

(TRANSLATION OF ORIGINAL JAPANESE)

FY2006 Third Quarter Results: Consolidated Financial Statements

(April 1, 2006 through December 31, 2006)

February 6, 2007

Mitsubishi Motors Corporation

(Code: 7211, 1st Section, TSE & OSE)

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1. Basis for preparation of quarterly consolidated financial statements

- 1) Adoption of simplified accounting policies : Applicable
Partial adoption of simplified accounting policy in calculation of income tax.
- 2) Change in accounting policies : Not applicable
- 3) Change in scope of consolidation and equity method : Applicable
- | | | | | | |
|---------------|---------|---|--------------------------|---------|---|
| Consolidation | Include | 1 | Equity Method Affiliates | Include | 2 |
| | Exclude | 8 | | Exclude | 9 |

2. Financial highlights (April 1, 2006 through December 31, 2006)

(1) Consolidated financial results

Note: amounts are rounded down to the nearest one million Yen

	Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2006 3Q	1,544,090	0.9	6,373	-	-6,370	-	-11,764	-
FY2005 3Q	1,529,608	-5.5	-18,174	-	-33,769	-	-68,123	-
(Ref.) FY2005	2,120,068		6,783		-17,780		-92,166	

	Net Income per Share-Basic	Net Income per Share-Diluted
	Yen	Yen
FY2006 3Q	-2.14	-
FY2005 3Q	-15.44	-
(Ref.) FY2005	-19.75	-

Note: Sales, Operating Income, Ordinary Income and Net Income percentages indicate changes over same period in the previous fiscal year.

[Qualitative information on business performance]

In the first three quarters of the FY2006 (April through December 2006, nine months) Net Sales totaled one trillion 544.1 billion yen, up 14.5 billion yen over same period last fiscal year.

Unit volume (retail) fell 86,000 units year-on-year to 899,000 units, mainly due to a drop in volume in the Asia and Rest of World region.

Regionally, unit volume totals were the following: In Japan, due mainly to an increase in mini-car sales, volume grew 7,000 units year-on-year to 170,000 units. In North America, due mainly to new models introduced (Eclipse Spyder and Outlander), volume grew 2,000 units year-on-year to 123,000 units. In Europe, strong growth mainly in Russia and the Ukraine boosted volume for the region 11,000 units year-on-year to 206,000 units. Finally in the Asia and Rest of World region, despite growth in the Mid East and Africa, weakness in China, Taiwan, Indonesia, Malaysia and other markets caused volume for the region to fall 106,000 units year-on-year to 400,000 units.

Net sales increased 14.5 billion yen year-on-year from one trillion 529.6 billion yen to one trillion 544.1 billion yen. The gain stems principally from increased sales of built-up vehicles and from favorable yen exchange rates which offset declines in overseas OEM supply volumes and in shipments of parts for use in local production.

Operating profit totaled 6.4 billion yen, 24.6 billion yen better than the same period last fiscal year. Factors contributing to this improvement include: the fact that the drop in overall sales volume had only a limited impact on profitability due to the greater ratio of built-up vehicles in overall volume; improved profitability of auto financing operations in the United States; favorable foreign exchange rate movements; and, reductions in marketing and overhead costs.

Mainly lower interest expense brought non-operating loss to 12.8 billion, an improvement of 2.8 billion yen over last year's loss of 15.6 billion. As a result of the non-operating loss, ordinary income showed a loss of 6.4 billion yen, a 27.4 billion improvement over last year's 33.8 billion yen loss. Finally, net loss totaled 11.8 billion yen for the period, a year-on-year improvement of 56.3 billion yen. Factors contributing to this improvement include: the elimination of depreciation losses on assets in Japan and of restructuring and reforming losses booked last year, as well as extraordinary earnings stemming from the termination of dormant partnership real estate trust operations.

(2) Consolidated financial position

Note: amounts are rounded down to the nearest one million Yen.

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	Million Yen	Million Yen	%	Yen
FY2006 3Q	1,694,530	276,073	15.6	-32.44
FY2005 3Q	1,557,316	261,110	16.8	-29.79
(Ref.) FY2005	1,557,570	268,678	17.2	-31.67

[Qualitative Information on Changes in Consolidated Financial Position]

Total assets at the end of the FY 2006 3rd quarter totaled one trillion 694.5 billion yen, an increase of 136.9 billion from the total at the end of FY2005 (March 31, 2006). Factors included the following: an inventory increased 94 billion yen due to a buildup associated with new-model (and related parts) introduction; tangible fixed assets increased 25.7 billion yen on buyout of leased equipment due to the termination of OEM agreements overseas and other issues; cash and deposits increased 25.7 billion due to delays in depositing as a result of bank holidays.

Total liabilities increased 142.1 billion yen from the March 31, 2006 total, to one trillion 418.4 billion yen due to factors including a middle-term syndication loan.

Due mainly to the net loss recorded in the period, net assets fell 5.2 billion yen compared the March 31, 2006 total from 281.3 billion yen to 276.1 billion yen.

Appendix

Quarterly consolidated balance sheet, Quarterly consolidated income/loss statement

[Reference]

FY 2006 Consolidated Results Forecast (April 1, 2006 - March 31, 2007)

	Sales	Ordinary Income	Net Income
	Million yen	Million yen	Million yen
Full Year	2,230,000	21,000	8,000

[Qualitative Information on Results Forecast]

No change is being made to the forecast announced on October 30, 2006.

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.

3. Consolidated financial statements

(1) Consolidated balance sheet

in millions of Yen

	At 12/31/2006	At 3/31/2006	Change	Reference At 12/31/2005
Assets				
Current assets	(947,749)	(842,306)	(105,443)	(803,258)
Cash and cash deposits	284,700	259,045	25,655	248,181
Trade notes and accounts receivable	147,582	179,101	-31,519	135,506
Finance receivables	49,224	39,278	9,946	32,000
Marketable securities	5,119	5,365	-246	7,492
Inventories	351,931	257,946	93,985	278,584
Short-term loans receivable	1,284	2,047	-763	2,023
Deferred tax assets	1,317	1,206	111	1,318
Others	138,021	124,120	13,901	118,143
Allowance for doubtful accounts	-31,431	-25,805	-5,626	-19,992
Non-Current assets	(746,780)	(715,263)	(31,517)	(754,057)
Tangible fixed assets	531,677	506,007	25,670	530,965
Intangible fixed assets	26,209	25,836	373	26,054
Long-term finance receivables	25,254	8,365	16,889	4,290
Investment securities	78,295	74,126	4,169	75,558
Long-term loans receivable	12,665	12,900	-235	12,672
Residual interest in securitized assets	12,085	69,751	-57,666	99,347
Deferred tax assets	9,362	7,413	1,949	7,494
Others	69,110	65,841	3,269	72,516
Allowance for doubtful accounts	-17,880	-54,979	37,099	-74,842
Total assets	(1,694,530)	(1,557,570)	(136,960)	(1,557,316)

	At 12/31/2006	At 3/31/2006	Change	Reference At 12/31/2005
Liabilities, minority interest, & shareholders' equity				
Current liabilities	(976,067)	(867,160)	(108,907)	(906,175)
Trade notes and accounts payable	389,513	333,842	55,671	351,617
Short-term loans payable	283,104	244,362	38,742	262,379
Accrued expenses and other payables	184,254	181,553	2,701	187,492
Accrued income taxes	4,379	7,371	-2,992	5,195
Allowance for warranty claims	50,396	49,589	807	50,553
Others	64,418	50,441	13,977	48,937
Non-current liabilities	(442,389)	(409,150)	(33,239)	(378,130)
Bonds	51,670	57,640	-5,970	51,850
Long-term loans payable	163,891	145,749	18,142	128,863
Deferred tax liabilities	23,720	18,251	5,469	18,270
Accrued retirement benefits	106,015	102,787	3,228	104,254
Accrued retirement benefits for executives	1,016	1,958	-942	1,863
Others	96,075	82,762	13,313	73,027
Total liabilities	(1,418,456)	(1,276,311)	(142,145)	(1,284,305)
Minority interest	(-)	(12,580)	(-)	(11,900)
Shareholders' equity				
Common and preferred stock	-	657,336	-	642,326
Capital surplus	-	432,648	-	417,638
Retained earnings	-	-749,198	-	-725,150
Unrealized gains/losses on securities	-	9,046	-	9,186
Foreign currency translation adjustments	-	-81,142	-	-82,877
Treasury stock	-	-12	-	-12
Total shareholders' equity	-	(268,678)	-	(261,110)
Total liabilities, minority interest, & shareholders' equity	-	(1,557,570)	-	(1,557,316)
Net assets				
Common and preferred stock	657,342	-	-	-
Capital surplus	432,654	-	-	-
Retained earnings	-760,964	-	-	-
Treasury stock	-13	-	-	-
Total owners' equity	(329,018)	(-)	(-)	(-)
Unrealized gains/losses on securities	9,906	-	-	-
Deferred gains/losses on hedge activities	-1,845	-	-	-
Foreign currency translation adjustments	-72,604	-	-	-
Total unrealized gains/losses, foreign currency translation adjustments, & others	(-64,544)	(-)	(-)	(-)
Minority interest	11,599	-	-	-
Total net assets	(276,073)	(-)	(-)	(-)
Total liabilities & net assets	(1,694,530)	(-)	(-)	(-)

(2) Consolidated statement of income

in millions of Yen

					Reference
	4/1/06-12/31/06	4/1/05-12/31/05	Change	% Change	4/1/05-3/31/06
Sales	1,544,090	1,529,608	14,482	0.9	2,120,068
Cost of sales	1,258,905	1,243,242	15,663	1.3	1,700,524
Gross profit before provision for unrealized profit on installment sales	285,185	286,365	-1,180	-0.4	419,543
Provision for unrealized profit on installment sales	0	-	0		0
Gross profit	285,186	286,365	-1,179	-0.4	419,544
Selling, general and administrative expenses	278,812	304,539	-25,727		412,760
Operating income	6,373	-18,174	24,547	-	6,783
Non-operating income	9,527	11,841	-2,314		9,689
(Interest and dividend income)	(6,407)	(4,384)	(2,023)		(5,105)
(Others)	(3,120)	(7,457)	(-4,337)		(4,584)
Non-operating expenses	22,271	27,435	-5,164		34,253
(Interest expense)	(14,889)	(14,990)	(-101)		(19,580)
(Others)	(7,381)	(12,445)	(-5,064)		(14,672)
Ordinary income	-6,370	-33,769	27,399	-	-17,780
Extraordinary gains	11,040	4,097	6,943		9,153
Extraordinary losses	7,450	31,921	-24,471		74,119
Net income before income taxes	-2,780	-61,593	58,813	-	-82,745
Income taxes	7,972	5,708	2,264		7,909
Income to minority interest	-1,011	-821	-190		-1,511
Net income	-11,764	-68,123	56,359	-	-92,166

(3) Changes in net assets

FY2006 3Q 4/1/06-12/31/06

in millions of Yen

	Owners' equity					Unrealized gains/losses, Forex translation adjustments, & others				Minority interest	Total net assets
	Common and preferred stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity	Unrealized gains/losses on securities	Deferred gains/losses on hedge activities	Forex translation adjustments	Total unrealized gains/losses, forex translation adjustments, & others		
Balance at the end of the previous period	657,336	432,648	-749,198	-12	340,774	9,046	-	-81,142	-72,095	12,580	281,259
Changes in items during the period											
Issuance of stock	5	5			11						11
Acquisition of treasury stock				-0	-0						-0
Net loss			-11,764		-11,764						-11,764
Decrease due to new consolidation			-1		-1						-1
Net change in items other than owners' equity						859	-1,845	8,537	7,550	-980	6,570
Total change in items during the period	5	5	-11,766	-0	-11,755	859	-1,845	8,537	7,550	-980	-5,185
Balance at the end of the period	657,342	432,654	-760,964	-13	329,018	9,906	-1,845	-72,604	-64,544	11,599	276,073

(Segment information)

(1) Business segment

in millions of Yen

FY2006 3Q	Automotive	Financial Services	Total	Eliminations for Consolidation	Consolidated
Sales & operating income					
Sales					
(1) External customers	1,508,247	35,843	1,544,090	-	1,544,090
(2) Intersegment sales & transfers	39	-	39	-39	-
Total	1,508,286	35,843	1,544,129	-39	1,544,090
Operating expenses	1,517,927	19,789	1,537,717	-	1,537,717
Operating income	-9,640	16,053	6,412	-39	6,373

in millions of Yen

FY2005 3Q	Automotive	Financial Services	Total	Eliminations for Consolidation	Consolidated
Sales & operating income					
Sales					
(1) External customers	1,501,289	28,318	1,529,608	-	1,529,608
(2) Intersegment sales & transfers	-106	-	-106	106	-
Total	1,501,182	28,318	1,529,501	106	1,529,608
Operating expenses	1,524,601	25,001	1,549,602	-1,819	1,547,782
Operating income	-23,418	3,317	-20,101	1,926	-18,174

[Reference]

in millions of Yen

FY2005	Automotive	Financial Services	Total	Eliminations for Consolidation	Consolidated
Sales & operating income					
Sales					
(1) External customers	2,080,884	39,183	2,120,068	-	2,120,068
(2) Intersegment sales & transfers	-1	-	-1	1	-
Total	2,080,883	39,183	2,120,067	1	2,120,068
Operating expenses	2,087,026	28,764	2,115,791	-2,506	2,113,284
Operating income	-6,142	10,418	4,276	2,507	6,783
Assets, depreciation, impairment loss & capital expenditure					
Assets	1,453,123	127,607	1,580,731	-23,161	1,557,570
Depreciation	60,944	8,541	69,486	-	69,486
Impairment loss	45,084	-	45,084	-	45,084
Capital expenditure	119,460	8,904	128,365	-	128,365

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

2. Major products by business segment

(1) Automotive Passenger cars

(2) Financial Services Financial Services products

(2) Geographical segment

in millions of Yen

FY2006 3Q	Japan	North America	Europe	Asia	Others	Total	Eliminations for Consolidation	Consolidated
Sales & operating income								
Sales								
(1) External customers	611,651	299,612	455,450	60,841	116,534	1,544,090	-	1,544,090
(2) Intersegment sales & transfers	394,626	17,902	17,902	139,587	283	570,302	-570,302	-
Total	1,006,278	317,515	473,353	200,428	116,818	2,114,393	-570,302	1,544,090
Operating expenses	1,025,559	316,207	459,250	185,253	121,817	2,108,089	-570,372	1,537,717
Operating income	-19,281	1,307	14,102	15,175	-4,999	6,303	69	6,373

in millions of Yen

FY2005 3Q	Japan	North America	Europe	Asia	Others	Total	Eliminations for Consolidation	Consolidated
Sales & operating income								
Sales								
(1) External customers	599,753	303,214	418,741	80,786	127,112	1,529,608	-	1,529,608
(2) Intersegment sales & transfers	362,356	9,356	10,795	79,610	932	463,051	-463,051	-
Total	962,110	312,570	429,537	160,396	128,044	1,992,659	-463,051	1,529,608
Operating expenses	987,609	320,434	419,496	147,878	131,818	2,007,236	-459,454	1,547,782
Operating income	-25,499	-7,863	10,041	12,518	-3,774	-14,577	-3,597	-18,174

[Reference]

in millions of Yen

FY2005	Japan	North America	Europe	Asia	Others	Total	Eliminations for Consolidation	Consolidated
Sales & operating income								
Sales								
(1) External customers	876,752	388,466	583,122	106,535	165,191	2,120,068	-	2,120,068
(2) Intersegment sales & transfers	475,429	12,763	14,463	121,963	1,055	625,675	-625,675	-
Total	1,352,182	401,229	597,585	228,498	166,247	2,745,744	-625,675	2,120,068
Operating expenses	1,363,040	405,120	588,296	213,278	171,279	2,741,015	-627,730	2,113,284
Operating income	-10,857	-3,891	9,288	15,220	-5,031	4,728	2,054	6,783
Assets	1,130,673	315,155	198,625	164,609	73,948	1,883,011	-325,441	1,557,570

Note: 1. Sales figures for geographical segments are classified by the region of the consolidated Mitsubishi Motors entity primarily involved in the transaction, both local sales and exports. The figures are not classified by the region of the wholesaler or end user. National and regional groupings are by geographical proximity.

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

- (1) North America.....United States, Puerto Rico
- (2) Europe.....The Netherlands
- (3) Asia.....Thailand, Philippines
- (4) Others.....Australia, New Zealand, U.A.E.

(3) Overseas sales

in millions of Yen

FY2006 3Q	North America	Europe	Asia	Others	Total
. Overseas sales	320,574	457,997	131,609	287,842	1,198,023
. Consolidated sales					1,544,090
. Overseas sales as a percentage of total sales	20.8%	29.7%	8.5%	18.6%	77.6%

in millions of Yen

FY2005 3Q	North America	Europe	Asia	Others	Total
. Overseas sales	321,012	419,865	180,647	274,153	1,195,680
. Consolidated sales					1,529,608
. Overseas sales as a percentage of total sales	21.0%	27.5%	11.8%	17.9%	78.2%

[Reference]

in millions of Yen

FY2005	North America	Europe	Asia	Others	Total
. Overseas sales	415,614	586,167	235,775	378,357	1,615,914
. Consolidated sales					2,120,068
. Overseas sales as a percentage of total sales	19.6%	27.7%	11.1%	17.8%	76.2%

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, Puerto Rico

(2) Europe..... The Netherlands, Italy, Germany

(3) Asia..... Thailand, Malaysia, Taiwan

(4) Others.....Australia, New Zealand

3. Overseas sales are classified by the region of the wholesaler and end user. The figures include both local sales of consolidated subsidiaries and export sales from Japan and consolidated subsidiaries.

【Reference】 Non-consolidated financial statements

Statement of income (Summary version)

in millions of Yen

	4/1/'06 - 12/31/'06	4/1/'05 - 12/31/'05	Change
Sales	931,243	896,015	35,228
Operating income	- 20,128	- 22,568	2,440
Ordinary income	- 23,416	- 21,710	- 1,706
Net income before income taxes	- 28,435	- 60,132	31,697
Income taxes	- 732	4,653	- 5,385
Net income	- 27,702	- 64,786	37,084

Balance sheet (Summary version)

in millions of Yen

	At 12/31/2006	At 3/31/2006	Change
(Assets)			
(Current assets)	(636,150)	(588,203)	(47,947)
Cash and cash deposits	191,929	183,701	8,228
Trade notes and accounts receivable	143,371	148,354	- 4,983
Short-term loans receivable	42,815	96,300	- 53,485
Others	258,033	159,847	98,186
(Non-current assets)	(489,017)	(456,579)	(32,438)
Tangible fixed assets	202,982	196,832	6,150
Intangible fixed assets	13,299	14,638	- 1,339
Investments and other assets	272,735	245,108	27,627
Total assets	1,125,168	1,044,783	80,385
(Liabilities)			
(Current liabilities)	(593,271)	(487,275)	(105,996)
Trade notes and accounts payable	324,058	250,803	73,255
Short-term loans payable	112,849	78,367	34,482
Others	156,363	158,104	- 1,741
(Non-current liabilities)	(329,597)	(325,755)	(3,842)
Bonds	27,600	36,300	- 8,700
Long-term loans payable	128,178	121,747	6,431
Others	173,819	167,708	6,111
Total liabilities	922,869	813,030	109,839
(Shareholders' equity)			
Common and preferred stock	-	657,336	-
Capital surplus	-	433,184	-
Retained earnings	-	- 867,475	-
Unrealized gains/losses on securities	-	8,719	-
Treasury stock	-	- 12	-
Total shareholders' equity	-	231,752	-
Total liabilities and shareholders' equity	-	1,044,783	-
(Net assets)			
(Owners' equity)	(195,341)	-	-
Common and preferred stock	657,342	-	-
Capital surplus	433,189	-	-
Retained earnings	- 895,177	-	-
Treasury stock	- 13	-	-
(Valuation and translation adjustments)	(6,958)	-	-
Total net assets	202,299	-	-
Total liabilities and net assets	1,125,168	-	-