etc.	Sales of products, etc. (Note)1	43,742	Accounts receivable – trade	18,189
Subsidiary	Mitsubishi Motors Finance Co., Ltd.	Direct 100.0	Lending of funds for sales financing services for MMC's products	Collection of funds	13,500	Short-term loans receivable	8,500
Affiliate	NMKV Co., Ltd.	Direct 50.0	Joint research and development	Payment of license fees (Note)5	4,547	Accounts payable – other	10,755
Affiliate	JATCO Ltd	Direct 15.04	Purchase of parts	Purchase of parts (Note)2	44,142	Electronically recorded obligations – operating	11,036
						Accounts payable – trade	3,575

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 Subscription to capital increase is conducted through a debt-equity swap.
- (Note) 5 Pricing and other conditions of transactions are determined through discussion between the parties, while referring to general trading terms and conditions.

12. Per share data

Net assets per share	213.68 yen
Profit per share	26.99 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 1,137,650 shares, and the average number of such shares during the period was 1,139,910 shares.

13. Revenue recognition

(Information that provides a basis for understanding revenue from contracts with customers)

Notes are omitted as they are identical to those made in the “Notes to Consolidated Financial Statements, 12. Revenue recognition.”

14. Subsequent events

Not applicable.