

## Mitsubishi Motors Corporation

Code No: 7211 Listed on: Tokyo, Osaka, Nagoya, Fukuoka, and Sapporo stock exchanges

Head office: Tokyo

URL: <http://www.mitsubishi-motors.co.jp>

Representative: Rolf Ekrodt; President & CEO

Contact: Rodolfo Villalba; Tel: 03-5232-7176  
Executive General Manager, IR Office

Meeting of Board of Directors for FY2002 half year results: 12 November 2002

Provision for half year dividend: Provision exists

Date of payment of half-year dividend:

Unit stock system adopted: Yes (1 block = 1,000 shares)

### 1. Highlights (1 April 2002 through 30 September 2002)

#### (1) Non-consolidated results

	Sales		Operating profit		Ordinary income		Net income		Net income per share - basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2002 half year	950,231	7.3	518	—	2,077	—	- 14,998	—	- 10.2
FY2001 half year	885,778	- 10.2	- 12,659	—	- 19,661	—	- 20,647	—	- 14.04
FY 2002 full year	1,848,684		16,701		4,725		- 70,509		- 47.96

Note 1: Average number of shares issued and outstanding during term: FY2002 half year 1,470,163,031 FY2001 half year 1,470,163,440  
FY2001 full year 1,470,163,352

Note 2: No accounting policy changes have been implemented during term.

Note 3: Sales, operating income and ordinary income percentages indicate changes over same half-year period in previous fiscal year.

#### (2) Cash dividends

	Cash dividend per shares	
	Half year	Year-end
	Yen	Yen
FY2002 half year	0.00	—
FY2001 half year	0.00	—
FY 2001 full year	—	0.00

#### (3) Non-consolidated financial position

	Total assets	Shareholders' equity	Ratio of shareholders' equity	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY2002 half year	1,575,802	292,124	18.5	198.70
FY2001 half year	1,696,006	351,126	20.7	238.84
FY 2001 full year	1,599,566	312,683	19.5	212.69

Note: Average number of shares issued and outstanding at term end: FY2002 half year 1,470,162,763 FY2001 half year 1,470,163,263  
FY2001 full year 1,470,163,263

Treasury stock at term end: FY2002 half year 861 FY2001 half year 361  
FY2001 full year 361

### 2. FY2002 full year non-consolidated results forecast (1 April 2002 through 31 March 2003)

	Sales	Ordinary profit	Net income	Dividend per share	
	Million yen	Million yen	Million yen	Year-end	Yen
FY2002 full year	1,900,000	32,000	- 9,000	0.00	0.00

FYI: Forecast net income per share for full year: - ¥6.12

CAUTIONARY STATEMENT: 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 the company's business environment, in market trends and in exchange rates may cause actual results to differ materially from these forecasts.

## 1. Sales figures

### (1) Sales volume

Units

	1 April 2002 – 30 September 2002			1 April 2001 – 30 September 2001			Change in total
	Domestic	Export	Total	Domestic	Export	Total	
Passenger cars (regular & small-size)	43,890	218,772	262,662	71,469	170,402	241,871	20,791
Mini vehicles	105,179	—	105,179	96,051	—	96,051	9,128
Trucks	30,213	16,961	47,174	30,532	13,248	43,780	3,394
Buses	1,784	1,712	3,496	1,868	1,526	3,394	102
TOTAL	181,066	237,445	418,511	199,920	185,176	385,096	33,415

### (2) Sales amount

Million yen

	1 April 2002 – 30 September 2002			1 April 2001 – 30 September 2001			Change in total
	Domestic	Export	Total	Domestic	Export	Total	
Vehicle sales	279,171	381,032	660,203	320,064	296,298	616,362	43,841
Parts for overseas production	—	148,696	148,696	—	127,637	127,637	21,059
Parts, accessories & others	66,666	74,666	141,332	70,565	71,214	141,779	- 447
TOTAL	345,837	604,394	950,231	390,629	495,149	885,778	64,453

## 2. Profit and loss statements (1 April 2002 – 30 September 2002)

Million yen

	FY2002 half year (4/1/02 – 9/30/02)	FY2001 half year (4/1/01 – 9/30/01)	Change
<b>Ordinary income and expenses</b>			
Sales .....	950,231	885,778	64,453
Cost of sales .....	829,915	783,505	46,410
Selling, general and administrative expenses .....	119,798	114,932	4,866
<i>Operating profit</i>	518	- 12,659	13,177
Non-operating income .....	(9,791)	(5,271)	(4,520)
Interest and dividends income .....	6,014	5,009	1,005
Gain on foreign exchange .....	3,105	—	3,105
Other Income .....	670	262	408
Non-operating expenses .....	(8,232)	(12,272)	(- 4,040)
Interest expenses .....	4,743	4,227	516
Loss on foreign exchange .....	—	5,553	- 5,553
Other expenses .....	3,489	2,491	998
<i>Ordinary income</i>	2,077	- 19,661	21,738
<b>Extraordinary gain and loss</b>			
Extraordinary gain .....	(3,400)	(3,848)	(- 448)
Gain on sale of fixed assets .....	1,480	—	1,480
Gain from stock exchange of investment securities .....	1,399	—	1,399
Gain on sale of investments in subsidiaries .....	—	1,170	- 1,170
Gain on reversal of allowance for doubtful receivables .....	—	2,678	- 2,678
Other gains .....	520	—	520
Extraordinary loss .....	(19,808)	(18,277)	(1,531)
Loss on disposal of fixed assets .....	2,128	1,561	567
Provision for doubtful receivables to subsidiaries .....	14,800	—	14,800
Early retirement program expenses .....	—	14,137	- 14,137
Loss on appraisal of investments in subsidiaries .....	—	1,428	- 1,428
Other losses .....	2,879	1,149	1,730
<i>Income before income taxes</i>	- 14,330	- 34,090	19,760
Income tax, current .....	668	- 13,442	14,110
Income tax, deferred (- indicates reduction) .....	—	—	—
<i>Net income for term</i>	- 14,998	- 20,647	5,649
Retained earnings brought forward from previous period .....	- 401,591	- 336,397	- 65,194
<i>Unappropriated retained earnings at end of period</i>	-416,589	- 357,044	- 59,545

### 3. Balance sheets (Assets)

	Million yen		
	At 30/9/2002	At 3/31/2002	Change
<b>Assets</b>			
<b>Current assets</b>	592,693	610,093	- 17,400
Cash on hand and in banks .....	24,982	27,825	- 2,843
Notes receivable .....	3,591	2,843	748
Accounts receivable.....	235,585	241,011	- 5,426
Marketable securities .....	—	—	—
Finished products.....	53,644	53,836	- 192
Raw materials and supplies .....	11,777	12,431	- 654
Work in process .....	61,715	61,144	571
Prepaid payments .....	261	—	261
Prepaid expenses .....	2,649	2,314	335
Deferred tax assets.....	50,749	50,749	—
Short-term loans receivable.....	115,042	120,776	- 5,734
Accounts receivable .....	75,192	79,446	- 4,254
Other current assets .....	70,121	52,938	17,183
Allowance for doubtful receivables .....	- 112,621	- 95,225	- 17,396
<b>Fixed assets</b>	983,108	989,473	- 6,365
Tangible fixed assets.....	(377,135)	(397,236)	(- 20,101)
Buildings .....	69,481	72,702	- 3,221
Structures.....	16,151	17,223	- 1,072
Machinery and equipment .....	93,399	105,901	- 12,502
Transportation equipment.....	3,528	3,564	- 36
Tools, furniture and fixtures .....	13,256	13,796	- 540
Land .....	174,249	178,550	- 4,301
Construction in progress.....	7,067	5,497	1,570
Intangible fixed assets .....	(9,618)	(8,754)	(864)
Intangible fixed assets .....	9,618	8,754	864
Investments .....	(596,354)	(583,481)	(12,873)
Investment securities .....	131,100	127,700	3,400
Investments in subsidiaries.....	362,024	355,965	6,059
Long-term loans receivable .....	3,417	3,744	- 327
Miscellaneous investments and guaranty money.....	37,152	35,438	1,714
Long-term prepaid expenses .....	6,361	6,757	- 396
Deferred tax assets	56,681	54,236	2,445
Other investments.....	3,775	3,705	70
Allowance for doubtful receivables .....	- 4,159	- 4,066	- 93
<i>Total assets</i>	1,575,802	1,599,566	- 23,764

#### 4. Balance sheets (Liabilities & stockholders' equity)

	Million yen		
	At 30/9/2002	At 3/31/2002	Change
<b>Liabilities &amp; stockholders' equity</b>			
<b>Current liabilities</b>	897,647	879,314	18,333
Notes payable .....	22,628	21,426	1,202
Accounts payable.....	347,602	341,517	6,085
Short-term loans payable.....	159,377	146,627	12,750
Commercial paper.....	65,100	12,100	53,000
Corporate bonds (one year or less) .....	99,294	100,094	- 800
Other accounts payable .....	81,655	92,544	- 10,889
Corporation taxes payable.....	679	71	608
Accrued expenses .....	19,693	22,203	- 2,510
Advance received .....	10,972	11,823	- 851
Deposits received .....	28,629	76,843	- 48,214
Employees savings deposits .....	13,412	14,626	- 1,214
Warranty claims allowance .....	29,352	27,297	2,055
Other current liabilities .....	19,251	12,138	7,113
<b>Fixed liabilities</b>	386,030	407,568	- 21,538
Bonds .....	84,600	103,800	- 19,200
Long-term loans payable .....	68,760	63,838	4,922
Deposit received for guarantee.....	13,593	14,134	- 541
Retirement benefit reserve.....	122,184	128,903	- 6,719
Guarantee liability reserve .....	96,892	96,892	-
<i>Total liabilities</i>	1,283,678	1,286,882	- 3,204
<b>Stockholders' equity</b>	292,124	312,683	- 20,559
<b>Common stock</b>	252,201	252,201	-
<b>Capital surplus</b>	220,816	220,816	-
Capital surplus .....	220,816	220,816	-
<b>Earned surplus</b>	- 209,528	- 194,530	- 14,998
Legal reserve .....	9,029	9,029	-
Special depreciation reserve .....	60	52	8
Overseas investments loss reserve.....	1,822	1,855	- 33
Reserve for deferred gains of fixed assets .....	18,147	23,438	- 5,291
Special reserve .....	178,000	178,000	-
Unappropriated retained earnings at end of half year period .....	- 416,589	- 406,906	- 9,683
(of which net income for half year).....	(- 14,998)	(- 70,509)	(55,511)
Profits on securities.....	28,635	34,195	- 5,560
Treasury shares .....	- 0	- 0	- 0
<i>Total liabilities &amp; stockholders' equity</i>	1,575,802	1,599,566	- 23,764

## Notes to non-consolidated financial statements

### Significant subsequent events

Following a resolution carried at an extraordinary meeting of the Board of Directors held on 20 September 2002, MMC is to spin off the truck (Canter class and larger), bus and industrial engine operations of Mitsubishi Fuso Truck & Bus Company to Mitsubishi Fuso Truck & Bus Corporation (MFTBC), a new company to be established on 6 January 2003. In the spring of 2003, MFTBC shares will be sold to DaimlerChrysler and to member companies of the Mitsubishi group.

The reorganization paves the way for direct investment of capital by DaimlerChrysler A.G. – the world's leading truck manufacturer – in MFTBC, allowing the latter to consolidate its position in Japan and to enhance its overseas business. Enabling both companies to complement each other's strengths in the best possible way, the alliance will add momentum to their collaboration by bringing benefits of economies of scale as well as by permitting MFTBC to tap into DC's wealth of knowledge and technology more directly. The investment by major companies in the Mitsubishi group, meanwhile, will help strengthen the financial position of the company.

Spinning off truck and bus operations will enable MMC to focus on its passenger car business and accelerate the ongoing turnaround. The income generated from the sale of shares in the new company will also enable MMC to significantly reduce its interest-bearing debt and thus stabilize its financial position. This, together with increased investment activities and the added impetus stemming from the DC alliance, will forge a more solid footing for MMC's passenger car operations in the long term.

1. Operations spin off date: 6 January 2003
2. Operations to be spun off: Trucks (Canter class and larger), buses and industrial engines
3. Spin off procedure: Establishment of new consolidated subsidiary  
Shares to be issued by new company: 4,000,000 (Of which all to be allotted to MMC)
4. New company profile
  - Corporate name: Mitsubishi Fuso Truck & Bus Corporation
  - Head office: Minato-ku, Tokyo
  - Representative: Wilfried Porth
  - Assets: ¥300 billion (provisional)
  - Liabilities: ¥140 billion (provisional)
  - Capitalization: ¥15 billion
5. Sale of shares date: March, 2003 (provisional)
6. Purchasers and numbers of shares to be purchased

DaimlerChrysler AG		1,720 thousand shares
Mitsubishi Heavy Industries, Ltd.		132
Mitsubishi Corporation		132
The Bank of Tokyo-Mitsubishi, Ltd.		132
7 other shareholders		204
7. Proceeds from sale of shares: ¥120 billion (estimated)
8. Gain/loss on sale of shares: Not yet determined
9. MMC holding after sale of shares: 42%