

Financial Statements Report
of
MSSL Japan Limited
for the year ended March 31, 2024 and 2023
with
Audit Report

Miki Accounting Co.

Miki ACCOUNTING CO.

**Certified Public Accountant
A Professional Corporation**

Audit Report

To the Board of Directors of
MSSL Japan Limited

We have audited the financial statements of MSSL Japan Limited (the "Company"), which comprise the balance sheet as of March 31, 2024 and 2023, and the income statement for the year ended March 31, 2024 and 2023, expressed in Japanese Yen.

Our audit procedures included in confirmation of balance sheet and income statement, meaning that all the items on the balance sheet and income statement be examined with regards to validation, existence, rights and obligations, presentation and disclosure.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of March 31, 2024 and 2023, and the result of their operations for the year then ended in accordance with IND AS accounting policies.

Please refer to the Management Letter for details of transactions of Mitsubishi Fuso Truck and Bus Corporation and SUZUKI MOTOR CORPORATION.

Very truly yours,



Miki Accounting Co.

June 5, 2024

Osaka, Japan

BALANCE SHEET

MSSL Japan Limited
As of March 31, 2024

ASSETS	Japanese Yen			
	2024		2023	
Current Assets:				
Cash	¥	159,259	¥	159,278
Cash in bank		464,147,435		661,895,452
Notes receivable		3,887,841		15,132,309
Accounts receivable		459,012,833		724,008,126
Goods		624,173,767		336,657,895
Suspense payment		296,362		138,000
Receivable - other		187,234,473		245,537,469
Prepaid expense		5,743,041		4,269,628
Short-term Loans		200,000,000		200,000,000
Consumption tax - receivable		21,355,318		-
Payments		2,063,725		48,759
Total current assets		1,968,074,054		2,187,846,916
Non-current Assets				
Fixed Assets:				
Building		31,515,541		31,515,541
Fixtures		34,700,458		26,060,499
Structure		4,914,989		4,914,989
Cars		2,630,000		2,630,000
Equipment		22,956,289		14,942,048
Land		41,564,625		41,564,625
Software		1,758,648		-
Construction in progress		8,380,900		1,307,290
Less, accumulated depreciation		(41,791,527)		(35,615,635)
		106,629,923		87,319,357
Other Assets:				
Deposit		15,312,313		15,021,313
Long term prepaid expenses		759,500		852,500
Stocks of affiliated corporations		10,000,000		10,000,000
Contribution in aid of construction		-		21,578
Total non-current assets		132,701,736		113,214,748
Total assets:	¥	2,100,775,790	¥	2,301,061,664
LIABILITIES AND EQUITY				
Current & Fixed Liabilities:				
Accounts payable	¥	820,585,231	¥	1,159,333,945
Income taxes payable		67,050,000		181,017,300
Consumption tax payable		-		542,100
Accrued expenses		119,803,871		116,187,685
Deposit received, withholding tax, etc		780,000		1,972,409
Suspense		111,459,956		141,660,201
Long term debt		179,320,000		189,870,000
Total liabilities:		1,298,999,058		1,790,583,640
Shareholders' Equity:				
Capital		17,500,000		17,500,000
Capital reserve		7,500,000		7,500,000
Retained earnings		776,776,732		485,478,024
Total shareholders' equity:		801,776,732		510,478,024
Total liabilities and shareholders' equity:	¥	2,100,775,790	¥	2,301,061,664

INCOME STATEMENTS

MSSL Japan Limited

For the year ended March 31, 2024

	Japanese Yen	
	2024	2023
Revenue:		
Sales	¥ 6,513,583,429	¥ 6,065,070,329
Interest income	2,439,849	4,323,548
Foreign exchange gain	334	442
Miscellaneous income	1,890,010	3,441,038
	<u>6,517,913,622</u>	<u>6,072,835,357</u>
Costs and expenses:		
Cost of sales	5,312,369,137	4,607,477,952
Selling, general and administrative	753,202,891	777,078,408
Foreign exchange loss	145,988	71
Interest expense	2,073,582	2,382,614
Loss on disposal of obsolete inventories	605,000	-
Miscellaneous expense	660,039	416,432
	<u>6,069,056,637</u>	<u>5,387,355,477</u>
Income before income taxes	<u>448,856,985</u>	<u>685,479,880</u>
Income taxes	157,558,277	181,017,895
Net income	¥ <u>291,298,708</u>	¥ <u>504,461,985</u>

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

MSSL Japan Limited

For the year ended March 31, 2024

	Japanese Yen	
	2024	2023
Salary	¥ 175,395,134	¥ 176,731,851
Commuting traffic	4,305,499	4,093,602
Social insurance	30,707,235	26,628,583
Welfare	6,971,099	6,410,309
Recruiting, Education cost	4,315,830	3,548,080
Outside	325,987,584	344,155,883
Delivery	35,774,752	40,332,909
Advertising	154,000	160,000
Entertainment	6,215,856	3,899,096
Meeting	924,632	565,843
Travel	26,768,872	14,773,539
Telephone	3,589,876	4,050,314
Supplies	22,730,386	26,248,257
Office supplies	2,763,286	2,655,755
Repair / Maintenance	6,520,539	1,974,051
Utilities	8,173,937	7,514,423
Publication	28,183	-
Membership fee	75,110	59,732
Bank charges	2,120,174	2,247,017
Brokerage fee	1,425,110	1,095,862
IT System fee	4,590,855	4,309,578
Leasing	1,907,097	1,984,860
Insurance	8,656,787	4,456,402
Professional services	8,072,940	8,316,000
Warehouse fee	36,936,000	64,088,379
Depreciation	6,551,302	5,316,558
Office rent	10,049,743	10,242,198
House rent	5,042,905	5,121,195
Other taxes	1,100,500	2,107,654
Others, miscellaneous	5,347,668	3,990,478
Total	¥ 753,202,891	¥ 777,078,408

STATEMENT OF CHANGES OF SHAREHOLDERS' EQUITY

MSSL Japan Limited

For the year ended March 31, 2024

Japanese Yen							
2024							
	Shareholders' equity				Net assets		
	Capital	Capital reserve	Retained earnings	Total shareholders' equity			
Net assets at April 1, 2023	¥	17,500,000	7,500,000	¥	485,478,024	¥	510,478,024
Net income		-	-		291,298,708		291,298,708
Dividend		-	-		-		-
Net change		-	-		291,298,708		291,298,708
Net assets at March 31, 2024	¥	17,500,000	7,500,000	¥	776,776,732	¥	801,776,732

Japanese Yen							
2023							
	Shareholders' equity				Net assets		
	Capital	Capital reserve	Retained earnings	Total shareholders' equity			
Net assets at April 1, 2022	¥	17,500,000	7,500,000	¥	(18,983,961)	¥	6,016,039
Net income		-	-		504,461,985		504,461,985
Dividend		-	-		-		-
Net change		-	-		504,461,985		504,461,985
Net assets at March 31, 2023	¥	17,500,000	7,500,000	¥	485,478,024	¥	510,478,024

NOTES TO FINANCIAL STATEMENTS

MSSL Japan Limited

For the year ended March 31, 2024

1 BASIS OF PRESENTING FINANCIAL STATEMENTS

The Company maintains its accounting records and prepares its financial statements in accordance with the generally accepted accounting principles in Japan ("Japanese GAAP"), which are minor different in certain respects as to the application and disclosure requirements of the International Financial Reporting Standards (IFRS). In preparing accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. The accounting book and the financial statements are stated in Japanese Yen.

2 SUMMARY OF MAJOR ACCOUNTING POLICIES

Revenue recognition

Sales include sales price of products and discounts, excluding consumption tax (Japanese VAT). Revenue is recognized at the delivery date of goods.

Fixed assets

Fixed assets are stated at book value.

Depreciation of fixed assets is principally computed by using the straight-line method for the period of estimated useful lives of respective asset, which are principally as stated below.

Buliding	6-31 years
Fixture	8-15 years
Structure	10 years
Equipment	4-15 years
Software	5 years

Maintenance and repairs including minor renewals and improvements are charged to income as incurred.

Income taxes

The Company is subject to Japanese national and local income taxes which in the aggregate resulted in a normal effective statutory tax rate of approximately 34.4 % for the year ended March 31, 2024.

The Company can carry the taxable loss for 9 or 10 years according to Japanese tax regulation.

Consumption tax

Japanese Consumption Tax is accounted as Consumption tax-received (liability) when goods are sold, and as Consumption tax-paid (asset) when goods and service are bought.

The balance after netting of those accounts at the end of fiscal year is recognized as Consumption tax payable or Consmption tax receivable in balance sheet.

NOTES TO FINANCIAL STATEMENTS

MSSL Japan Limited

For the year ended March 31, 2024

3 CASH IN BANK

The company maintains the following bank accounts of Japanese banks.
There is no restricted balance.

Mitsubishi UFJ Bank (Nagoya Branch), Ordinary Account	286,736,935
Aichi Bank (Nagoya Ekimae Branch), Ordinary Account	174,280,577
Syoko Chukin Bank (Nagoya Branch), Ordinary Account	2,872,270
Shizuoka Bank (Toyoda Branch), Ordinary Account	104,780
Gunma Bank (Ohara Branch), Ordinary Account	152,873
	<u>JPY 464,147,435</u>

4 ACCOUNTS RECEIVABLE

As accounts receivables are paid on time, there are no old and doubtful accounts.

5 INVENTORIES

Inventories are stocked at Ota-warehouse.

The company performed the physical inventory counting in Ota LC on 9, March 2024 and in Hamamatsu LC on 2 March 2024.

Inventories are stated at cost, evaluated by the total-average price method.

The cost of goods includes the importing charge, and is not lower than market value.

6 FIXED ASSETS AND DEPRECIATION

Details of fixed assets and depreciation for the year ended March 31, 2024 and 2023 are as follows.

2024	April 1, 2023	Increase	Decrease	March 31, 2024
Fixed assets:				
Building	¥ 31,515,541	—	—	¥ 31,515,541
Fixtures	26,060,499	8,639,959	—	34,700,458
Structure	4,914,989	—	—	4,914,989
Equipment	14,942,048	8,014,241	—	22,956,289
Cars	2,630,000	—	—	2,630,000
Land	41,564,625	—	—	41,564,625
Software	1,512,000	2,112,480	—	3,624,480
Contribution in aid of construction	220,000	—	—	220,000
	<u>123,359,702</u>	<u>18,766,680</u>	<u>—</u>	<u>142,126,382</u>
Less, accumulated depreciation				
Building	8,305,820	1,055,504	—	9,361,324
Fixtures	19,348,653	1,760,422	—	21,109,075
Structure	1,156,089	164,609	—	1,320,698
Equipment	5,859,609	2,755,735	—	8,615,344
Cars	945,464	439,622	—	1,385,086
Land	—	—	—	—
Software	1,512,000	353,832	—	1,865,832
Contribution in aid of construction	198,422	21,578	—	220,000
	<u>37,326,057</u>	<u>6,551,302</u>	<u>—</u>	<u>43,877,359</u>
Total	¥ 86,033,645			¥ 98,249,023
2023	April 1, 2022	Increase	Decrease	March 31, 2023
Fixed assets:				
Building	¥ 31,515,541	—	—	¥ 31,515,541
Fixtures	19,879,539	6,180,960	—	26,060,499
Structure	4,914,989	—	—	4,914,989
Equipment	7,949,337	6,992,711	—	14,942,048
Cars	2,630,000	—	—	2,630,000
Land	41,564,625	—	—	41,564,625
Software	1,512,000	—	—	1,512,000
Contribution in aid of construction	220,000	—	—	220,000
	<u>110,186,031</u>	<u>13,173,671</u>	<u>—</u>	<u>123,359,702</u>
Less, accumulated depreciation				
Building	7,253,201	1,052,619	—	8,305,820
Fixtures	17,884,585	1,464,068	—	19,348,653
Structure	991,928	164,161	—	1,156,089
Equipment	3,860,520	1,999,089	—	5,859,609
Cars	507,043	438,421	—	945,464
Land	—	—	—	—
Software	1,357,800	154,200	—	1,512,000
Contribution in aid of construction	154,422	44,000	—	198,422
	<u>32,009,499</u>	<u>5,316,558</u>	<u>—</u>	<u>37,326,057</u>
Total	¥ 78,176,532			¥ 86,033,645

NOTES TO FINANCIAL STATEMENTS

MSSL Japan Limited
For the year ended March 31, 2024

7 INTER-COMPANY BALANCE

There are the following balances as of March 31, 2024 and 2023 of Inter-Company transaction.

	2024	2023
Receivable other - SAMIL	¥ 18,831,562	28,122,918
" - MSSL SMIIEL	91,365,249	99,445,362
" - MSSL Thailand	53,460	4,504,476
" - MTS Japan	43,576,193	52,743,934
" - MSSL UAE	-	253,680
" - MATE	891,664	1,999,610
" - SMR Japan	1,283,637	2,560,593
" - SMRC	3,076,117	1,999,610
" - Samvardhana Motherson Automotive Systems Group B.V	-	7,708,613
" - MSSL Mexico	7,600	-
" - MAGIC	133,000	133,000
" - Motherson Sumi Wiring India Limited	8,864,865	44,943,025
Short-term loans - MTS Japan	200,000,000	200,000,000
Account payable - SAMIL	819,055,513	1,140,630,919
Accrued expense - MTS Japan	8,433,666	1,996,563
" - SMR Japan	306,167	428,346

8 INCOME TAXES AND INCOME TAXES PAYABLE

Reconciliation between profit after tax and taxable income at March 31, 2024 and 2023 are as follows.

	2024	2023
Profit after tax	¥ 291,298,708	504,461,985
Income taxes	157,558,277	181,017,895
Enterprise tax payment	(75,415,577)	-
Provision for Stocks	14,768,947	1,929,489
Tax loss carryforward	-	(157,514,814)
Others	35,857,496	(19,326,982)
Taxable income	¥ 424,067,851	510,567,573

Income taxes payable as at March 31, 2024 and 2023 comprise the followings.

	2024	2023
National tax	¥ 46,967,300	119,225,300
Local tax	19,699,400	61,025,800
Local tax(per capital)	383,300	766,200
Total	¥ 67,050,000	181,017,300

NOTES TO FINANCIAL STATEMENTS

MSSL Japan Limited

For the year ended March 31, 2024

9 EMPLOYEES

Number of staffs	2024	2023
Representative director	1	1
Logistics and Quality control (Ota LC)	15	14
Sales and Engineering (Shin-yokohama office)	7	8
Logistics and Quality control (Hamamatsu LC)	5	4
Sales and Engineering (Hamamatsu office)	5	3
Administration (Nagoya office)	2	3
	35	33

10 COMMON STOCK

Summary of common stock of the Company as at March 31, 2024 was as follows.

	Number of shares		Thousand of JPY
	authorized to issue	Issued	Amount of Capital
Common stock	800	500	¥ 17,500

11 COMMITMENT AND CONTINGENT LIABILITIES

There were no material commitments and contingent liabilities at March 31, 2024.