

## Consolidated Financial Results for FY 2017 Full Year (April 1, 2017 through March 31, 2018) [Japan GAAP]

Company name: Mitsubishi Motors Corporation  
 Listing: First Section, the Tokyo Stock Exchange  
 Stock code: 7211  
 URL: <http://www.mitsubishi-motors.co.jp/>  
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 Scheduled date for ordinary general shareholders' meeting: June 22, 2018  
 Scheduled date to file Securities Report: June 22, 2018  
 Scheduled date to deliver cash dividends: June 25, 2018

### 1. Consolidated performance for the Full Year 2017 (April 1, 2017 to March 31, 2018)

(Figures less than one million yen are rounded, unless otherwise noted)

#### (1) Consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2017	2,192,389	15.0	98,201	1,818.6	110,217	1,131.2	107,619	—
FY2016	1,906,632	(15.9)	5,118	(96.3)	8,944	(93.7)	(198,524)	—

Reference: Comprehensive income FY 2017: ¥ 110,713 million -% FY2016: ¥ (204,740) million -%

	Net income per share-basic	Net income per share-diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to sales
	Yen	Yen	%	%	%
FY2017	72.23	72.20	14.6	7.0	4.5
FY2016	(164.11)	—	(29.2)	0.6	0.3

Note: Equity income from affiliates:

FY 2017	FY 2016
¥ 20,579 million	¥10,969 million

Note: Diluted net income per shares are not shown above because there are no diluted shares in FY2016.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2018	1,655,299	796,562	47.2	524.12
March 31, 2017	1,484,413	703,463	46.5	463.37

Reference: Shareholders' Equity As of March 31, 2018: ¥ 780,968 million As of March 31, 2017: ¥ 690,455 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from Investing activities	Cash flows from financing activities	Cash & cash equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2017	119,624	(97,093)	(23,161)	559,036
FY2016	(45,829)	(73,119)	210,377	555,906

## 2. Cash dividends

Record Date	Cash dividend per share					Total annual cash dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2016	–	5.00	–	5.00	10.00	12,367	(6.1)	1.7
FY2017	–	7.00	–	10.00	17.00	25,331	23.5	3.4
FY2018 (Forecast)	–	10.00	–	10.00	20.00		27.1	

### 3. Consolidated earnings forecasts for fiscal year 2018 (from April 1, 2018 to March 31, 2019)

(Percentages indicate changes over the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	2,400,000	9.5	110,000	12.0	125,000	13.5	110,000	2.2	73.82

#### Note

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards: No
  - (ii) Changes in accounting policies due to other reasons: No
  - (iii) Changes in accounting estimates: No
  - (iv) Restatement: No
- (3) Number of shares issued and outstanding (common stocks)
  - (i) Total number of shares issued and outstanding at the end of the fiscal year (including treasury stock)
 

As of March 31, 2018:	1,490,282,496 shares
As of March 31, 2017:	1,490,282,496 shares
  - (ii) Number of shares of treasury stock at the end of the period
 

As of March 31, 2018:	222,186 shares
As of March 31, 2017:	222,136 shares
  - (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)
 

As of March 31, 2018:	1,490,060,341 shares
As of March 31, 2017:	1,209,684,094 shares

\* Annual audit procedures:

This document is out of the scope of Audit by Independent Auditor.

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

(Note for the description about financial forecast)

Figures for financial forecasts are based on judgments and estimates that have been made on the basis of currently available information, and are subject to a number of risks, uncertainties and assumptions. Changes in the MMC group's business environment, market trends or exchange rates may cause actual results to differ materially from these forecasts.

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

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

## **1. Qualitative Information and Financial Statements**

### **(1) Summary of financial results**

Global sales volume for Fiscal Year 2017 increased 19% year-on-year to 1,101,000 units. ASEAN sales increased by 33% to 275,000 units, driven by orders for pick-up trucks in Thailand and the strong performance of the new XPANDER MPV, launched in Indonesia last October. In China, sales rose 55% year-on-year to 136,000 units due to demand for the localized Outlander. Sales in Japan increased 23% year-on-year to 98,000 units. The growth was driven by encouraging demand for K car models including the "eK Wagon" and "eK Space", as well as for the Delica D:5 and other "Active Gear" series.

The XPANDER is part of a product offensive at Mitsubishi Motors, which also includes the new Eclipse Cross compact SUV. Initial Sales of the Eclipse Cross, launched last year in Europe, are being followed by sales in other important markets including Oceania, North America and Japan.

Consolidated net sales for the fiscal year 2017 were 2192.4 billion yen (an increase by 285.8 billion yen year on year, or up 15% year on year).

Consolidated operating profit was 98.2 billion yen (an increase of 93.1 billion yen year on year).

Consolidated ordinary profit was 110.1 billion yen (an increase of 101.2 billion yen year on year).

Net income attributable to the shareholders of the parent company was 107.6 billion yen (an increase of 306.1 billion yen year on year).

### **(2) Summary of financial position**

Total assets at the end of fiscal year 2017 amounted to 1,655.3 billion yen (an increase of 170.9 billion yen from the end of fiscal year 2016). Cash and cash deposits amounted to 571.9 billion yen (an increase of 15.1 billion yen from the end of fiscal year 2016). Total liabilities amounted to 858.7 billion yen (an increase of 77.8 billion yen from the end of fiscal year 2016). Of total liabilities, the interest bearing debt balance was 26.6 billion yen (an increase of 11.0 billion yen from the end of fiscal year 2016). Net assets amounted to 796.6 billion yen (an increase 93.1 billion yen from the end of fiscal year 2016).

### (3) Summary of Cash Flow

Cash flows from operating activities came to a net inflow of 119.6 billion yen. This compared to a net outflow of 45.8 billion yen in fiscal 2016.

Cash flows from investing activities came to a net outflow of 97.1 billion yen. This compared to a net outflow of 73.1 billion yen in fiscal 2016.

Cash flows from financing activities came to a net outflow of 23.2 billion yen. This compared to net inflow of 210.4 billion yen in fiscal 2016.

As a result, the balance of cash and cash equivalents at the end of fiscal 2017 stood at 559.0 billion yen. This compared to a balance of 555.9 billion yen at the end of fiscal 2016.

#### Trends in key cash flow ratios

	FY2013	FY2014	FY2015	FY2016	FY2017
Ratio of shareholders' equity (%)	35.0	41.6	46.8	46.5	47.2
Ratio of market value to assets (%)	68.8	67.4	57.8	67.2	68.5
Debt repayment coverage (years)	1.1	0.8	0.1	(0.3)	0.2
Interest coverage ratio	22.3	41.0	120.2	(38.7)	34.1

#### Definitions:

Ratio of shareholders' equity: Shareholders' equity / total assets (excluding minority interest)

Ratio of market value to assets: Total market value of shares / total assets (excluding minority interest)

Debt repayment coverage: Interest bearing liabilities / cash flow from operating activities

Interest coverage ratio: Cash flows from operating activities / interest payments

- All figures are calculated based on consolidated financial data.

- Total market value of shares is the closing market share price at the end of the period multiplied by the number of outstanding shares (excluding treasury shares) at the end of the period.

- Operating cash flows used.

- Interest bearing liabilities indicate all liabilities listed on the consolidated balance sheet for which interest is paid.

#### (4) Financial Forecast

Forecast for the fiscal year 2018

The financial forecast for the fiscal year 2018 (ending March 31, 2019) is as follows:

	FY2018 Full-year
Net Sales	2,400.0 billion yen
Operating profit	110.0 billion yen
Ordinary profit	125.0 billion yen
Net income attributable to owners of the Parent	110.0 billion yen

\* Currency exchange rate assumption: 105 yen / 1 USD, 130 yen / 1 EUR, 3.40yen/1THB

The forecast for consolidated retail sales volume is as follows :( 1,000 units)

Region	FY2018 Forecast	FY2017 Results
Japan	105	98
North America	184	155
Europe	210	189
Asia	504	429
Others	247	230
Total	1,250	1,101

\*Changed the regional division of some countries in Asia and Europe from "Asia and Europe" to "Others" from FY2018. According to this division, revised our figures in the above.

\*These forecasts are based on judgments and estimates that have been made on the basis of currently available information, and are subject to a number of risks, uncertainties and assumptions. Changes in MMC's business environment, market trends or exchange rates may cause actual results to differ materially from these forecasts.

## 2. Basic premise on accounting standards

In consideration of possibilities that these consolidated financial statements may be subject to trend analysis and/or comparison with other companies' financial statements, the MMC Group's policy is to produce its consolidated financial statements according to Japanese accounting standards.

The MMC Group's policy regarding harmonization with IFRS is to apply appropriate measures based on consideration of domestic and overseas economic situation(s).

### 3. Consolidated financial statements

#### (1) Consolidated balance sheets

(Millions of yen)

	FY2016 As of March 31, 2017	FY2017 As of March 31, 2018
Assets		
Current assets		
Cash and deposits	556,836	571,911
Notes and accounts receivable-trade	164,761	176,020
Merchandise and finished goods	118,195	143,332
Work in process	19,695	21,901
Raw materials and supplies	26,139	38,551
Short-term loans receivable	1,766	806
Deferred tax assets	8,626	19,426
Other	76,590	95,542
Less: Allowance for doubtful accounts	(1,209)	(1,229)
Total current assets	971,401	1,066,264
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	77,002	89,314
Machinery, equipment and vehicles, net	100,516	113,266
Tools, furniture and fixtures, net	22,349	46,237
Land	89,925	94,565
Construction in progress	19,210	33,698
Total property, plant and equipment	309,004	377,082
Intangible assets	22,939	29,022
Investments and other assets		
Investment securities	94,959	97,699
Long-term loans receivable	21,615	6,218
Net defined benefit asset	2,913	4,198
Deferred tax assets	7,311	10,558
Other	60,120	70,178
Less: Allowance for doubtful accounts	(5,853)	(5,921)
Total investments and other assets	181,068	182,931
Total noncurrent assets	513,011	589,035
Total assets	1,484,413	1,655,299

(Millions of yen)

	FY 2016 As of March 31, 2017	FY 2017 As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	378,561	426,312
Electronically recorded obligations - operating	21,393	22,897
Short-term loans payable	15,069	10,589
Current portion of long-term loans payable	299	15,893
Lease obligations	989	504
Accounts payable - other and accrued expenses	124,573	165,963
Income taxes payable	26,485	11,272
Deferred tax liabilities	51	17
Provision for product warranties	45,512	46,733
Provision for loss on fuel economy test	28,136	15,478
Other	32,494	29,896
Total current liabilities	673,566	745,559
Non-current liabilities		
Long-term loans payable	240	90
Lease obligations	1,018	639
Deferred tax liabilities	24,583	31,642
Net defined benefit liability	41,593	42,596
Other	39,946	38,209
Total non-current liabilities	107,383	113,177
Total liabilities	780,949	858,737
Net assets		
Shareholders' equity		
Capital stock	284,382	284,382
Capital surplus	203,938	203,938
Retained earnings	277,281	363,382
Treasury shares	(220)	(220)
Total shareholders' equity	765,381	851,482
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,480	7,158
Deferred gains or losses on hedges	627	526
Foreign currency translation adjustment	(62,739)	(59,966)
Remeasurements of defined benefit plans	(20,295)	(18,232)
Total accumulated other comprehensive income	(74,926)	(70,514)
Share acquisition rights	—	106
Non-controlling interests	13,008	15,487
Total net assets	703,463	796,562
Total liabilities and net assets	1,484,413	1,655,299

## (2) Consolidated statements of income and Consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	1,906,632	2,192,389
Cost of sales	1,581,273	1,730,278
Gross profit	325,359	462,111
Selling, general and administrative expenses		
Advertising and promotion expenses	83,014	110,047
Freightage expenses	45,817	42,316
Provision of allowance for doubtful accounts	(330)	33
Directors' compensations, salaries and allowances	66,097	71,758
Retirement benefit expenses	3,783	3,509
Depreciation	10,320	12,506
Research and development expenses	57,679	56,066
Other	53,858	67,671
Total selling, general and administrative expenses	320,240	363,909
Operating profit (loss)	5,118	98,201
Non-operating income		
Interest income	3,530	3,464
Dividend income	1,607	2,090
Share of profit of entities accounted for using equity method	10,969	20,579
Other	502	949
Total non-operating income	16,609	27,084
Non-operating expenses		
Interest expenses	1,208	3,499
Foreign exchange losses	6,829	8,370
Litigation expenses	1,205	1,564
Other	3,540	1,723
Total non-operating expenses	12,783	15,158
Ordinary profit (loss)	8,944	110,127
Extraordinary income		
Gain on sales of non-current assets	952	306
Gain on sales of investment securities	1,863	328
Gain on dissolution of employee's pension fund	—	1,434
Compensation income for expropriation	1,481	—
Gain on sales investment	809	—
Other	432	217
Total extraordinary income	5,538	2,287

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Extraordinary losses		
Loss on retirement of non-current assets	2,073	2,418
Loss on sales of non-current assets	277	139
Impairment loss	1,165	2,636
Loss on fuel economy test	165,455	2,262
Compensation for production transfer	—	984
Loss on closing of plants	640	—
Other	3,608	924
Total extraordinary losses	173,221	9,365
Profit (loss) before income taxes	(158,738)	103,049
Income taxes - current	20,986	11,675
Income taxes for prior periods	12,281	(8,616)
Income taxes - deferred	4,782	(6,261)
Total income taxes	38,051	(3,203)
Profit (loss)	(196,789)	106,253
Profit (loss) attributable to non-controlling interests	1,735	(1,366)
Profit (loss) attributable to owners of parent	(198,524)	107,619

## Consolidated statements of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net income (loss)	(196,789)	106,253
Other comprehensive income		
Valuation difference on available-for-sale securities	3,052	(311)
Deferred gains or losses on hedges	(32)	330
Foreign currency translation adjustment	71	1,332
Remeasurements of defined benefit plans	(6,180)	2,174
Share of other comprehensive income of associates accounted for using equity method	(4,862)	933
Total other comprehensive income	(7,951)	4,460
Comprehensive income	(204,740)	110,713
Comprehensive income attributable to:		
Owners of the parent	(205,269)	113,022
Non-controlling interests	528	(2,309)

### (3) Consolidated statements of changes in net assets

(Millions of yen)

For the fiscal year ended March 31,2017	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	165,701	85,257	488,590	(220)	739,328
Changes of items during period					
Issuance of new shares	118,680	118,680			237,361
Dividends of surplus			(12,784)		(12,784)
Profit (loss) attributable to owners of parent			(198,524)		198,524)
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation					
Change of scope of equity method					—
Net changes of items other than shareholders' equity					
Total changes of items during period	118,680	118,680	(211,309)	(0)	26,052
Balance at end of current period	284,382	203,938	277,281	(220)	765,381

(Millions of yen)

For the fiscal year ended March 31,2017	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 current period	4,429	542	(59,109)	(14,043)	(68,181)	—	14,189	685,337
Changes of items during period								
Issuance of new shares								237,361
Dividends of surplus								(12,784)
Profit (loss) attributable to owners of parent								(198,524)
Purchase of treasury shares								(0)
Change of scope of consolidation								
Change of scope of equity method								—
Net changes of items other than shareholders' equity	3,051	85	(3,629)	(6,251)	(6,744)	—	(1,181)	(7,926)
Total changes of items during period	3,051	85	(3,629)	(6,251)	(6,744)	—	(1,181)	18,126
Balance at end of current period	7,480	627	(62,739)	(20,295)	(74,926)	—	13,008	703,463

(Millions of yen)

For the fiscal year ended March 31,2018	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	284,382	203,938	277,281	(220)	765,381
Changes of items during period					
Issuance of new shares					—
Dividends of surplus			(17,880)		(17,880)
Profit (loss) attributable to owners of parent			107,619		107,619
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation			(3,457)		(3,457)
Change of scope of equity method			(180)		(180)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	86,101	(0)	86,101
Balance at end of current period	284,382	203,938	363,382	(220)	851,482

(Millions of yen)

For the fiscal year ended March 31,2018	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 current period	7,480	627	(62,739)	(20,295)	(74,926)	—	13,008	703,463
Changes of items during period								
Issuance of new shares								—
Dividends of surplus								(17,880)
Profit (loss) attributable to owners of parent								107,619
Purchase of treasury shares								(0)
Change of scope of consolidation								(3,457)
Change of scope of equity method								(180)
Net changes of items other than shareholders' equity	(322)	(101)	2,773	2,062	4,411	106	2,479	6,997
Total changes of items during period	(322)	(101)	2,773	2,062	4,411	106	2,479	93,098
Balance at end of current period	7,158	526	(59,966)	(18,232)	(70,514)	106	15,487	796,562

#### (4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit (loss) before income taxes	(158,738)	103,049
Depreciation	46,815	52,551
Impairment loss	1,165	2,636
Loss on fuel economy test	165,455	2,262
Loss on closing of plants	640	—
Increase (decrease) in allowance for doubtful accounts	(373)	(16)
Increase (decrease) in net defined benefit liability	1,598	2,115
Interest and dividend income	(5,138)	(5,555)
Interest expenses	1,208	3,499
Foreign exchange losses (gains)	31	5,430
Share of loss (profit) of entities accounted for using equity method	(10,969)	(20,579)
Loss (gain) on sales and retirement of non-current assets	1,399	2,251
Decrease (increase) in notes and accounts receivable - trade	7,973	(11,730)
Decrease (increase) in inventories	24,869	(37,504)
Increase (decrease) in notes and accounts payable - trade	12,289	47,485
Other, net	5,446	(384)
Subtotal	93,675	149,510
Interest and dividend income received	9,845	10,982
Interest expenses paid	(1,183)	(3,507)
Payments related to fuel economy test	(130,689)	(13,221)
Payments for loss on closing of plants	(2,903)	—
Income taxes paid	(14,573)	(20,140)
Net cash provided by (used in) operating activities	(45,829)	119,624
Cash flows from investing activities		
Decrease (increase) in time deposits	(0)	(11,997)
Purchase of property, plant and equipment	(56,474)	(72,251)
Proceeds from sales of property, plant and equipment	4,238	2,989
Purchase of intangible assets	(11,530)	(11,497)
Proceeds from sales of investment securities	2,459	682
Decrease (increase) in short-term loans receivable	673	155
Payments of long-term loans receivable	(14,814)	(1,517)
Collection of long-term loans receivable	1,137	744
Other, net	1,189	(4,401)
Net cash provided by (used in) investing activities	(73,119)	(97,093)

(Millions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	3,178	(4,510)
Proceeds from long-term loans payable	835	2,375
Repayments of long-term loans payable	(14,485)	(301)
Proceeds from issuance of common shares	236,317	—
Cash dividends paid	(12,755)	(17,938)
Dividends paid to non-controlling interests	(1,649)	(2,085)
Other, net	(1,062)	(700)
Net cash provided by (used in) financing activities	210,377	(23,161)
Effect of exchange rate change on cash and cash equivalents	2,037	(3,167)
Net increase (decrease) in cash and cash equivalents	93,465	(3,797)
Cash and cash equivalents at beginning of period	462,440	555,906
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	6,927
Cash and cash equivalents at end of period	555,906	559,036

**(5) Notes to consolidated financial statements**

**Notes on premise of going concern**

There is no item to be reported.

**Segment information:** (from April 1, 2017 to March 31, 2018)

Information on reportable segment is omitted as the MMC group (the "Group") has a single reportable segment which is "automobile business".

(Supplementary information about geographic information)

1) Change in geographic information

National and regional groupings have been classified by "geographical proximity and mutual relevance of business activities". However, for the consistency with in-house management, Puerto Rico, which had been included in "Other" until the previous fiscal year, is reclassified in "North America" from the beginning of the fiscal year.

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

(Millions of yen)

Japan	North America	Europe	Asia	Oceania	Other	Total
349,406	352,529	454,808	591,662	240,961	203,020	2,192,389

- Notes: Main countries and regions outside Japan are grouped as follows:
- (1) North America.....The United States, Puerto Rico
  - (2) Europe..... Germany, England, France, Italy, Russia
  - (3) Asia.....Thailand, The Philippines, China, Indonesia
  - (4) Oceania .....Australia, New Zealand
  - (5) Other..... Brazil, .U.A.E.

## Per share information

(Yen)

For the fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)	
Net assets per share	524.12
Net income(loss) per share - basic	72.23
Net income per share - diluted	72.20

Note: Basis for calculating net income per share - basic is shown below.

(Millions of yen)

	For the fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
<b>Net income per share - basic</b>	
Net income(loss) attributable to owners of the parent	107,619
Gain not attributable to ordinary shareholders	-
Net income(loss) attributable to owners of the parent related to common stock	107,619
Average number of shares of common stock outstanding during the period (Unit: Thousands of shares)	1,490,060
<b>Net income per share - diluted</b>	
Adjustment to Net income attributable to owners of the parent	-
Increase in number of shares of common stock (Unit: Thousands of shares)	557
(Subscription rights to shares)	(557)
Overview of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effect, which had significant changes from the previous consolidated fiscal year	-

## Subsequent event:

(Converting equity-method affiliates to subsidiaries through the acquisition of shares)

To make MMC Diamond Finance Corporation ("MDF") a wholly-owned subsidiary, the Company concluded a share transfer agreement, making MDF a subsidiary on April 2, 2018 through the acquisition of shares.

### (1) Outline of the business combination

#### (i) Name of the acquired company and its business

Name of the acquired company	MMC Diamond Finance Corporation
Description of business	Financing business, etc.

#### (ii) Primary reason for the business combination

The shares were acquired to realize the strengthening of the domestic sales network by strengthening the value chain, including the provision of attractive financing products tied to new vehicle sales, improved after sales following vehicle purchases, and the promotion of new vehicle purchases, as well as by developing sales policies integrating financing.

(iii) Business combination date

April 2, 2018

(iv) Legal form of the business combination

Acquisition of shares in exchange for cash

(v) Name of the company after the business combination

No change.

(vi) Ratio of voting rights acquired

Ratio of voting rights owned just prior to the business combination	47%
Additional ratio of voting rights acquired on day of business combination	53%
Ratio of voting rights after the acquisition	100%

(2) Acquisition cost of the acquire and breakdown thereof by type of consideration

Cash and deposits disbursed in the acquisition	6,109 million yen
Acquisition cost	6,889 million yen
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Cost of the acquisition	12,998 million yen

(3) Amount of goodwill recognized, reason for recognition of goodwill, and method and period for amortization of goodwill

Not confirmed at this stage.

(4) Amount and breakdown of assets acquired and liabilities assumed as of the date of the business combination

Not confirmed at this stage.