

FY2003 Half Year Results: Consolidated Financial Statements

11 Nov 2003

(1 April 2003 through 30 September 2003)

Mitsubishi Motors Corporation

Code No.: 7211 Listed on: Tokyo, Osaka, Nagoya, Fukuoka and Sapporo stock exchanges
 Head office: Tokyo URL <http://www.mitsubishi-motors.com/>
 Representative: Rolf Eckrodt, President & CEO
 Contact: Yoichi Yokozawa, Head of IR Office Tel: 03 - 6719 - 4206
 Meeting of Board of Directors for FY2003 half year results: 11 Nov 2003
 Parent company name: Code No.: Parent company holding: %
 United States accounting standards applied: No

1. Financial highlights (1 April 2003 through 30 September 2003)

(1) Consolidated financial results

| | Sales | | Operating Profit | | Ordinary Income | |
|------------------|-------------|-------|------------------|---|-----------------|---|
| | Million yen | % | Million yen | % | Million yen | % |
| FY2003 half year | 1,206,832 | -25.5 | -76,350 | - | -85,789 | - |
| FY2002 half year | 1,618,944 | 5.6 | 23,479 | - | 18,935 | - |
| FY2002 full year | 3,884,874 | | 82,761 | | 54,344 | |

| | Net income | | Net income per share - basic | | Net income per share - diluted | |
|------------------|-------------|---|------------------------------|--|--------------------------------|--|
| | Million yen | % | Yen | | Yen | |
| FY2003 half year | -80,215 | - | -54.07 | | - | |
| FY2002 half year | 6,638 | - | 4.52 | | 4.25 | |
| FY2002 full year | 37,361 | | 25.35 | | 23.43 | |

Note 1: Income from equity company:

FY2003 half year ¥2,956 Million

FY2002 half year ¥1,304 Million

FY2002 full year ¥2,373 Million

Note2: Average number of shares issued and outstanding during term(consolidated): FY2003 half year 1,483,431,916

FY2002 half year 1,470,163,031

FY2002 full year 1,473,719,843

Note3: Accounting policy changes: No

Note4: Sales, operating income, ordinary income and net income percentages indicate changes over same half-year period in previous fiscal year.

(2) Consolidated financial position

| | Total assets | Shareholders' equity | Ratio of shareholders' equity | Shareholders' equity per share |
|------------------|--------------|----------------------|-------------------------------|--------------------------------|
| | Million yen | Million yen | % | Yen |
| FY2003 half year | 2,310,358 | 180,948 | 7.8 | 121.98 |
| FY2002 half year | 2,772,034 | 253,445 | 9.1 | 172.39 |
| FY2002 full year | 2,425,352 | 280,294 | 11.6 | 188.95 |

Note: Number of shares issued and outstanding at term end (consolidated):

FY2003 half year 1,483,429,570

FY2002 half year 1,470,162,763

FY2002 full year 1,483,434,189

(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 term |
|------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Million yen | Million yen | Million yen | Million yen |
| FY2003 half year | -8,843 | -5,285 | 95,594 | 162,487 |
| FY2002 half year | 64,872 | -43,019 | -4,983 | 107,568 |
| FY2002 full year | 17,596 | 17,546 | -32,042 | 84,544 |

(4) Scope of consolidation and equity method

Consolidated subsidiaries: 111 Equity method subsidiaries: - Equity method affiliates: 22

(5) Changes in scope of consolidation and equity method

| | | | | | |
|----------------|---------|----|----------------|---------|---|
| Consolidation: | Include | 2 | Equity method: | Include | 1 |
| | Exclude | 15 | | Exclude | 4 |

2. FY2003 full year consolidated forecast (1 April 2003 through 31 March 2004)

| | Sales | Ordinary income | Net income |
|------------------|-------------|-----------------|-------------|
| | Million yen | Million yen | Million yen |
| FY2003 full year | 2,600,000 | 62,000 | 11,000 |

Note: Forecast net income per share for full term: ¥-7.41

CAUTION: 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.

I The MMC group of companies

The Mitsubishi Motors Corporation group of companies comprises 111 subsidiaries, 22 affiliates and one other associate (as at 30 September 2003).

MMC spun-off its truck and bus operations and formed the Mitsubishi Fuso Truck and Bus Corporation, a fully-owned subsidiary, on 1 January 2003. Mitsubishi Fuso Truck and Bus Corporation became an equity method company of the MMC group on 14 March 2003, during FY2002, when MMC sold 58% of its shareholding.

The MMC group is engaged in the development, production and sales of cars and parts for those cars. MMC is responsible for most of the development work.

In Japan, Mitsubishi regular and small passenger cars and minicars are produced by MMC, with some recreation vehicle models (the Pajero, among others) also being produced by the Pajero Manufacturing Co., Ltd. These automobiles are sold in Japan by Tokyo Mitsubishi Motor Sales Co. and other Mitsubishi Motors sales companies.

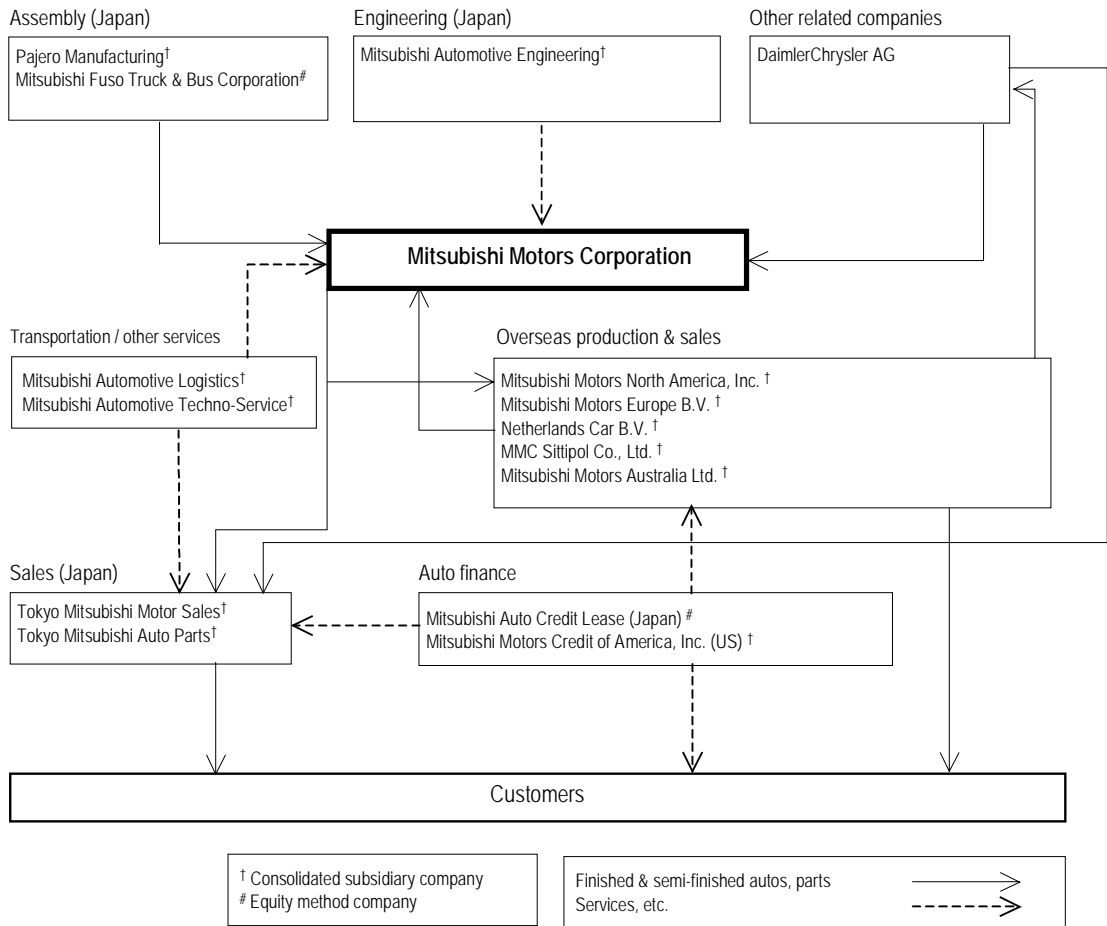
Mitsubishi Automotive Engineering Co., Ltd. undertakes some of the development of MMC automotive products, Mitsubishi Automotive Logistics Co., Ltd. undertakes the transport of Mitsubishi auto products in Japan, and Mitsubishi Automotive Techno-Service Co., Ltd. is responsible for inspection and servicing of certain new Mitsubishi vehicles.

Replacement and accessory parts for the Japanese market are manufactured by MMC and are sold by the abovementioned sales companies, by Tokyo Mitsubishi Automotive Parts Sales Co., Ltd. and other parts sales companies.

Overseas, in the United States Mitsubishi vehicles are produced and sold by Mitsubishi Motors North America, Inc.. In Europe, Mitsubishi vehicles are produced by Netherlands Car B.V. and sold by Mitsubishi Motors Europe B.V.. Mitsubishi Motors Australia Ltd. and MMC Sittipol Co., Ltd. (Thailand) are two of the many facilities that produce and sell Mitsubishi vehicles in local markets in other regions around the world.

Auto lease and financing services are provided by Mitsubishi Auto Credit-Lease Corporation in Japan and by Mitsubishi Motors Credit of America, Inc. in the United States.

The MMC group structure and constituent company products and services outlined above are shown in the following diagram:



II Management policy

1. Basic management policy

MMC newly creates our Company Vision as follows:

“We anticipate the automotive lifestyle of a new generation, based on:

- Concept leadership & driving fun
- Japanese craftsmanship, engineering & design
- Environment technologies.”

Under this vision, MMC promises to carry out the following missions for the benefit of customers, society, investors and employees.

- Deliver exciting vehicles and heartfelt services to delight our customers based on future trends
- Feature highly profitable business systems with presence in key markets
- Establish a globally distinctive “Mitsubishi Motors” brand
- Achieve highest quality across whole value chain
- Support social & environmental progress by good corporate citizenship

2. Our policy on dividends

Our company considers that providing appropriate dividend payment to our shareholders is an important management objective.

Our company set maintaining stable dividend payments to shareholders as our first principle, however, we need to secure sufficient retained earnings for preparing future financial needs for our development. This is because demand for cash is greater than before in current auto industry which requires stronger sales competitiveness in global market and the developments of environmentally friendly technologies.

3. Stock options

Our company started stock options system in 2002 with the aim of implementing the Turnaround Plan and further enhancing the morale of directors, executive officers and employees of MMC and its subsidiaries, and their desire to improve MMC's consolidated results and also further accelerating the management with emphasis on shareholders.

4. Mid-and long-term management strategy

Our future success lies on the 4Ps that stand for People, Process, Product, and Profit. We will focus our resources on our core business and technology development that are vital for our company's further development. And at the same time, our whole company will work hard towards reform of personnel system, business and processes, and aggressive product launching. These will be attained through synergy effects with our strategic alliance partner Daimler Chrysler (DC).

5. Issues to be addressed

Our company has achieved our profit target in FY 2002 as the second year of our Turnaround Plan. We will work harder to accomplish goals of Turnaround Plan.

FY2003 has proven to be extraordinarily challenging due to fierce sales competition in U.S. and affection by credit loss provisions we incurred as a one time loss at our sales finance subsidiary in U.S.. However , we are aggressively implementing countermeasures to achieve our profit targets as early as possible through further cost reduction, restructuring, strengthening of product lineup and accelerated development of the non-triad markets.

The following are the major issues to be solved.

a. Products

- To introduce high standard products for our customers at appropriate timing
- Maintenance to produce high-quality vehicles by Quality Gate System.
- To reduce our current platforms and to promote co-sharing platforms with DC
- To improve MMC product qualities in terms of environmental friendliness; fuel efficiency, lower emission and recycling.

b. Sales organization

- To realize the highest quality of customer service leveraged by re-construction of sales organization , and by dealer companies which more closely tied with our company.
- To enter new growing markets utilizing the cooperative relationship with DC.

c. Management efficiencies

- To improve efficiency by reforming business structure/processes and further reducing material cost.
- To clarify business focus on our core business by utilizing outsourced business forces in non-core operations.
- To enhance efficient business operations, information sharing about customer and management, internal communication, and supply chain management (SCM) by establishing IT infrastructure.

6. Basic concept of corporate governance

- a Our basic concept of corporate governance is to ensure constant improvement of management system for translating our corporate philosophy into reality, such as pursuit for sound profitability, substantial management audit, increased speed of decision making, pursuit for our own originality, and development of employees with strong characteristics.
- b We intend to determine whether to change our company system to the one with committees or not, after careful evaluation of existing system. Currently, four among ten Board Members are "outside" (non- executive) Board Members, and two among four Statutory Auditors are "outside" Auditors. In order for us to make the decision on changing our management system/structure, thorough discussion among us and with "outside" Board Members will be necessary.

Further, led by our Internal Audit Team established in June 2002, we have been engaged in compliance and efficiency improvement.

- c Dr. Manfred Bischoff and Dr. Rüdiger Grube, each our "outside" Board Member, are Management Board Members of DaimlerChrysler AG, MMC's major shareholder.

Mr. Takashi Nishioka, our "outside" Board Member, is Chairman of Mitsubishi Heavy Industries, Ltd.(MHI), MMC's major shareholder as well as a major business partner.

Mr. Motoo Makita, our "outside" Statutory Auditor, is Managing Director of MHI.

Mr. Mikio Sasaki, our "outside" Board Member, is President & CEO of Mitsubishi Corporation, a major business partner of MMC.

Mr. Nobuo Kuroyanagi, our "outside" Statutory Auditor, is Deputy President of Bank of Tokyo-Mitsubishi, MMC's major financial bank.

Transactions with each of the above companies are routine business, in which our "outside" Board Members and Statutory Auditors do not have any direct interest.

III Consolidated results and financial position

1. Consolidated results

Overview of FY2003 half-year consolidated results

During the current term, the global economy saw some sign of recovery of the U.S. economy, however, remained obscure under unstable currency movement.

The Japanese economy, meanwhile, continued to struggle against a deflationary keynote, compounded by depressed levels of personal spending and appreciation of yen, even though there was a sign of recovery in corporate income and capital investment.

In this market environment, MMC achieved most of its Turnaround Plan one year ahead of the schedule in fiscal 2002, and during first half of fiscal 2003 the company has worked to further strengthen its competitiveness.

MMC spun-off its truck and bus operations and formed the Mitsubishi Fuso Truck and Bus Corporation, a fully-owned subsidiary, on 6 January 2003. Mitsubishi Fuso Truck and Bus Corporation became an equity method company of the MMC group on 14 March 2003, during FY2002, when MMC sold 58% of its shareholding.

For the first half of fiscal 2003, the Company reports consolidated sales of JPY 1,206.8 billion, a decrease of 25.5% over the same period in fiscal 2002, and 5.5% decrease over the same period in fiscal 2002 excluding an impact by Truck & Bus Spin-off.

MMC saw its operating loss of JPY 76.4 billion for the first half of fiscal 2003, a decrease of JPY 99.8 billion over the same period in fiscal 2002, mainly due to sales slowdown by fierce sales competition and affection by tightened credit assessment, cost increase of sales promotion, and an increase loss provision in financial services business as a one time loss in North America despite some improvements by cost reduction efficiency and currency impact. It was JPY 97.9 billion of decrease excluding an impact by Truck & Bus Spin-off. Ordinary loss posted JPY 85.8 billion, a decrease of JPY 104.7 billion over the same period in fiscal 2002. Net loss was JPY 80.2 billion, a decrease of JPY 86.9 billion over the same period in fiscal 2002 resulting from reversal of deferred tax asset of US subsidiary even the company saw gain on sales of securities.

Segment information

By business

Sales from the automotive business for the first half of fiscal 2003 were JPY 1,163.3 billion, a decrease of 26.2% over the same period in fiscal 2002, posting an operating loss of JPY 35.1 billion which is a decrease of JPY 66.5 billion over the same period in fiscal 2002.

Revenues from financial services business were JPY 40.3 billion, a decrease of 4.9% over the same period in fiscal 2002, producing an operating loss of JPY 44.9 billion, a decrease of JPY 36.8 billion over the same period in fiscal 2002.

By geographical region

Sales in Japan were JPY 735.8 billion, a decrease of JPY 376.6 billion over the same period in fiscal 2002 effected mainly by Truck & Bus Spin-off and volume decline of export to North America. Operating loss was JPY 8.4 billion, a decrease of JPY 10.2 billion over the same period in fiscal 2002.

Sales in North America were JPY 278.5 billion, a decrease of JPY 202.5 billion over the same period in fiscal 2002 due to decline of sales volume. Operating loss stood at JPY 74.1 billion, a decrease of JPY 101.8 billion over the same period in fiscal 2002 resulting from such increase loss provision in financial services business as a temporary loss.

Sales in Europe were JPY 319 billion, an increase of JPY 27.4 billion over the same period in fiscal 2002 due to an increase of sales volume. Operating profit was JPY 7.5 billion, an improvement of JPY 13.6 billion.

Sales in Asia were JPY 96 billion, an increase of JPY 5.9 billion over the same period in fiscal 2002 due to sales volume increase. Operating profit was JPY 8.3 billion, an increase of JPY 6.3 billion over the same period in fiscal 2002.

Sales in other regions were JPY 89.6 billion, a decrease of JPY 29.4 billion over the same period in fiscal 2002 due to decline of sales volume. Operating loss was JPY 7.8 billion, a decrease of JPY 7.4 billion over the same period in fiscal 2002.

Dividend payment

MMC regrets to announce that it intends once again to defer payment of the half year dividend. The Company apologizes sincerely to its shareholders and asks for their continuing understanding and patience.

2. Financial position

Net cash used by operating activities in the first half of fiscal 2003 was JPY 8.8 billion, a decrease of JPY 73.7 billion over the same period in fiscal 2002. This results from pre-tax net loss and an increase loss provision in financial services business.

Net cash used by investment activities was JPY 5.3 billion, an increase of JPY 37.7 billion over the same period in fiscal 2002. This results from increase loans and, the expenditure on the acquisition of tangible fixed assets exceeded the revenue on the sale of tangible fixed assets and on the sales of investment securities.

Net cash provided in financing activities was JPY 95.6 billion, an increase of JPY 100.6 billion over the same period in fiscal 2002 as a result of revenue of long-term loans. At the end of first half of fiscal 2003, the balance of cash and cash equivalents was JPY 162.5 billion, an increase of JPY 77.9

billion compared at the beginning of fiscal 2003 which was also an increase of JPY 54.9 billion compared to the previous term.

3. Trends in cash flow indices

| | Year-end fiscal 2001 | Half-year fiscal 2002 | Year-end fiscal 2002 | Half-year fiscal 2003 |
|--|-------------------------|--------------------------|-------------------------|--------------------------|
| Ratio of shareholders' equity(%) | 9.4 | 9.1 | 11.6 | 7.8 |
| Ratio of shareholders' equity at market value(%) | 16.8 | 13.0 | 16.7 | 16.8 |
| Debt redemption term (years) | 14.2 | 19.4 | 57.3 *7.7 | - |
| Interest coverage ratio | 2.8 | 4.9 | 0.5 *3.8 | - |

Note: Starting in fiscal 2002, changes in sales finance receivables for North America are now included in the Operating cash flow. The indices above are calculated according to classifications used before fiscal 2002.

Definitions:

| | |
|---|---|
| Ratio of shareholders' equity: | Shareholders' equity divided by total assets |
| Ratio of shareholders' equity at market value | Market value of stock divided by total assets |
| Debt redemption term (years): | Interest-bearing liabilities divided by operating cash flow |
| Interest coverage ratio: | Operating cash flow divided by interest payments |

Notes

1. The indices are computed from data in the consolidated statements.
2. The total market value of stock is computed by multiplying the stock closing price at book closing by the number of issued shares (treasury stock excluded).
3. Operating cash flow refers to the Cash flow by operating activities in the Consolidated Statements of Cash Flows. Interest-bearing liabilities, refers to all liabilities stated in the Consolidated Balance Sheet on which interest is paid. Interest payments refers to the sum of interest payments as recorded in the Consolidated Statement of Cash Flows.

4. Consolidated forecast FY2003

Prospects for the global economy remain obscure under such unstable currency movement despite some sign of recovery of the U.S. economy. In Japan, personal consumption is expected to remain sluggish, making a further intensification in market competition unavoidable. Accordingly, MMC expects the business environment in which it operates to become increasingly severe.

While these and other factors make accurate forecasting difficult, the Company offers the following forecast for its consolidated operations in fiscal 2002, based on data and information currently available.

millions of yen

| | 2003FY Consolidated | 2003FY Non-consolidated |
|-----------------|---------------------|-------------------------|
| Sales | 2,600,000 | 1,440,000 |
| Ordinary income | 62,000 | 0 |
| Net income | 11,000 | 10,000 |

CAUTION. 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.

Consolidated financial statements

(1) Consolidated statements of income / loss

in millions of yen

| | 4/1/03 -9/30/03 | 4/1/02 -9/30/02 | Change |
|--|------------------|------------------|-----------------|
| Sales | 1,206,832 | 1,618,944 | -412,112 |
| Cost of sales | 1,061,190 | 1,323,440 | -262,250 |
| Gross profit before provision for unrealized profit on installment sales | 145,641 | 295,503 | -149,862 |
| Provision for unrealized profit on installment sales | 28 | 131 | -103 |
| Gross profit | 145,670 | 295,635 | -149,965 |
| Selling, general and administrative expenses | 222,021 | 272,156 | -50,135 |
| Operating profit / loss | -76,350 | 23,479 | -99,829 |
| Non-operating income | 12,751 | 12,629 | 122 |
| (Interest and dividend income) | (5,942) | (4,727) | (1,215) |
| (Other income) | (6,809) | (7,901) | (-1,092) |
| Non-operating expenses | 22,190 | 17,173 | 5,017 |
| (Interest expense) | (14,356) | (13,370) | (986) |
| (Other expenses) | (7,833) | (3,803) | (4,030) |
| Ordinary income / loss | -85,789 | 18,935 | -104,724 |
| Extraordinary gain | 17,728 | 3,834 | 13,894 |
| Extraordinary loss | 3,415 | 5,372 | -1,957 |
| Net income / loss before taxes | -71,476 | 17,396 | -88,872 |
| Income taxes | 8,646 | 9,957 | -1,311 |
| Minority interests | 92 | 801 | -709 |
| Net income / loss | -80,215 | 6,638 | -86,853 |

(2) Consolidated surplus statements

in millions of yen

| | 4/1/03 -9/30/03 | 4/1/02 -9/30/02 | Change |
|--|-----------------|-----------------|-----------------|
| Capital surplus | | | |
| Capital surplus at beginning of term | 224,481 | 220,816 | 3,665 |
| Increase in capital surplus | 210 | - | 210 |
| (Increase due to change in scope of consolidation) | (210) | (-) | (210) |
| Decrease in capital surplus | 197,179 | - | 197,179 |
| (Transfer to retained earnings) | (197,179) | (-) | (197,179) |
| Capital surplus at end fo term | 27,513 | 220,816 | -193,303 |
| Retained earnings | | | |
| Retained earnings at beginning of term | -155,847 | -188,756 | 32,909 |
| Increase in retained earnings | 197,307 | 6,638 | 190,669 |
| (Net income for term) | (-) | (6,638) | (-6,638) |
| (Merger of non-consolidated subsidiaries with consolidated subsidiaries) | (127) | (-) | (127) |
| (Transfer from capital surplus) | (197,179) | (-) | (197,179) |
| Decrease in retained earnings | 86,277 | - | 86,277 |
| (Net loss for term) | (80,215) | (-) | (80,215) |
| (Inclusion of new consolidated subsidiaries) | (12) | (-) | (12) |
| (Decrease due to change in scope of consolidation) | (6,049) | (-) | (6,049) |
| Retained earnings at end of term | -44,817 | -182,117 | 137,300 |

(3) Consolidated balance sheets

in millions of yen

| Assets | At 9/30/03 | At 3/31/03 | Change |
|---|--------------|--------------|-------------|
| Current assets | (1,000,745) | (960,717) | (40,028) |
| Cash on hand and in banks | 160,678 | 81,728 | 78,950 |
| Trade notes and accounts receivable | 161,189 | 208,150 | -46,961 |
| Finance receivables | 81,096 | 34,257 | 46,839 |
| Marketable securities | 2,346 | 3,737 | -1,391 |
| Inventories | 265,775 | 272,682 | -6,907 |
| Short-term loans receivable | 7,065 | 6,708 | 357 |
| Residual interest on sold receivables | 4,590 | 4,860 | -270 |
| Deferred tax assets | 63,981 | 54,955 | 9,026 |
| Other current assets | 260,851 | 312,053 | -51,202 |
| Allowance for doubtful accounts | -6,830 | -18,416 | 11,586 |
| Fixed assets | (1,309,612) | (1,464,635) | (-155,023) |
| Tangible fixed assets | 763,228 | 832,371 | -69,143 |
| Intangible fixed assets | 34,343 | 42,409 | -8,066 |
| Long-term Finance receivables | 92,561 | 87,385 | 5,176 |
| Investments | 206,962 | 213,705 | -6,743 |
| Long-term loans receivable | 13,323 | 1,258 | 12,065 |
| Residual interest on sold receivables | 154,478 | 210,784 | -56,306 |
| Deferred tax assets | 70,160 | 77,644 | -7,484 |
| Other non-current assets | 84,241 | 45,265 | 38,976 |
| Allowance for doubtful accounts | -109,688 | -46,190 | -63,498 |
| Total assets | 2,310,358 | 2,425,352 | -114,994 |
| Liabilities, minority interests & shareholders' equity | | | |
| Current liabilities | (1,642,397) | (1,645,671) | (-3,274) |
| Trade notes and accounts payable | 355,051 | 411,018 | -55,967 |
| Short-term loans payable | 661,021 | 663,377 | -2,356 |
| Non-interest bearing short-term loans payable | 30,769 | 14,433 | 16,336 |
| Commercial papers | 171,724 | 76,333 | 95,391 |
| Accrued expenses and other payables | 152,645 | 165,057 | -12,412 |
| Accrued income taxes | 2,770 | 3,042 | -272 |
| Allowance for warranty claims | 37,478 | 37,476 | 2 |
| Other current liabilities | 230,935 | 274,930 | -43,995 |
| Non-current liabilities | (471,553) | (482,010) | (-10,457) |
| Bonds | 40,674 | 55,045 | -14,371 |
| Long-term loans payable | 267,859 | 213,862 | 53,997 |
| Non-interest bearing long-term loans payable | 8,207 | 24,736 | -16,529 |
| Deferred tax liabilities | 8,557 | 10,532 | -1,975 |
| Accrued retirement benefits | 117,450 | 119,778 | -2,328 |
| Other non-current liabilities | 28,804 | 58,055 | -29,251 |
| Total liabilities | 2,113,951 | 2,127,681 | -13,730 |
| Minority interests | 15,457 | 17,376 | -1,919 |
| Shareholders' equity | | | |
| Common stock | 252,201 | 252,201 | - |
| Capital surplus | 27,513 | 224,481 | -196,968 |
| Retained earnings | -44,817 | -155,847 | 111,030 |
| Unrealized gain on securities | 28,239 | 33,854 | -5,615 |
| Translation adjustment | -82,185 | -74,394 | -7,791 |
| Treasury stock | -2 | -1 | -1 |
| Total shareholders' equity | 180,948 | 280,294 | -99,346 |
| Total liabilities, minority interests & shareholders' equity | 2,310,358 | 2,425,352 | -114,994 |

(4) Consolidated statements of cash flows

in millions of yen

| | 4/1/03 -9/30/03 | 4/1/02 -9/30/02 | Change |
|--|---|-----------------|----------------|
| Cash flows from operating activities | | | |
| Net income / loss before income taxes | -71,476 | 17,396 | -88,872 |
| Depreciation | 69,529 | 71,781 | -2,252 |
| Amortization of goodwill | -723 | -335 | -388 |
| Change in allowance for doubtful accounts | 52,107 | 5,018 | 47,089 |
| Change in accrued retirement benefits | -1,598 | -2,320 | 722 |
| Interest and dividend income | -5,942 | -4,727 | -1,215 |
| Interest expenses | 14,356 | 13,370 | 986 |
| Foreign exchange gain / loss | 257 | -486 | 743 |
| Equity income / loss of affiliates | -2,956 | -1,304 | -1,652 |
| Gain / loss on sale and disposal of tangible assets | 2,701 | 818 | 1,883 |
| Gain / loss on sale of investments | -14,679 | -395 | -14,284 |
| Loss on devaluation of investments | 25 | 1,044 | -1,019 |
| Loss on exchange of shares | - | -1,399 | 1,399 |
| Change in trade notes and accounts receivable | 46,152 | 39,872 | 6,280 |
| Change in inventories | -741 | 1,901 | -2,642 |
| Change in finance receivables | -62,677 | - | -62,677 |
| Change in residual interest on sold receivables | 43,373 | - | 43,373 |
| Change in trade notes and accounts payable | -53,333 | 31,919 | -85,252 |
| Others | -13,206 | -94,042 | 80,836 |
| | Sub total | 1,168 | 78,112 |
| Interest and dividend received | 5,975 | 5,001 | 974 |
| Interest paid | -12,673 | -13,358 | 685 |
| Income tax paid | -3,314 | -4,882 | 1,568 |
| | Cash flows from operating activities | -8,843 | 64,872 |
| Cash flows from investing activities | | | |
| Change in term deposits | 199 | -3,429 | 3,628 |
| Change in short-term investments | -15 | - | -15 |
| Acquisition of short-term investments | - | -59 | 59 |
| Proceeds from sales of short-term investments | - | 292 | -292 |
| Acquisition of tangible fixed assets | -60,217 | -80,031 | 19,814 |
| Proceeds from sales of tangible fixed assets | 42,938 | 42,745 | 193 |
| Acquisition of investments | -718 | -413 | -305 |
| Proceeds from sales of investments | 15,536 | 483 | 15,053 |
| Acquisition of subsidiaries accompanying change in scope of consolidation | -65 | - | -65 |
| Loans made | -3,540 | -516,402 | 512,862 |
| Collection of loans receivable | 670 | 518,867 | -518,197 |
| Purchase of minority interests | - | -1,993 | 1,993 |
| Others | -72 | -3,077 | 3,005 |
| | Cash flows from investing activities | -5,285 | -43,019 |
| Cash flows from financing activities | | | |
| Change in short-term borrowings and commercial papers | 16,967 | 95,009 | -78,042 |
| Proceeds from long-term loans payable | 146,320 | 43,832 | 102,488 |
| Repayment of long-term loans payable | -75,765 | -79,642 | 3,877 |
| Issuance of bonds | 61,774 | 13,174 | 48,600 |
| Redemption of bonds | -53,638 | -77,034 | 23,396 |
| Others | -64 | -322 | 258 |
| | Cash flows from financing activities | 95,594 | -4,983 |
| Effect of exchange rate changes on cash and cash equivalents | -1,079 | -4,490 | 3,411 |
| Net change in cash and cash equivalents | 80,386 | 12,378 | 68,008 |
| Cash and cash equivalents at beginning of term | 84,544 | 95,189 | -10,645 |
| Change in cash and cash equivalents due to changes in scope of consolidation | -2,443 | - | -2,443 |
| Cash and cash equivalents at end of term | 162,487 | 107,568 | 54,919 |

Basis of preparation of consolidated financial statements

1. Scope of consolidation

The consolidated financial statements include the accounts of Mitsubishi Motors Corporation and 111 of its subsidiaries, of which 53 are located in Japan and 58 outside Japan.

Consolidated subsidiaries in Japan include:

Tokyo Mitsubishi Motor Sales Co., Ltd., Tokyo Mitsubishi Motor Parts Sales Co., Ltd., Pajero Manufacturing Co., Ltd. and others.

Consolidated subsidiaries outside Japan include:

Mitsubishi Motors North America, Inc., Mitsubishi Motors Europe B.V., Mitsubishi Motors Australia Ltd, and others.

Included for this closing: _____ 2 companies
(Acquisition of subsidiary) Koriyama Mitsubishi Motor Sales Co., Ltd.
(Newly established) MME Purchasing

Excluded for this closing: _____ 15 companies
(Merger) Kanagawa Chuo Mitsubishi Motor Sales Co., Ltd. and 4 other companies
(Sales of stock) Ralliart France
(Revision of scope of consolidation)
MMC Estec Co., Ltd. and 8 other companies (Their impact is not material to the overall consolidation).

2. Application of equity method

Affiliates: _____ 22 companies
Mitsubishi Fuso Truck and Bus Corporation, Mitsubishi Auto Credit-Lease Corporation, P.T. Mitsubishi Krama Yjdha Motors & others.

Included for this closing: _____ 1 company
(Transferred from cost method) Nationwide Distribution Service Co., Ltd

Excluded for this closing: _____ 4 companies
(Revision of scope of consolidation)
Ryoin Co., Ltd. and 3 other companies (Their impact is not material to the overall consolidation).

3. Accounting Policies

(1) Accounting standard for valuation of major assets

?Marketable securities

Held-to-maturity bonds..... At cost using the moving-average method.

Other marketable securities

With market value..... At market, based on market value on date of book-closing. (Net unrealized gain/loss booked directly to Shareholders' equity. Selling cost is computed by the moving-average method.).

Without market value..... At cost using the moving-average method.

?Derivative instruments..... Valued at market (excluding swaps meeting the special provisions of the accounting standard)

?Inventories: basis and method of valuation

Companies preparing consolidated financial statements and consolidated subsidiaries in Japan.

..... Primarily on first-in first-out basis.

Overseas consolidated subsidiaries..... Cost or market, whichever is lower, using the specific identification cost method.

(2) Depreciation of fixed assets

?Tangible fixed assets

Companies preparing consolidated financial statements and consolidated subsidiaries in Japan

..... Declining balance method. Buildings (excluding related fixtures and facilities) acquired after 1 April 1998 are computed by the straight-line method.

Overseas consolidated subsidiaries..... Straight-line method.

?Intangible fixed assets..... Straight-line method.

(3) Allowances: accounting standards

?Doubtful accounts

To provide against possible losses arising from accounts and loans receivable, a doubtful account allowance is included in the Balance sheet calculated on the basis of historical data for general receivables, and on the basis of individual estimates of specific receivables considered to be uncollectible.

?Warranty claims

To provide for future after-sales service costs and expenses, a warranty claims allowance is included in the Balance sheet calculated on the basis of past experience in line with the terms of warranty agreements.

?Accrued severance indemnities

Accrued retirement benefits for employees at September 30 2003 have been provided mainly at an amount calculated from the retirement benefit obligation and the fair value of the pension plan assets. The full amount of the transition difference arising from the adoption of the new accounting standard for retirement benefits was charged to expenses in the first year the new accounting standard was adopted.

Prior service cost is being amortized using the straight-line method over a 10-year period that is within the estimated average remaining service years of the employees.

Actuarial gains and losses that arise are amortized commencing the following fiscal year using the straight-line method over a 10-year period that is within the estimated average remaining service years of the employees.

Directors and statutory auditors severance benefits are provided at the amount estimated necessary at book-closing based on the regulations of the Company.

(4) Significant foreign currency transactions

Foreign currency cash claims and obligations are translated into yen at the exchange rate on the day of book-closing; translation differences included in the statement of income / loss. Foreign currency assets and liabilities of overseas consolidated subsidiaries are translated into yen at the exchange rate on the day of book-closing, and the foreign currency revenues and expenses of these companies are translated into yen at the average exchange rate for the period. Differences arising on consolidation of overseas subsidiaries are booked as Translation Adjustments in the "Stockholders' equity and Minority interests" section of Balance sheet.

(5) Significant lease transactions

Companies preparing consolidated financial statements and consolidated subsidiaries in Japan, finance leases, excluding leases in which ownership is recognized to have transferred to the lessee, are accounted for as ordinary rental transactions.

For overseas consolidated subsidiaries, finance leases are accounted for as ordinary purchase transactions.

(6) Major hedge accounting basis

?Forward exchange contracts..... Scheduled transactions are booked using deferral hedge accounting.

?Interest swaps.....Booked using deferral hedge accounting or in accordance with the special provisions of the accounting standard.

(7) Other significant accounting standards

?Consumption tax.....Transactions are recorded net of consumption tax and regional consumption taxes.

?Installment sales profit..... A number of consolidated subsidiaries apply the installment receivables standard.

(8)Consolidated tax return

The company has adopted the consolidated tax return procedure.

4. Assets included in consolidated statements of cash flows

The cash and cash equivalents included in the consolidated statements of cash flows include cash in hand, deposits repayable on demand, and short-term investments that are easily convertible into cash, that are exposed to low price fluctuation risks and that have original maturities of three months or less when purchased.

5. Supplementary information

Following the recent weakness in the North American economy, a higher probability was assigned to the higher end of the range of future credit losses estimated in the finance company, Mitsubishi Motors Credit of America, Inc. An allowance for doubtful accounts of 41,682 millions of yen, including an one time unusual amount to bring the valuation to a more conservative estimate of value as compared to prior estimates, was recorded in cost of sales during this term.

Notes to consolidated financial statements

| 1. Consolidated balance sheet | | in millions of yen |
|---|--|--------------------|
| (1) Accumulated depreciation of tangible fixed assets | | 1,268,440 |
| (2) Assets pledged as collateral | Account & Notes receivable | 2,329 |
| (excluding asset groups pledged subject to floating charge) | Short-term & long-term sales finance receivables | 117,357 |
| | Investments | 22,245 |
| | Tangible assets | 55,610 |
| | Other | 5,890 |
| Asset groups pledged subject to floating charge | Tangible assets | 61,496 |
| Secured liabilities | Short-term & long-term loans payable | 261,287 |
| (3) Non-consolidated subsidiaries and affiliates included in "Investments" and "other non-current assets" | Investments | 114,100 |
| | Other non-current assets | 5,440 |
| (3) Guarantee liabilities | Guarantee liabilities | 7,753 |
| | Other guarantee liabilities | 4,675 |
| (4) Outstanding balance of securitized assets | Notes and account receivable | 27,447 |
| | Finance receivables | 600,750 |
| (5) Commitment lines | Commitment lines | 105,900 |
| | Used lines of credit | - |
| | Unused lines of credit | 105,900 |
| (6) Goodwill Including "Other non-current liabilities" | | 3,063 |
| 2. Consolidated statement of income / loss | | in millions of yen |
| (1) Extraordinary gains | Gain on sales of fixed assets | 14,705 |
| | Reversal of Restructuring costs | 2,193 |
| | Other gains | #REF! |
| (2) Extraordinary losses | Loss on disposal of fixed assets | 3,043 |
| | Other losses | 371 |
| (3) R&D expenditure included in sales and general administration costs | | 40,197 |
| (4) Accounting treatment of income taxes | | |
| Included in income taxes is the adjustment to income taxes arising from the simplified method use to calculate the income tax charge for the half year. | | |

3. Consolidated statement of cash flows

The relationship between cash and cash equivalents and the amounts reported in the consolidated balance sheet is as follows:

| | in millions of yen |
|---|--------------------|
| Cash deposits | 160,678 |
| Term deposits of three months or more | -535 |
| Trading securities with original maturities of three months or less | 2,344 |
| Cash and cash equivalents | 162,487 |

Segment information

(1) Business segment

in millions of yen

| FY2003 half year | Automotive | Financial services | Total | Eliminations or Corporate | Consolidated |
|------------------------------|------------|--------------------|-----------|---------------------------|--------------|
| Sales & operating profit | | | | | |
| Sales | | | | | |
| (1) External customers | 1,166,707 | 40,125 | 1,206,832 | - | 1,206,832 |
| (2) Intersegment & transfers | (3,410) | 205 | (3,205) | 3,205 | - |
| Total | 1,163,296 | 40,330 | 1,203,627 | 3,205 | 1,206,832 |
| Operating expenses | 1,198,358 | 85,253 | 1,283,612 | (429) | 1,283,182 |
| Operating profit or loss | (35,061) | (44,923) | (79,985) | 3,634 | (76,350) |

Note: 1. Operations are divided by sector and by market

2. Major products by operation

(1) Automotive..... Passenger cars

(2) Financing..... Sales financing

in millions of yen

| FY2002 half year | Automotive | Financial services | Total | Eliminations or Corporate | Consolidated |
|------------------------------|------------|--------------------|-----------|---------------------------|--------------|
| Sales & operating profit | | | | | |
| Sales | | | | | |
| (1) External customers | 1,576,648 | 42,296 | 1,618,944 | - | 1,618,944 |
| (2) Intersegment & transfers | 370 | 101 | 472 | (472) | - |
| Total | 1,577,018 | 42,398 | 1,619,416 | (472) | 1,618,944 |
| Operating expenses | 1,545,582 | 50,569 | 1,596,151 | (685) | 1,595,465 |
| Operating profit or loss | 31,436 | (8,170) | 23,265 | 213 | 23,479 |

in millions of yen

| FY2002 full year | Automotive | Financial services | Total | Eliminations or Corporate | Consolidated |
|---|------------|--------------------|-----------|---------------------------|--------------|
| 1. Sales & operating profit | | | | | |
| Sales | | | | | |
| (1) External customers | 3,809,474 | 75,399 | 3,884,874 | - | 3,884,874 |
| (2) Intersegment & transfers | 288 | 2,746 | 3,035 | (3,035) | - |
| Total | 3,809,762 | 78,146 | 3,887,909 | (3,035) | 3,884,874 |
| Operating expenses | 3,685,399 | 118,284 | 3,803,684 | (1,571) | 3,802,112 |
| Operating profit or loss | 124,363 | (40,137) | 84,225 | (1,463) | 82,761 |
| 2. Assets, depreciation & capital expenditure | | | | | |
| Assets | 2,948,982 | 530,398 | 2,579,380 | (154,027) | 2,425,352 |
| Depreciation | 139,744 | 53,521 | 193,265 | | 193,265 |
| Capital expenditure | 128,676 | 72,860 | 201,537 | | 201,537 |

Note: 1. Operations are divided by sector and by market

2. Major products by operation

(1) Automotive..... Passenger cars, trucks and buses

(2) Financing..... Sales financing

(2) Geographical segment

in millions of yen

| FY2003 half year | Japan | North America | Europe | Asia | Other | Total | Eliminations or Corporate | Consolidated |
|------------------------------|----------|---------------|---------|--------|----------|-----------|---------------------------|--------------|
| Sales & operating profit | | | | | | | | |
| Sales | | | | | | | | |
| (1) External customers | 481,807 | 274,420 | 319,005 | 46,634 | 84,964 | 1,206,832 | - | 1,206,832 |
| (2) Intersegment & transfers | 253,943 | 4,067 | - | 49,388 | 4,603 | 312,002 | (312,002) | - |
| Total | 735,750 | 278,487 | 319,005 | 96,023 | 89,568 | 1,518,835 | (312,002) | 1,206,832 |
| Operating expenses | 744,147 | 352,553 | 311,459 | 87,768 | 97,411 | 1,593,340 | (310,157) | 1,283,182 |
| Operating profit or loss | (8,396) | (74,066) | 7,546 | 8,254 | (7,842) | (74,505) | (1,845) | (76,350) |

Note: 1. National and regional groupings are by geographical proximity.

2. Main countries and regions outside Japan are grouped as follows:

(1) North America..... United States of America, Puerto Rico

(2) Europe..... The Netherlands

(3) Asia..... Thailand, Philippines

(4) Other..... Australia, New Zealand, U.A.E

in millions of yen

| FY2002 half year | Japan | North America | Europe | Asia | Other | Total | Eliminations or Corporate | Consolidated |
|------------------------------|-----------|---------------|----------|--------|---------|-----------|---------------------------|--------------|
| Sales & operating profit | | | | | | | | |
| Sales | | | | | | | | |
| (1) External customers | 716,907 | 477,212 | 289,355 | 39,271 | 96,197 | 1,618,944 | - | 1,618,944 |
| (2) Intersegment & transfers | 395,479 | 3,741 | 2,289 | 50,869 | 22,806 | 475,187 | (475,187) | - |
| Total | 1,112,387 | 480,954 | 291,645 | 90,141 | 119,004 | 2,094,131 | (475,187) | 1,618,944 |
| Operating expenses | 1,110,618 | 453,253 | 297,743 | 88,192 | 119,430 | 2,069,238 | (473,773) | 1,595,465 |
| Operating profit or loss | 1,769 | 27,700 | (6,098) | 1,948 | (426) | 24,893 | (1,414) | 23,479 |

in millions of yen

| FY2002 full year | Japan | North America | Europe | Asia | Other | Total | Eliminations or Corporate | Consolidated |
|------------------------------|-----------|---------------|-----------|---------|---------|-----------|---------------------------|--------------|
| 1. Sales & operating profit | | | | | | | | |
| Sales | | | | | | | | |
| (1) External customers | 1,582,978 | 1,196,050 | 758,111 | 107,343 | 240,390 | 3,884,874 | - | 3,884,874 |
| (2) Intersegment & transfers | 771,230 | 8,999 | 3,649 | 131,387 | 57,002 | 972,270 | (972,270) | - |
| Total | 2,354,208 | 1,205,049 | 761,760 | 238,731 | 297,393 | 4,857,144 | (972,270) | 3,884,874 |
| Operating expenses | 2,307,953 | 1,171,274 | 772,308 | 226,763 | 291,319 | 4,769,618 | (967,506) | 3,802,112 |
| Operating profit or loss | 46,225 | 33,775 | (10,547) | 11,968 | 6,073 | 87,525 | (4,763) | 82,761 |
| 2. Assets | 1,424,496 | 970,459 | 297,037 | 87,934 | 104,624 | 2,884,552 | (459,199) | 2,425,352 |

Note: 1. National and regional groupings are by geographical proximity.

2. Main countries and regions outside Japan are grouped as follows:

(1) North America..... United States of America

(2) Europe..... The Netherlands

(3) Asia..... Thailand, Philippines

(4) Other..... Australia, New Zealand, Puerto Rico, U.A.E

(3) Overseas sales in millions of yen

| FY2003 half year | North America | Europe | Asia | Other | Total |
|------------------------------|---------------|---------|---------|---------|-----------|
| 1. Overseas sales | 281,230 | 318,790 | 154,364 | 159,913 | 914,298 |
| 2. Consolidated sales | | | | | 1,206,832 |
| 3. Percentage of total sales | 23.3% | 26.4% | 12.8% | 13.3% | 75.8% |

- Note: 1. National and regional groupings are by geographical proximity.
2. Main countries and regions outside Japan are grouped as follows:
(1) North America..... United states of America, Puerto Rico
(2) Europe..... The Netherlands, Italy, Germany
(3) Asia..... Thailand, Malaysia, Taiwan
(4) Other..... Australia, New Zealand
3. Overseas sales include export sales of MMC and its consolidated subsidiaries and sales (other than export to Japan) of its foreign consolidated subsidiaries.

in millions of yen

| FY2002 half year | North America | Europe | Asia | Other | Total |
|------------------------------|---------------|---------|---------|---------|-----------|
| 1. Overseas sales | 485,238 | 284,078 | 155,170 | 192,470 | 1,116,957 |
| 2. Consolidated sales | | | | | 1,618,944 |
| 3. Percentage of total sales | 30.0% | 17.5% | 9.6% | 11.9% | 69.0% |

in millions of yen

| FY2002 full year | North America | Europe | Asia | Other | Total |
|------------------------------|---------------|---------|---------|---------|-----------|
| 1. Overseas sales | 1,217,176 | 752,462 | 355,508 | 450,810 | 2,775,958 |
| 2. Consolidated sales | | | | | 3,884,874 |
| 3. Percentage of total sales | 31.3% | 19.4% | 9.2% | 11.6% | 71.5% |

- Note: 1. National and regional grouping are by geographical proximity.
2. Main countries and regions outside Japan are grouped as follows:
(1) North America..... United states of America
(2) Europe..... The Netherlands, Italy, Germany
(3) Asia..... Thailand, Malaysia, Taiwan
(4) Other..... Australia, New Zealand, Puerto Rico
3. Overseas sales include export sales of MMC and its consolidated subsidiaries and sales (other than export to Japan) of its foreign consolidated subsidiaries.

Marketable securities(1) Held-to-maturity securities with market value in millions of yen

| | At 9/30/2003 | | | At 9/30/2002 | | | At 3/31/2003 | | |
|-------------------------------------|----------------------|--------------|-----------------------|----------------------|--------------|-----------------------|----------------------|--------------|-----------------------|
| | Balance sheet amount | Market value | Valuation gain / loss | Balance sheet amount | Market value | Valuation gain / loss | Balance sheet amount | Market value | Valuation gain / loss |
| National and local Government bonds | - | - | - | 665 | 665 | 0 | - | - | - |
| Total | - | - | - | 665 | 665 | 0 | - | - | - |

(2) Other securities with market value in millions of yen

| | At 9/30/2003 | | | At 9/30/2002 | | | At 3/31/2003 | | |
|--------|----------------------|--------------|-----------------------|----------------------|--------------|-----------------------|----------------------|--------------|-----------------------|
| | Balance sheet amount | Market value | Valuation gain / loss | Balance sheet amount | Market value | Valuation gain / loss | Balance sheet amount | Market value | Valuation gain / loss |
| Shares | 29,385 | 72,865 | 43,479 | 55,410 | 106,030 | 50,620 | 29,850 | 84,163 | 54,312 |
| Total | 29,385 | 72,865 | 43,479 | 55,410 | 106,030 | 50,620 | 29,850 | 84,163 | 54,312 |

(3) Other securities without market value in millions of yen

| | FY2003 half year At 9/20/2003 | FY2002 half year At 9/30/2002 | FY2002 full year At 3/31/2003 |
|--|----------------------------------|----------------------------------|----------------------------------|
| Held-to-maturity bonds Non marketable foreign bonds | 2,423 | 3,465 | 2,284 |
| Other securities Non marketable securities Other | 19,919 - | 21,801 - | 19,612 1,909 |

Derivative financial instruments

Notional amounts, market value and valuation gain / loss

(1) Currency exchange contracts

in millions of yen

| Transactions | FY2003 half year At 9/30/2003 | | | FY2002 half year At 9/30/2002 | | | FY2002 full year At 3/31/2003 | | |
|-------------------------------------|----------------------------------|--------------|-----------------------|----------------------------------|--------------|-----------------------|----------------------------------|--------------|-----------------------|
| | Notional amount | Market value | Valuation gain / loss | Notional amount | Market value | Valuation gain / loss | Notional amount | Market value | Valuation gain / loss |
| Forward foreign exchange contracts: | | | | | | | | | |
| Sell: | | | | | | | | | |
| US Dollar | 41,010 | 37,873 | 3,136 | 30,559 | 30,607 | 48 | 6,024 | 6,072 | 47 |
| Euro | 1,912 | 1,935 | 22 | 86,812 | 91,995 | 5,182 | 18,728 | 20,049 | 1,321 |
| GB Pound | 127 | 128 | 0 | 1,307 | 1,353 | 46 | 154 | 155 | 0 |
| Canadian Dollar | 6,081 | 6,475 | 394 | 1,916 | 1,963 | 46 | 1,976 | 2,117 | 141 |
| Buy: | | | | | | | | | |
| US Dollar | - | - | - | 19,604 | 18,311 | 1,293 | - | - | - |
| Euro | 12,595 | 12,850 | 254 | - | - | - | - | - | - |
| JP Yen | 3,944 | 3,814 | 129 | - | - | - | - | - | - |
| Currency options: | | | | | | | | | |
| Sell: | | | | | | | | | |
| US Dollar Call | - | - | - | 14,591 | - | - | 8,791 | - | - |
| Euro Call | (701) | 520 | 181 | (203) | 356 | 152 | (172) | 32 | 139 |
| US Dollar Put | - | - | - | 28,000 | - | - | 9,550 | - | - |
| Euro Put | (701) | - | - | (545) | 261 | 284 | (212) | 166 | 45 |
| US Dollar Put | - | - | - | - | - | - | 50,587 | - | - |
| Euro Put | (701) | 287 | 414 | (701) | - | - | (894) | 376 | 518 |
| Total | - | - | 2,611 | - | - | 7,053 | - | - | 2,500 |

Note: Derivative transactions covered by hedge accounting are excluded from above.

(2) Interest rate swaps:

in millions of yen

| Transactions | FY2003 half year At 9/30/2003 | | | FY2002 half year At 9/30/2002 | | | FY2002 full year At 3/31/2003 | | |
|--|----------------------------------|--------------|-----------------------|----------------------------------|--------------|-----------------------|----------------------------------|--------------|-----------------------|
| | Notional amount | Market value | Valuation gain / loss | Notional amount | Market value | Valuation gain / loss | Notional amount | Market value | Valuation gain / loss |
| Interest rate swaps: Pay-fixed, receive-floating | 107,912 | 1,369 | 1,369 | 93,455 | 3,508 | 3,508 | 82,938 | 2,463 | 2,463 |
| Total | - | - | 1,369 | - | - | 3,508 | - | - | 2,463 |

Note: Derivative transactions covered by hedge accounting are excluded from above.