(TRANSLATION OF ORIGINAL JAPANESE)

FY2007 Full Year Results: Consolidated Financial Statements

April 25, 2008

(April 1, 2007 through March 31, 2008)

Mitsubishi Motors Corporation

(Code: 7211 1st Section, Tokyo and Osaka Stock Exchange)

Code No.: 7211
Head office: Tokyo
(URL http://www.mitsubishi-motors.co.jp/)
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Scheduled date for ordinary general stockholders' meeting: June 19, 2008
Scheduled date for submitting Securities Report: June 20, 2008

(All amounts described in this report are rounded down to the nearest one million yen.)

1. Financial highlights (April 1, 2007 through March 31, 2008)

(1) Consolidated financial results

Note: Percentages indicate changes over the same period in the previous fiscal year.

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2007	2,682,103	21.8	108,596	169.9	85,731	362.3	34,710	296.9
FY2006	2,202,869	3.9	40,237	493.1	18,542	—	8,745	—

	Net Income per Share-Basic	Net Income per Share-Diluted	Return on Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Sales
	Yen	Yen	%	%	%
FY2007	6.30	3.81	11.3	5.1	4.1
FY2006	1.59	0.96	3.1	1.1	1.8

Note: Equity income from affiliates:

FY2007	*FY2006*
¥4,447 million	*¥2,166 million*

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
FY2007	1,609,408	328,132	19.7	-21.81
FY2006	1,778,693	308,304	16.6	-26.73

Note: Stockholders' equity:

FY2007	*FY2006*
¥316,814 million	*¥295,782 million*

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash & Cash Equivalents at End of Term
	Million Yen	Million Yen	Million Yen	Million Yen
FY2007	188,279	-48,865	-132,593	360,902
FY2006	162,345	-46,017	-11,287	364,268

2. Cash dividends

Record Date	Cash Dividend per Share			Total Annual Cash Dividends	Dividend Payout Ratio (Consolidated)	Ratio of dividends to Net Assets (Consolidated)
	Interim	Year-end	Full Year			
	Yen	Yen	Yen	Million Yen	%	%
FY2006	—	—	0.00	0	0.0	—
FY2007	—	—	0.00	0	0.0	—
FY2008 (Forecast)	—	—	0.00	—	0.0	—

3. FY2008 consolidated financial results forecast (April 1, 2008 through March 31, 2009)

Note: Percentages indicate changes over the same period in the previous fiscal year.

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2008 2nd quarter	1,250,000	-4.8	15,000	-20.3	10,000	50.8	0	—	0.00
FY2008 full year	2,650,100	-1.2	60,000	-44.7	48,000	-44.0	20,000	-42.4	3.61

4. Others

(1) Change to significant subsidiaries during the term (those changes resulting in change in scope of consolidation): No

(2) Change to accounting policy, procedure, and method of presentation for preparing consolidated financial statements (those to be described in the section of the *Change of Significant Accounting Policies on the Preparation of Consolidated Financial Statements*)

i. Change due to amendment of accounting standard: No
ii. Change due to other reasons: No

(3) Outstanding shares (common shares)

i. Shares outstanding at term-end (including treasury stock)

FY2007	FY2006
5,537,897,840 shares	5,491,516,544 shares

ii. Treasury stock

FY2007	FY2006
80,373 shares	76,934 shares

Note: For details on the number of shares as a basis of computing net income per share (consolidated), please refer to *Per share information* on page *xx*.

Reference: Summary of Non-consolidated Results

Financial highlights (April 1, 2007 through March 31, 2008)

(1) Non-consolidated financial results

Percentages indicate changes over same period in the previous fiscal year.

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2007	1,903,527	30.6	79,093	—	66,884	—	20,678	—
FY2006	1,457,016	15.6	-12,140	—	-20,725	—	-24,541	—

	Net Income per Share-Basic	Net Income per Share-Diluted
	Yen	Yen
FY2007	3.75	2.27
FY2006	-4.47	—

(2) Non-consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share – Basic
	Million Yen	Million Yen	%	Yen
FY2007	1,101,066	234,478	21.3	-36.68
FY2006	1,166,216	208,533	17.9	-42.62

Note: Stockholders' equity:

FY2007	*FY2006*
¥234,478 million	*¥208,533 million*

1. Management Results

(1) Analysis of management results

Overview of consolidated results for the current term

During the current consolidated fiscal year, even though the Japanese economy was buoyed by the strength of newly emerging economies and resource-rich countries such as Brazil, Russia, India and China, there was minimal economic expansion. This was due to turmoil in the financial market stemming from the sub-prime loan crisis in the United States and drastic increases in the price of raw materials such as crude oil. Despite these negative conditions, Mitsubishi Motors Corporation and its group of related companies (hereafter "MMC" or "the company") were able to exceed previous fiscal-year results in all areas including sales, operating income, ordinary income and net income. This was due to an increased number of units sold outside Japan, as well as a favorable model mix and currency movements as averaged out over the fiscal year.

Due to a downturn in the Japanese market (4.8% compared to the previous fiscal year), retail volume in Japan decreased for the period. However, in overseas markets, regional launches of global models such as the new Pajero, Outlander and Lancer models since the second half of the last fiscal year contributed to sales which surpassed those of the same period last year in North America, Europe, Asia and other areas. As a result, the overseas consolidated retail volume reached 1,140,000 units (an increase of 157,000 units,or 15.9 percent, compared to the previous fiscal year), and consolidated retail volume worldwide was 1,359,000 units (an increase of 129,000 units, or 10.4 percent, compared to the previous fiscal year).

In Japan, MMC sales dropped by 28,000 units compared to the previous fiscal year (an 11.3 percent decrease) for a total of 219,000 units. MMC's sales of registered vehicles rose 9.9 percent compared to the previous fiscal year due largely to the new Delica D:5 minivan, Galant Fortis, and Lancer Evolution X (total market demand for registered vehicles: 3.5 percent decrease). However, sales of minicars declined by 20.7 percent compared to the previous fiscal year (total market demand for minicars: 6.8 percent decrease).

In North America, the introduction of new Lancer and Outlander models helped sales to grow by 8,000 units compared to the previous fiscal year (up 4.7 percent), rising to 172,000 units.

In Europe, Russia and Ukraine propped up the market, while Germany and the U.K. were down. As a result, the overall volume was 341,000 units, up 59,000 units compared to the previous fiscal year (a 20.6 percent increase).

In Asia and other areas, in addition to steady growth in the Latin American, the Middle East and African regions, the increased import of finished vehicles in China and Australia, and increased sales in ASEAN countries including Indonesia where the market is recovering helped to raise sales. Therefore, the total vehicles sold in these areas increased by 90,000 units compared to the previous fiscal year (a 16.8 percent increase), amounting to 627,000 vehicles.

Consolidated sales for the current term were 2 trillion 682.1 billion yen (a year-on-year increase of 479.2 billion yen, up 21.8 percent) due to increased sales in overseas markets, the commencement of SUV supply for PSA Peugeot Citroën, and foreign exchange gains. By regions, in Japan, where retail volume has declined, and in North America, where model mix has changed downward, sales have dropped by 17.5 billion yen and 20.9 billion yen, respectively. However, sales have increased in Europe and Asia and other areas by 268.8 billion yen and 248.8 billion yen, respectively.

MMC attained its highest ever profitability, with a reported operating income of 108.6 billion yen , an improvement of 68.4

billion yen year-on-year. Despite an increase of 6.4 billion yen in cost of sales resulting from higher advertising costs spent for the new launches in North America, higher unit volumes, a better model profitability mix and foreign exchange gains contributed to increases of 52.3 billion and 14.6 billion yen, respectively.

Ordinary income was 85.7 billion yen, attaining the highest profit ever, although non-operating losses increased 1.2 billion yen compared to the previous fiscal year, mainly due to foreign exchanges losses.

MMC showed a net income of 34.7 billion yen for the current term, an improvement of 26.0 billion yen compared to the previous fiscal year. This is the result of allocations for costs for closing the Australian factory (14.6 billion yen) and asset impairment changes (20.8 billion yen),etc.

Results by business sector were as follows:

1. Automotive Business
   Sales for the automotive business sector in the fiscal period totaled 2 trillion 657.5 billion yen (an increase of 23.3 percent compared to the previous year), and operating income was 95.8 billion yen (an improvement of 78.1 billion yen).

2. Financial Business
   Sales for the financial business sector in the fiscal period totaled 24.6 billion yen (a loss of 48.7 percent compared to the previous year), and operating income was 12.8 billion yen (a loss of 9.5 billion yen).

Results by region were as follows:

1. Japan
   As the result of an increase in the number of exports, sales in Japan totaled 2 trillion 21.5 billion yen (a 33.4 percent increase compared to the previous year) and operating income was 82.9 billion yen (an improvement of 88.0 billion yen).

2. North America
   As the result of decreased sales financial assets, sales in North America totaled 392.8 billion yen (a 7.4 percent decrease compared to the previous year). Operating loss totaled 10.6 billion yen (a loss of 16.1 billion yen).

3. Europe
   As the result of decrease unit volume, sales in Europe totaled 657.2 billion yen (a 3.5 percent decrease compared to the previous year). Operating income totaled 20.3 billion yen (a decrease of 20 percent).

4. Asia/Other Regions
   As the result of an increase in the number of units sold, sales in Asia and other regions totaled 565.5 billion yen (a 23.8 percent increase compared to the previous year). However, due to an increase in cost of sales related to the closure of the Australian factory, operating income totaled 15.2 billion yen (a decrease of 9.1 percent).

Fiscal 2008 earnings outlook (toward March 2009)

The current consolidated earnings forecast for fiscal year 2008 (ending March 31, 2009) is as follows:

	2nd Quarter Accumulation	Annual
Sales	1,250.0 billion yen	2,670.0 billion yen
Operating income	15.0 billion yen	80.0 billion yen
Ordinary income	10.0 billion yen	60.0 billion yen
Net income	0.0 billion yen	20.0 billion yen

* Currency exchange rate assumption: 100 yen / 1 US$, 155 yen / 1 EUR, 90 yen / 1 AUD

The forecast for consolidated retail unit volume is as follows:

(1,000 units)

Region	Fiscal Year 2008 Forecast	Fiscal Year 2007 Results
Japan	207	219
North America	145	172
Europe	388	340
Asia & Others	569	627
Total	1,309	1,358

＊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, market trends or exchange rates may cause actual results to differ materially from these forecasts.

Progress of Mid-term Business Plan

On February 29, 2008, MMC announced a new mid-term business plan, “Step Up 2010”, covering fiscal years 2008 - 2010 (ending March 31, 2011). This business plan sets a new stage for operations, depicting steps from business revitalization to the building of a foundation that will maintain sustainable growth. Basic policies include both “bolstering strengths” and “securing steady profits.” [For details, refer to “3. Management Policies (4) Issues MMC must face” .]

Progress of the Mitsubishi Motors Revitalization Plan

Under the previous business plan, the “Mitsubishi Motors Revitalization Plan,” the new management team worked to regain consumer trust and improve profitability with the support of the Mitsubishi Group of companies in the form of capital funding and staffing, mainly from three companies (Mitsubishi Heavy Industries, Ltd., Mitsubishi Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd.).

To regain trust the company worked to change employee awareness, and promote quality improvements and careful consideration from the customer’s viewpoint based on the company’s three policies of “Compliance First”, “Customer First,” and “Safety First.” The company also received guidance from the Business Ethics Committee, a body of external experts, who positively evaluated the company as “having completed the first steps.”

To improve profitability, a policy of “selection and focus” was undertaken for each business. Initiatives included reducing the number of region-specific models and increasing global models, adjusting excess production capacities, reinforcing sales networks, expanding strategic alliances and streamlining the group companies.

Regarding numerical targets, in response to changes in the business environment, reviews were conducted on a case-by-case basis, leading to steady reform. In fiscal year 2005, the company moved back to operating profit a year ahead of schedule. In fiscal year 2006 net income was in the black, in line with the business plan. In fiscal year 2007 the most significant goal of the revitalization period – steady profitability -- was achieved.

(2) Financial standing

Analysis of assets, debt, net assets and cash flow

Total assets at the end of the period decreased compared to the end of last fiscal year by 169.3 billion yen to 1 trillion 609.4 billion yen. Interest-bearing debt decreased 149.9 billion yen to 353.9 billion yen. Net assets increased 20.0 billion yen over the figure for the end of the previous fiscal year to 328.3 billion yen.

Cash flow from operating activities came to an inflow of 188.3 billion yen, an increase of 6.0 billion yen compared to the previous fiscal year.
Cash flow from investing activities came to an outflow of 48.9 billion yen (an increase in outflow of 2.9 billion year-on-year).
Finally, cash flow from financing activities totaled an outflow of 132.6 billion yen (a 121.3 billion yen increase compared to the previous fiscal year).

The balance of cash and cash equivalents at the end of fiscal year 2007 thus stood at 360.9 billion yen, a 3.4 billion yen decrease over the balance at the beginning of the period.

Trends in key ratios

	FY2004 Full Year	FY2005 First Half	FY2005 Full Year	FY2006 First Half	FY2006 Full Year	FY2007 First Half	FY2007 Full Year
Ratio of shareholders' equity (%)	20.4	17.1	17.2	15.5	16.6	17.5	19.7
Ratio of market value to assets (%)	37.7	67.5	87.8	65.8	56.8	56.1	56.4
Debt repayment coverage (years)	34.9	17.0	8.2	5.6	3.1	3.1	1.9
Interest coverage ratio	0.5	2.6	2.9	8.7	7.8	11.1	8.6

(Notes)
Definitions:

Ratio of shareholders' equity:	Shareholders' equity / total assets
Ratio of market value to assets:	Total market value of shares / total assets
Debt repayment coverage:	Interest bearing liabilities / cash flow from operating activities
Interest coverage ratio:	Cash flows from operating activities / interest payments

- All figures are calculated based on consolidated financial data.
- Beginning the first half of fiscal year 2007, shareholders' equity excludes minority interest.
- Total market value of shares is the closing market share price at the end of the period multiplied by the number of outstanding shares (excluding treasury shares) at the end of the period.
- Interest bearing liabilities indicate all liabilities listed on the consolidated balance sheet for which interest is paid.

(3) Dividend policy and dividends for fiscal year 2008

MMC considers the returning of profits to shareholders one of the most important goals of management. The financial needs for sustaining and growing the enterprise are large due to the ever-increasing intensity of the fierce competition in

the global automotive industry today, as well as to demands for the development of environmentally friendly technologies. It is the basic policy of MMC to return the fruits of our efforts to shareholders in a stable fashion, after taking the state of earnings and cash flow into account. The company is making the greatest effort to put into practice the initiatives set out in Step up 2010, and to strengthen and improve its financial position.
MMC regrets to inform shareholders that in the present financial situation, it must refrain from paying dividends in the current term. The company asks for understanding in this matter.

4) Business-related risks

Risks related to the company's operations and financial status are as follows:

Leasing, financial services and sales incentives
Overcapacity in the auto industry, and fierce competition, especially price competition in the North American market, has led to the necessity of sales incentives in sales promotion efforts.

The sales incentives the company uses in promotions reduce the selling price of new vehicles. It is possible that the use of incentives will lower residual values, which will affect both residual values in the used car market and that for vehicles returned at the end of leases. If vehicle residual values decrease, there could be a negative impact on future business performance. The decline in residual values could also put downward pressure on car and lease assets held as collateral in the sales-finance unit.

Issuance of common and preferred shares and effect on share price
In June and July 2004, March 2005, and January 2006 the company issued several classes of convertible preferred shares. The conversion of all Class B shares, series 1 – 3 (issued July 2004), has already been completed, but the possible conversion of the remaining Class A & G shares to common shares in the future will dilute the value of existing common shares, and thus possibly influence the market price of common shares.

Effect of foreign exchange rate fluctuations
Overseas sales accounted for 81.8 percent of the consolidated sales of MMC for the period. The company endeavors to minimize the risk involved in foreign currency receivables and payables through foreign currency derivative contracts. However, fluctuations in the foreign exchange markets still may have an impact on MMC results.

Effect of socioeconomic situations
The breakdown of the above ratio for overseas sales is 15.0 percent for North America, 34.7 percent for Europe, and 32.1 percent for Asia and other regions. There is a possibility that changes in the socioeconomic situation in Japan or any of these regions will impact the results of the company.

Effect of interest rate fluctuations on borrowings
The balance of MMC's consolidated interest-bearing liabilities stood at 353.9 billion yen at the end of March 2008. There is a possibility that fluctuations in interest rates on borrowings resulting from a change in financial market conditions in the future will impact the results of the company.

Effect of fluctuations in materials prices
The MMC group purchases materials and finished parts and components from many partners. Increased demand and other changes in market conditions may cause materials and components prices to increase, thus raising the company's manufacturing costs and resulting in an impact on results.

Natural and other disasters
The company maintains production and other facilities in many parts of the world. The occurrence of a major natural or other disaster, such as an earthquake or typhoon, may result in large operational halts, etc. and thus have an impact on the results of MMC.

Changes in laws and regulations

MMC abides by laws and regulations regarding the environment, product safety, etc. in its various markets of operation. If any laws and regulations were to be changed, or new rules issued, costs associated with implementing these changes would have an impact on the results of the company.

2. The Mitsubishi Motors Corporation Group of Companies

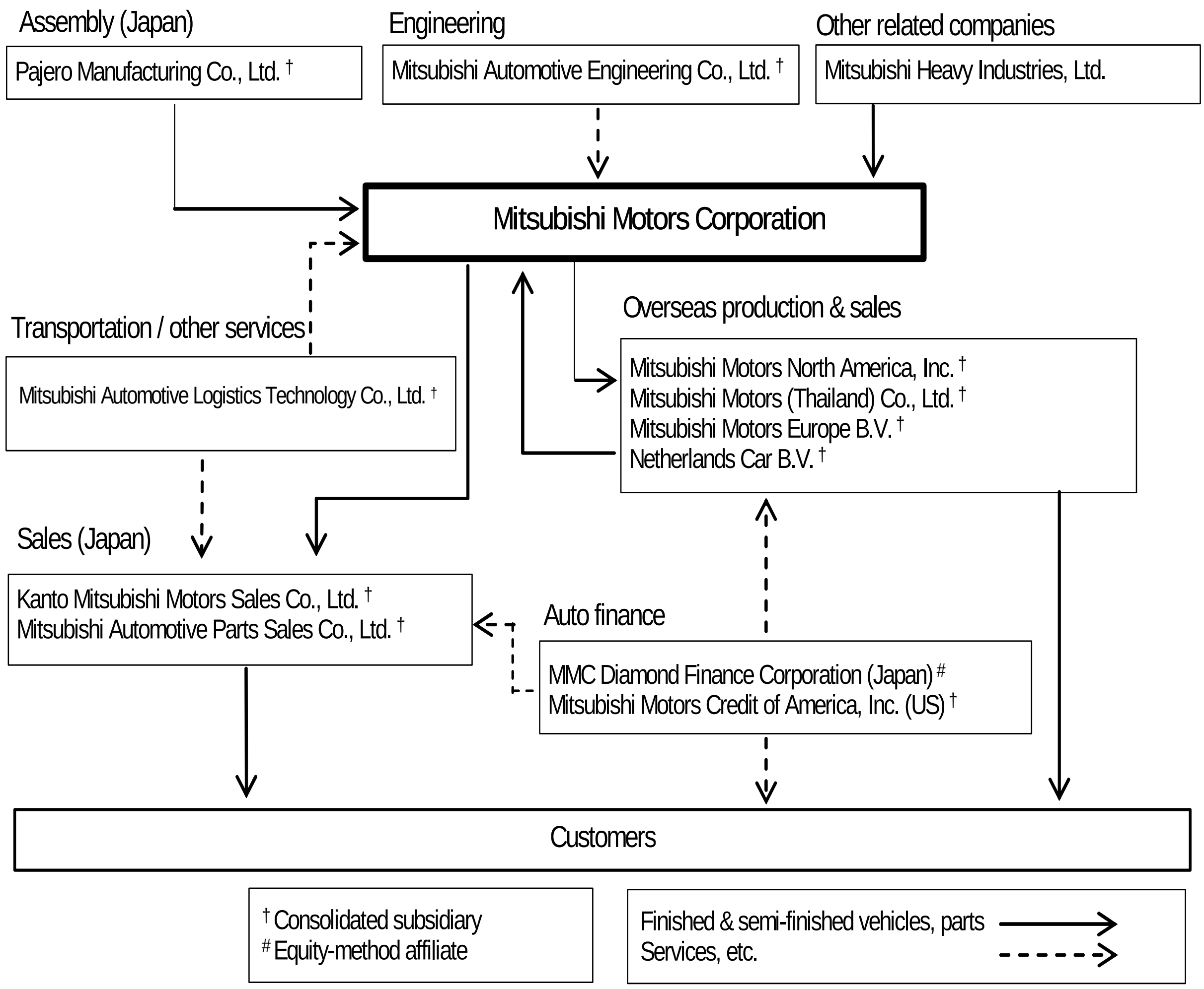
Mitsubishi Motors Corporation and its group of related companies (referred to herein as 'MMC', or 'the company') is comprised of MMC and 50 consolidated subsidiaries, 4 equity method non-consolidated subsidiaries and 21 equity method affiliates (as of March 31, 2008).

The MMC Group is engaged in the development, production and sales of passenger vehicles and their parts and components, as well as sales financial operations. MMC is responsible for most of the development work.

In Japan, Mitsubishi standard sized vehicles, compacts and minicars are produced by MMC, with some sport utility vehicles (including the Pajero) being produced by Pajero Manufacturing Co., Ltd. Mitsubishi Motors sales companies such as Kanto Mitsubishi Motors Sales Co., Ltd. sell these automobiles in the domestic market. Mitsubishi Automotive Engineering Co., Ltd. undertakes some of the development of MMC automotive products, which are distributed by Mitsubishi Automotive Logistics Technology Co., Ltd., which also performs inspection and maintenance of some new vehicles. Replacement parts and accessories for the Japanese market are manufactured by MMC and are sold not only by the previously mentioned sales companies, but also by parts sales companies such as Mitsubishi Motor Auto Parts Sales Co., Ltd.

With regard to overseas operations: In North America production and sales operations are conducted by Mitsubishi Motors North America, Inc. (U.S.A.). In Thailand production and sales operations are conducted by Mitsubishi Motors (Thailand) Co., Ltd. In Europe, production is conducted by Netherlands Car B.V. (Holland) and sales is conducted by Mitsubishi Motors Europe B.V. (Holland).
Auto leasing and financing services are provided by MMC Diamond Finance Corporation, and by Mitsubishi Motors Credit of America, Inc. in the United States.

The main MMC group structure and constituent company products and services outlined above are shown in the diagram on the following page.


Assembly (Japan)
Pajero Manufacturing Co., Ltd. †
Engineering
Mitsubishi Automotive Engineering Co., Ltd. †
Other related companies
Mitsubishi Heavy Industries, Ltd.
Mitsubishi Motors Corporation
Transportation / other services
Mitsubishi Automotive Logistics Technology Co., Ltd. †
Overseas production & sales
Mitsubishi Motors North America, Inc. †
Mitsubishi Motors (Thailand) Co., Ltd. †
Mitsubishi Motors Europe B.V. †
Netherlands Car B.V. †
Sales (Japan)
Kanto Mitsubishi Motors Sales Co., Ltd. †
Mitsubishi Automotive Parts Sales Co., Ltd. †
Auto finance
MMC Diamond Finance Corporation (Japan) #
Mitsubishi Motors Credit of America, Inc. (US) †
Customers
† Consolidated subsidiary
# Equity-method affiliate
Finished & semi-finished vehicles, parts
Services, etc.

3. Management Policies

(1) Basic management policy

"We are committed to providing the utmost driving pleasure and safety for our valued customers and our community. On these commitments we will never compromise. This is the Mitsubishi Motors way." Based on this corporate philosophy, as MMC progresses in all corporate activities, our objective is to be a company that is trusted by our stakeholders, customers, business associates, employees and the public in general.

For our valued customers and our community" = Thoroughly placing customers first
All corporate activities are being executed so that customer satisfaction is made the foremost objective. To realize this, exhaustive efforts are being placed in environmentally friendly technologies and in the pursuit of superior vehicle safety. Through customer satisfaction, MMC aims to become a company in which society places its trust.

"The utmost driving pleasure and safety" = Making the orientation of Mitsubishi Car Engineering transparent
The vehicles that MMC provides to customers reflect the ideas of "Driving Pleasure" and "Reassuring Safety." MMC will offer cars that balance on and off-road performance — the fundamental appeal of the car, with safety and reliability — allowing customers to use MMC vehicles with confidence.

"On these commitments we will never compromise" = Preserving the commitments of Mitsubishi Motors
With a mission of creating new value for cars which provide satisfaction to users, and in making our customers' car related experiences richer, MMC will not waiver in its commitment to achieving superior car engineering, no matter how small the task.

"Committed to providing" = Emphasizing continuity
With passion and conviction, MMC continuously strives to provide customers with cars that promote the values of Mitsubishi Motors.

(2) Targets for performance measurements

At present MMC is not employing targets for performance measurements such as ROE or ROA. All efforts are being placed in achieving the targets laid out in Step Up 2010, to build solid profitability and to strengthen the financial position.

(3) Medium and long-term management strategy

All directors and employees of MMC will combine their strengths and work together to execute the new mid-term business plan, Step Up 2010, covering the period from fiscal year 2008 to fiscal year 2010 (end of March 2011).

(4) Issues Mitsubishi Motors must face

Looking to emerging economies, even though the economic climate has slowed down, these states can expect robust growth on the back of continuing domestic demand. However, the fall of the U.S. economy resulting from the sub-prime loan crisis and the ensuing effects felt worldwide have brought a high level of insecurity to the global economy. For the Japanese economy, the continuing drastic rise in the price of raw materials such as crude oil, a stagnant stock market and a stronger yen against the dollar have led to an increasingly severe business environment.

Amidst these conditions, in February 2008 MMC announced Step Up 2010, the company's mid-term business plan for fiscal years 2008 to 2010 (ending March 31, 2011). Based on two policies: "bolstering strengths" and "securing steady profits", the main initiatives to be achieved in the plan are as follows:

1. Introduce competitive products and increase unit sales in "focus" markets
2. Ensure steady profits through cost-cutting measures and expanding peripheral businesses related to new vehicle sales

3. Improve global production efficiency in line with sales strategies
4. Research and develop next-generation environmental technologies
5. Proactively invest in areas that will provide a base for sustainable growth

Objectives to be achieved during Step Up 2010 include restoring domestic business profitability, ensuring the stability of the North American operation, constructing a production system capable of responding to market needs in a timely manner, developing environmental technologies, and continuing deliberations on the future resumption of dividend payments.

As a company that considers social responsibility as a fundamental corporate activity, MMC places a high priority on corporate social responsibility (CSR). Aiming to increase activities in the future, we will proactively conduct activities with the aim of sustainable coexistence with society.

Mitsubishi Motors Corporation wishes to sincerely thank all stockholders and stakeholders for their patronage, and humbly requests your continued support and guidance in the years ahead.

4. Consolidated financial statements

Consolidated balance sheet

Millions of yen

	3/31/2007	3/31/2008	Change
Assets			
Current assets	**1,059,633**	**964,133**	**-95,500**
Cash and cash deposits	358,058	355,896	
Trade notes and accounts receivable	195,021	174,076	
Finance receivables	40,480	14,722	
Marketable securities	12,225	5,754	
Inventories	351,991	299,644	
Short-term loans receivable	3,277	113	
Deferred tax assets	846	1,040	
Other	124,825	123,782	
Allowance for doubtful accounts	-27,092	-10,897	
Non-current assets	**719,060**	**645,274**	**-73,786**
Property, plant and equipment	517,464	453,453	
Intangible fixed assets	38,530	31,825	
Long-term finance receivables	18,872	5,580	
Investment securities	71,460	75,999	
Long-term loans receivable	13,262	11,195	
Retained interests in securitized assets	9,358	10,551	
Deferred tax assets	8,468	9,842	
Other	59,545	61,377	
Allowance for doubtful accounts	-17,903	-14,551	
Total assets	**1,778,693**	**1,609,408**	**-169,285**

	3/31/2007	3/31/2008	Change
Liabilities			
Current liabilities	**1,110,874**	**1,030,913**	**-79,961**
Trade notes and accounts payable	451,053	423,729	
Short-term loans payable	352,044	296,302	
Accrued expenses and other payable	194,941	178,508	
Accrued income taxes	7,220	8,115	
Allowance for warranty claims	53,213	50,320	
Other	52,400	73,936	
Non-current liabilities	**359,514**	**250,362**	**-109,152**
Bonds	53,490	25,800	
Long-term loans payable	98,316	31,806	
Deferred tax liabilities	24,259	27,967	
Accrued retirement benefits	105,881	103,295	
Accrued retirement benefits for executives	1,005	936	
Other	76,561	60,557	
Total liabilities	**1,470,389**	**1,281,275**	**-189,114**
Net assets			
Stockholders' equity			
Common and preferred stock	657,342	657,349	7
Capital surplus	432,654	432,661	7
Retained earnings	-740,454	-702,432	38,022
Treasury stock	-13	-14	-1
Total stockholders' equity	**349,528**	**387,564**	**38,036**
Valuation, translation adjustments and others			
Unrealized gains/losses on securities	10,132	10,676	544
Deferred gains/losses on hedging activities	1,393	3,157	1,764
Translation adjustments	-65,272	-84,584	-19,312
Total valuation, translation adjustments and others	**-53,746**	**-70,750**	**-17,004**
Minority interest	**12,522**	**11,318**	**-1,204**
Total net assets	**308,304**	**328,132**	**19,828**
Total liabilities and net assets	**1,778,693**	**1,609,408**	**-169,285**

Millions of yen

Consolidated statement of income/loss

Millions of yen

	4/1/'06-3/31/'07	4/1/'07-3/31/'08	Change
Net sales	**2,202,869**	**2,682,103**	**479,234**
Cost of sales	1,788,897	2,194,741	405,844
Gross profit before reversal of deferred profit on installment sales	413,971	487,361	73,390
Reversal of deferred profit on installment sales	0	0	0
Gross profit	**413,972**	**487,361**	**73,389**
Selling, general and administrative expenses	373,735	378,765	5,030
Operating income	**40,237**	**108,596**	**68,359**
Non-operating income	11,351	15,245	3,894
(Interest and dividend income)	(8,098)	(9,633)	
(Other income)	(3,253)	(5,612)	
Non-operating expenses	33,046	38,109	5,063
(Interest expense)	(20,777)	(20,468)	
(Other expenses)	(12,268)	(17,641)	
Ordinary income	**18,542**	**85,731**	**67,189**
Extraordinary gains	23,401	9,484	-13,917
Extraordinary losses	18,839	47,064	28,225
Net income before income taxes	**23,104**	**48,151**	**25,047**
Income taxes	12,303	12,488	185
Minority interest	-2,055	-952	1,103
Net income	**8,745**	**34,710**	**25,965**

Consolidated statements of changes in net assets

FY2006 full year 4/1/'06-3/31/'07

Millions of yen

	Stockholders' equity				
	Common and preferred stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance as of March 31, 2006	657,336	432,648	-749,198	-12	340,774
Changes of items during the period					
Issuance of stock	5	5			11
Net income			8,745		8,745
Acquisition of treasury stock				-0	-0
Decrease due to new consolidation			-1		-1
Net changes in items other than stockholders' equity					
Total changes in items during the period	5	5	8,743	-0	8,753
Balance as of March 31, 2007	657,342	432,654	-740,454	-13	349,528

	Valuation, translation adjustments and others				Minority interest	Total net assets
	Unrealized gains/losses on securities	Deferred gains/ losses on hedging activities	Translation adjustments	Total valuation, translation adjustments and others		
Balance as of March 31, 2006	9,046	—	-81,142	-72,095	12,580	281,259
Changes of items during the period						
Issuance of stock						11
Net income						8,745
Acquisition of treasury stock						-0
Decrease due to new consolidation						-1
Net changes in items other than stockholders' equity	1,085	1,393	15,869	18,349	-58	18,291
Total changes in items during the period	1,085	1,393	15,869	18,349	-58	27,045
Balance as of March 31, 2007	10,132	1,393	-65,272	-53,746	12,522	308,304

FY2007 full year 4/1/'07-3/31/'08 Millions of yen

	Stockholders' equity				
	Common and preferred stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance as of March 31, 2007	657,342	432,654	-740,454	-13	349,528
Changes of items during the period					
Issuance of stock	7	7			14
Net income			34,710		34,710
Acquisition of treasury stock				-0	-0
Increase due to companies newly accounted for by the equity method			3,311		3,311
Net changes in items other than stockholders' equity					
Total changes in items during the period	7	7	38,022	-0	38,036
Balance as of March 31, 2008	657,349	432,661	-702,432	-14	387,564

	Valuation, translation adjustments and others				Minority interest	Total net assets
	Unrealized gains/losses on securities	Deferred gains/ losses on hedging activities	Translation adjustments	Total valuation, translation adjustments and others		
Balance as of March 31, 2007	10,132	1,393	-65,272	-53,746	12,522	308,304
Changes of items during the period						
Issuance of stock						14
Net income						34,710
Acquisition of treasury stock						-0
Increase due to companies newly accounted for by the equity method						3,311
Net changes in items other than stockholders' equity	544	1,763	-19,311	-17,003	-1,203	-18,207
Total changes in items during the period	544	1,763	-19,311	-17,003	-1,203	19,828
Balance as of March 31, 2008	10,676	3,157	-84,584	-70,750	11,318	328,132

Consolidated statement of cash flows

Millions of yen

	4/1/'06-3/31/'07	4/1/'07-3/31/'08	Change
I Cash flows from operating activities			
Net income before income taxes	23,104	48,151	
Depreciation	75,035	74,871	
Loss on impairment of fixed assets	7,465	21,318	
Amortization of goodwill	294	219	
Allowance for doubtful accounts, net of reversal	-15,201	-14,664	
Accrued retirement benefits, net of reversal	-650	2,485	
Interest and dividend income	-8,098	-9,633	
Interest expense	20,777	20,468	
Foreign exchange gain/ loss	119	-1,438	
Gain from affiliates accounted for by the equity method	-2,166	-4,447	
Gain on sales and disposal of property, plant and equipment, net	2,003	2,602	
Loss on sales of investments in securities and stock of subsidiaries, net	-5,036	-74	
Loss on devaluation of investments in securities	451	508	
Gain on liquidation of anonymous association	-13,885	-4,655	
Early retirement expense	3,073	10,154	
Change in trade notes and accounts receivable	5,618	5,348	
Change in inventories	-55,334	52,955	
Change in finance receivables	58,249	31,368	
Change in residual interests in securitized assets	-1,717	—	
Change in trade notes and accounts payable	69,297	-24,114	
Other	108	6,047	
Sub total	**163,511**	**217,472**	**53,961**
Interest and dividends received	10,135	11,478	
Interest paid	-20,914	-21,959	
Compensation based on stock transfer contract paid	-5,000	-5,548	
Compensation for joint consignment	52,042	—	
Payment for early retirement	-19,476	-3,861	
Payment for shift to external pension fund	-10,070	—	
Income tax paid	-7,881	-9,301	
Cash flows from operating activities	**162,345**	**188,279**	**25,934**

Millions of yen

	4/1/'06-3/31/'07	4/1/'07-3/31/'08	Change
II Cash flows from investing activities			
Decrease in investments in term deposits	12,085	5,523	
Acquisition of property, plant and equipment	-111,594	-86,622	
Proceeds from sales of property, plant and equipment	40,274	28,549	
Acquisition of investments in securities	-3,914	-1,353	
Proceeds from sales of investments in securities	9,872	2,643	
Proceeds from sales of stock of subsidiaries accompanying change in scope of consolidation	3,336	—	
Acquisition of capital investments in affiliates	-8,750	—	
Increase/decrease in short-term loans receivable	-2,646	2,613	
Loans made	-68	-1,738	
Collection of loans receivable	1,974	1,076	
Proceeds from liquidation of anonymous association	19,451	5,035	
Other	-6,039	-4,592	
Cash flows from investing activities	**-46,017**	**-48,865**	**-2,848**
III Cash flows from financing activities			
Increase/decrease in short-term borrowings	-13,564	508	
Proceeds from issuance of long-term debt	68,823	4,542	
Repayment of long-term debt	-61,530	-127,934	
Redemption of bonds	-4,934	-8,700	
Dividend paid to minority interest	-79	-98	
Other	-3	-911	
Cash flows from financing activities	**-11,287**	**-132,593**	**-121,306**
IV Effect of exchange rate changes on cash and cash equivalents	**11,326**	**-10,186**	**-21,512**
V Net change in cash and cash equivalents	**116,367**	**-3,365**	**-119,732**
VI Cash and cash equivalents at beginning of year	**248,069**	**364,268**	**116,199**
VII Change in cash and cash equivalents due to inclusion and exclusion of subsidiaries in consolidation	**-167**	—	**167**
VIII Cash and cash equivalents at end of year	**364,268**	**360,902**	**-3,366**

Notes on premise of going concern

For the previous fiscal year (from April 1, 2006 to March 31, 2007)

Though the Mitsubishi Motors Corporation (MMC) group reported a net income of ¥8,745 million in fiscal year 2006, it had reported net losses of ¥215,424 million, ¥474,785 million, and ¥92,166 million for the fiscal years 2003, 2004, and 2005, respectively.

As a result of these recurring losses, significant doubt arises as to the company's ability to continue as a going concern.
To address this situation as well as strengthen its operating base, the MMC group formulated the “Business Revitalization Plan” (covering FY2004 to FY2006) in May 2004. In June 2004, the MMC group outlined additional measures to its "Business Revitalization Plan" that focus on three areas: all-out cost cutting, restoring customer trust, and across-the-board compliance.

Despite these achievements, the MMC group’s inability to respond adequately to past recall problems delayed the hoped-for restoration of consumer and public trust and seriously impacted sales. This, in turn, has highlighted the problem of over-capacity that has lurked beneath the surface over recent years. In addition, concerns deepened about delays in the recovery of operations and about the financial health of the MMC group. As a result, the group was forced to use funds allocated for the revitalization program in the repayment of interest-bearing debt.

To break out of this situation and successfully revitalize itself, the MMC group, while continuing efforts to regain customer and public trust, found itself in a situation that required additional measures to improve profitability. Given these circumstances, the MMC group put together the new "Mitsubishi Motors Revitalization Plan" in January 2005.

In order to revitalize all operations globally and to rebuild the MMC group's capital base, with the support of three Mitsubishi group companies (Mitsubishi Heavy Industries, Ltd., Mitsubishi Corporation, and The Bank of Tokyo-Mitsubishi UFJ, Ltd.), all executives and staff are placing all efforts into the "Mitsubishi Motors Revitalization Plan." The group returned to the black on an operating income level one year ahead of the original plan in fiscal year 2005. In fiscal year 2006, the MMC group again posted net income in the black. Thus, the "Mitsubishi Motors Revitalization Plan" is proceeding steadily.

As a result, these financial statements have been prepared based on the premise of going concern, and do not reflect the effect of any significant doubt as to the group remaining a going concern.

For the fiscal year under review (from April 1, 2007 to March 31, 2008)

Significant Accounting Policies on the Preparation of Consolidated Financial Statements

Disclosure of significant accounting policies is omitted because no significant changes were made after the latest Securities Report (submitted on June 25, 2007).

Notes to consolidated financial statements

Consolidated balance sheet

Millions of yen

3/31/'08	
Guarantee liabilities	
Guarantee liabilities	4,699
Liabilities similar to guarantee liabilities	2,028

Consolidated statement of income/loss

Millions of yen

4/1/'07-3/31/'08	
1) Extraordinary gains	
Gain on liquidation of anonymous association	4,655
Reversal of allowance for doubtful accounts	2,248
Other gains	2,581
2) Extraordinary losses	
Impairment loss	21,318
Cost related to the closure of the production facility of Australian subsidiary	14,641
Other losses	11,104
3) Total R&D expenditure included in selling, general and administrative expenses	34,586

Consolidated statements of net assets

Outstanding shares and treasury shares (4/1/'07-3/31/'08)

Thousands of shares

		Number of shares 3/31/2007	Increase	Decrease	Number of shares 3/31/2008
Outstanding shares					
Common shares	Note 1	5,491,516	46,381		5,537,897
Class A # 1 preferred shares		73			73
Class A # 2 preferred shares	Note 2	30		5	25
Class A # 3 preferred shares		1			1
Class G # 1 preferred shares		130			130
Class G # 2 preferred shares		168			168
Class G # 3 preferred shares		10			10
Class G # 4 preferred shares		30			30
Total		5,491,959	46,381	5	5,538,334
Treasury shares					
Common shares	Note 3	76	3		80
Total		76	3		80

Notes: 1. Increase in common shares outstanding of 46,381,000 consists of 46,296,000 shares increased by a conversion of Class A # 2 preferred shares and 85,000 shares increased by an exercise in stock acquisition rights.

2. Decrease in Class A # 2 preferred shares of 5,000 is the result of a conversion to common shares.

3. Increase in treasury common shares of 3,000 is the result of purchases of stock lots not meeting the minimum trading lot (1000 shares).

Consolidated statement of cash flows

Millions of yen

4/1/'07-3/31/'08	
Reconciliation between cash and cash equivalents and the amounts reported in the consolidated balance sheet is as follows:	
Cash and cash deposits	355,896
Time deposits with maturities greater than three months	-747
Short-term investments maturing within three months from the acquisition date	5,754
Cash and cash equivalents	360,902

Segment information

(1) Business segment (4/1/'07-3/31/'08)

Millions of yen

FY2007	Automobiles	Financial services	Total	Corporate and eliminations	Consolidated
I. Net sales & operating income/loss					
Net sales					
(1) External customers	2,657,513	24,590	2,682,103	—	2,682,103
(2) Intersegment sales & transfers	(55)	—	(55)	55	—
Total	2,657,457	24,590	2,682,047	55	2,682,103
Operating expenses	2,561,680	11,826	2,573,506	—	2,573,506
Operating income	95,777	12,763	108,540	55	108,596
II. Assets, depreciation, impairment loss & capital expenditures					
Assets	1,530,259	63,484	1,593,744	15,664	1,609,408
Depreciation	69,377	5,493	74,871	—	74,871
Impairment loss	18,386	2,932	21,318	—	21,318
Capital expenditure	68,732	21,335	90,068	—	90,068

Notes: 1. Segments are divided by sector and by market.
2. Major products by business segment
(1) Automobiles……………… Passenger cars
(2) Financial services………..Sales-finance products

(2) Geographical segment (4/1/'07-3/31/'08)

Millions of yen

FY2007	Japan	North America	Europe	Asia	Other areas	Total	Corporate and eliminations	Consolidated
I. Net sales & operating income/loss								
Net sales								
(1) External customers	1,386,781	372,562	604,267	111,717	206,775	2,682,103	—	2,682,103
(2) Intersegment sales & transfers	634,743	20,203	52,901	246,621	397	954,867	(954,867)	—
Total	2,021,524	392,765	657,169	358,339	207,172	3,636,971	(954,867)	2,682,103
Operating expenses	1,938,633	403,352	636,913	338,444	211,884	3,529,227	(955,721)	2,573,506
Operating income/loss	82,891	(10,586)	20,255	19,894	(4,711)	107,743	853	108,596
II. Assets	1,203,966	221,339	212,843	218,923	101,256	1,958,329	(348,921)	1,609,408

Notes: 1. National and regional groupings are by geographical proximity and mutual relevance of business activities.
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, The Philippines
(4) Other…………………Australia, New Zealand, U.A.E.

(3) Overseas sales (4/1/'07-3/31/'08)

Millions of yen

FY2007	North America	Europe	Asia	Other areas	Total
I. Overseas sales	402,650	931,618	242,677	616,613	2,193,560
II. Consolidated sales					2,682,103
III. Overseas sales as a percentage of total sales	15.0%	34.7%	9.1%	23.0%	81.8%

Notes: 1. National and regional groupings are by geographical proximity and mutual relevance of business activities.

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

(1) North America………United States, Puerto Rico

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

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

(4) Other…………………Australia, New Zealand

3. Overseas sales are classified by the region of the wholesaler or end users. These figures consist of sales outside of Japan of MMC and its consolidated subsidiaries.

Per share information

Yen

4/1/'07-3/31/'08	
Net assets per share	-21.81
Net income per share-basic	6.30
Net income per share-diluted	3.81

Note: Basis for calculating net income per share–basic and net income per share–diluted is shown below.

Millions of yen

	4/1/'07-3/31/'08
Net income per share-basic	
Net income as shown on the statement of income	34,710
Gain not attributable to ordinary stockholders	
Net income related to common stock	34,710
Average number of shares of common stock outstanding during the period (Unit: Thousands of shares)	5,509,309
Net income per share-diluted	
Net income after adjustment	34,710
Increase in number of common shares (Unit: Thousands of shares)	3,598,366
(Preferred stock)	(3,598,316)
(Number of stock acquisition rights executed)	(50)

Significant subsequent events

None.

Other notes

Notes to the following items are omitted from this report for swift disclosure.

- Lease transactions
- Marketable securities
- Derivative financial instruments
- Stock option etc.
- Business combinations etc.

5. Non-consolidated financial statements

(1) Non-consolidated balance sheet

Millions of yen

	3/31/2007			3/31/2008			Change
	Amount		%	Amount		%	Amount
Assets							
Current assets							
Cash and cash deposits		219,758			194,115		
Trade notes receivable		843			119		
Accounts receivable		255,577			231,525		
Finished products		52,564			50,637		
Raw materials		19,752			32,027		
Work in process		82,542			74,151		
Supplies		4,315			4,538		
Advance payments		1,127			806		
Prepaid expenses		4,863			699		
Accounts receivable–other		55,098			62,850		
Short-term loans receivable to affiliated companies		59,200			46,516		
Other		11,133			14,380		
Allowance for doubtful accounts		-71,776			-44,793		
Total current assets		695,001	59.6		667,578	60.6	-27,423
Non-current assets							
Property, plant and equipment							
Buildings	133,581			132,402			
Accumulated depreciation	91,444	42,136		92,869	39,532		
Structures	35,491			35,485			
Accumulated depreciation	26,946	8,544		27,577	7,907		
Machinery and equipment	447,172			449,012			
Accumulated depreciation	369,155	78,016		373,913	75,099		
Transportation equipment	9,182			8,285			
Accumulated depreciation	6,765	2,416		6,015	2,269		
Tools, furniture and fixtures	154,894			148,755			
Accumulated depreciation	139,234	15,659		134,103	14,652		
Land		43,567			43,841		
Construction in progress		4,030			4,829		
Total property, plant and equipment		194,372	16.7		188,133	17.1	-6,239

Millions of yen

	3/31/2007		3/31/2008		Change
	Amount	%	Amount	%	Amount
Intangible fixed assets					
Patents	1,963		1,445		
Leaseholds	866		885		
Trademarks	9		8		
Copyrights	74		50		
Softwares	9,137		8,983		
Others	1,014		1,331		
Total intangible fixed assets	13,065	1.1	12,704	1.2	-361
Investments and other assets					
Investment securities	43,296		32,821		
Investments in affiliated companies	181,737		159,227		
Money invested	4		0		
Money invested in affiliated companies	13,481		13,134		
Long-term loans receivable	394		335		
Long-term loans receivable to affiliated companies	433		345		
Bankruptcies, reorganizations, rehabilitations and others	6,387		6,328		
Long-term prepayments	8,563		12,206		
Guarantee deposit	15,772		14,474		
Other	220		—		
Allowance for doubtful accounts	-6,514		-6,224		
Total investments and other assets	263,776	22.6	232,650	21.1	-31,126
Total non-current assets	471,214	40.4	433,488	39.4	-37,726
Total assets	1,166,216	100.0	1,101,066	100.0	-65,150

Millions of yen

	3/31/2007		3/31/2008		Change
	Amount	%	Amount	%	Amount
Liabilities					
Current liabilities					
Trade notes payable	24,671		15,988		
Accounts payable	365,819		374,326		
Short-term loans payable	66,507		115,994		
Current portion of long-term debt	118,373		43,388		
Accounts payable - other	70,029		68,998		
Accrued expenses	3,762		3,651		
Accrued income taxes	781		1,107		
Deferred tax liabilities	453		3,218		
Advances received	542		1,939		
Deposits received	26,500		24,981		
Advance received profit	70		50		
Allowance for warranty claims	22,933		22,652		
Other	20,888		12,237		
Total current liabilities	721,334	61.8	688,537	62.5	-32,797
Non-current liabilities					
Bonds	27,600		25,600		
Long-term loans payable	63,924		24,081		
Accrued retirement benefits	84,313		87,091		
Accrual for retirement benefits for directors and corporate auditors	696		696		
Guarantee liability reserve	23,303		15,928		
Deferred tax liabilities	13,491		13,926		
Long-term accrued accounts payable	16,889		—		
Other	6,130		10,726		
Total non-current liabilities	236,349	20.3	178,050	16.2	-58,299
Total liabilities	957,683	82.1	866,588	78.7	-91,095

Millions of yen

	3/31/2007			3/31/2008			Change
		Amount	%		Amount	%	Amount
Net assets							
Stockholders' equity							
Common and preferred stock		657,342	56.4		657,349	59.7	7
Capital surplus							
Legal reserve	433,189			433,196			
Total capital surplus		433,189	37.1		433,196	39.3	7
Retained earnings							
Other retained earnings							
Retained earnings carried forward to the following term	-892,016			-871,338			
Total retained earnings		-892,016	-76.5		-871,338	-79.1	20,678
Treasury stock		-13	-0.0		-14	-0.0	-1
Total stockholders' equity		198,501	17.0		219,194	19.9	20,693
Valuation, translation adjustments and others							
Unrealized gains/losses on securities		9,871	0.9		10,515	1.0	644
Deferred gains/losses on hedging activities		159	0.0		4,768	0.4	4,609
Total valuation, translation adjustments and others		10,031	0.9		15,284	1.4	5,253
Total net assets		208,533	17.9		234,478	21.3	25,945
Total liabilities and net assets		1,166,216	100.0		1,101,066	100.0	-65,150

(2) Non-consolidated statement of income/loss

Millions of yen

	4/1/'06-3/31/'07			4/1/'07-3/31/'08			Change
	Amount		%	Amount		%	Amount
Net sales		1,457,016	100.0		1,903,527	100.0	446,511
Cost of sales		1,314,501	90.2		1,662,846	87.4	348,345
Gross profit		142,515	9.8		240,681	12.6	98,166
Selling, general and administrative expenses							
Sales promotion and advertising	50,094			48,711			
Freight	20,353			39,627			
Bad debts expense	1,682			—			
Salaries and wages	17,719			17,108			
Pension expenses	2,263			2,072			
Depreciation	7,295			6,806			
Research and development	39,007			31,083			
Compensation payoff handing charges	5,543			3,805			
Lease expenses	13,294			10,857			
Others	-2,600	154,655	10.6	1,514	161,587	8.5	6,932
Operating income/loss		-12,140	-0.8		79,093	4.1	91,233
Non-operating income							
Interest income	6,951			7,610			
Dividend income	7,078			12,524			
Other income	408	14,438	1.0	251	20,386	1.1	5,948
Non-operating expenses							
Interest expense	9,596			12,007			
Interest on corporation bonds	1,196			967			
Loss on foreign exchange	6,221			14,542			
Legal expenses relating to litigation	3,136			3,081			
Other expenses	2,872	23,023	1.6	1,995	32,595	1.7	9,572
Ordinary income/loss		-20,725	-1.4		66,884	3.5	87,609

Millions of yen

	4/1/'06-3/31/'07			4/1/'07-3/31/'08			Change
	Amount		%	Amount		%	Amount
Extraordinary gains							
Gain on liquidation of anonymous association	13,885			4,655			
Gain on sale of investments in affiliated companies	4,730			—			
Gain on reversal of allowance for doubtful accounts	—			26,596			
Gain on reversal of guarantee liability reserve	—			7,374			
Other gains	4,455	23,070	1.6	1,771	40,398	2.1	17,328
Extraordinary losses							
Loss on appraisal of investments in affiliated companies	15,600			80,667			
Provision for guarantees liability	5,244			—			
Loss on disposal of fixed assets	2,117			1,999			
PCB waste disposal cost	—			1,963			
Other losses	5,107	28,070	2.0	1,905	86,536	4.5	58,466
Net income/loss before income taxes		-25,724	-1.8		20,746	1.1	46,471
Income tax, current	-1,183			68			
Income tax, deferred (- indicates reduction)	—	-1,183	-0.1	—	68	0.0	-1,252
Net income/loss		-24,541	-1.7		20,678	1.1	45,219

(3) Non-consolidated statements of changes in net assets

FY2006 full year 4/1/'06-3/31/'07

Millions of yen

	Stockholders' equity						
	Common and preferred stock	Capital surplus		Retained earnings		Treasury stock	Total stockholders' equity
		Legal reserve	Total capital surplus	Other retained earnings Retained earnings carried	Total retained earnings		
Balance as of March 31, 2006	657,336	433,184	433,184	-867,475	-867,475	-12	233,033
Changes of items during the period							
Issuance of stock	5	5	5				11
Net income/loss				-24,541	-24,541		-24,541
Acquisition of treasury stock						-0	-0
Net changes in items other than stockholders' equity							
Total changes in items during the period	5	5	5	-24,541	-24,541	-0	-24,531
Balance as of March 31, 2007	657,342	433,189	433,189	-892,016	-892,016	-13	198,501

	Valuation, translation adjustments and others			Total net assets
	Unrealized gains/losses on securities	Deferred gains/losses on hedging activities	Total valuation, translation adjustments and others	
Balance as of March 31, 2006	8,719	—	8,719	231,752
Changes of items during the period				
Issuance of stock				11
Net income/loss				-24,541
Acquisition of treasury stock				-0
Net changes in items other than stockholders' equity	1,152	159	1,311	1,311
Total changes in items during the period	1,152	159	1,311	-23,219
Balance as of March 31, 2007	9,871	159	10,031	208,533

FY2007 full year 4/1/'07-3/31/'08 Millions of yen

	Stockholders' equity						
		Capital surplus		Retained earnings			
	Common and preferred stock	Legal reserve	Total capital surplus	Other retained earnings / Retained earnings carried	Total retained earnings	Treasury stock	Total stockholders' equity
Balance as of March 31, 2007	657,342	433,189	433,189	-892,016	-892,016	-13	198,501
Changes of items during the period							
Issuance of stock	7	7	7				14
Net income				20,678	20,678		20,678
Acquisition of treasury stock						-0	-0
Net changes in items other than stockholders' equity							
Total changes in items during the period	7	7	7	20,678	20,678	-0	20,692
Balance as of March 31, 2008	657,349	433,196	433,196	-871,338	-871,338	-14	219,194

	Valuation, translation adjustments and others			Total net assets
	Unrealized gains/losses on securities	Deferred gains/losses on hedging activities	Total valuation, translation adjustments and others	
Balance as of March 31, 2007	9,871	159	10,031	208,533
Changes of items during the period				
Issuance of stock				14
Net income				20,678
Acquisition of treasury stock				-0
Net changes in items other than stockholders' equity	643	4,609	5,253	5,253
Total changes in items during the period	643	4,609	5,253	25,945
Balance as of March 31, 2008	10,515	4,768	15,284	234,478

(4) Events or conditions which may cause substantial doubt about the premise of a going concern

For the previous fiscal year (from April 1, 2006 to March 31, 2007)

In the fiscal years 2003, 2004, and 2005, Mitsubishi Motors Corporation (MMC) reported net losses of ¥213,097 million, ¥526,225 million and ¥128,152 million respectively. In addition, in fiscal year 2006, MMC reported a new loss of ¥24,541 million.

As a result of these recurring losses, significant doubt arises as to the company's ability to continue as a going concern.
To address this situation as well as strengthen its operating base, MMC formulated the “Business Revitalization Plan” (covering FY2004 to FY2006) in May 2004. In June 2004, MMC outlined additional measures to its "Business Revitalization Plan" that focus on three areas: all-out cost cutting, restoring customer trust, and across-the-board compliance.

Despite these achievements, MMC’s inability to respond adequately to past recall problems delayed the hoped-for restoration of consumer and public trust and seriously impacted sales. This, in turn, has highlighted the problem of over-capacity that has lurked beneath the surface over recent years. In addition, concerns deepened about delays in the recovery of operations and about the financial health of MMC. As a result, MMC was forced to use funds allocated for the revitalization program in the repayment of interest-bearing debt.

To break out of this situation and successfully revitalize itself, MMC, while continuing efforts to regain customer and public trust, found itself in a situation that required additional measures to improve profitability. Given these circumstances, MMC put together the new "Mitsubishi Motors Revitalization Plan" in January 2005.

In order to revitalize all operations globally and to rebuild the MMC group's capital base, with the support of three Mitsubishi group companies (Mitsubishi Heavy Industries, Ltd., Mitsubishi Corporation, and The Bank of Tokyo-Mitsubishi UFJ, Ltd.), all executives and staff are placing all efforts into the "Mitsubishi Motors Revitalization Plan." The group returned to the black on an operating income level one year ahead of the original plan in fiscal year 2005. In fiscal year 2006, the MMC group again posted consolidated net income in the black. Thus, the "Mitsubishi Motors Revitalization Plan" is proceeding steadily.

As a result, these financial statements have been prepared based on the premise of going concern, and do not reflect the effect of any significant doubt as to the company remaining a going concern.

For the fiscal year under review (from April 1, 2007 to March 31, 2008)