

## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2009

Company name: **Mitsubishi Motors Corporation**  
 Listing: First Sections, the Tokyo and Osaka Stock Exchanges  
 Stock code: 7211  
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 Scheduled date to file quarterly report: August 8, 2008

(Millions of yen with fractional amounts discarded, unless otherwise noted)

### 1. Consolidated performance for the first quarter of fiscal year 2008 (from April 1, 2008 to June 30, 2008)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months of FY2008	610,098	-	9,856	-	16,175	-	10,298	-
First three months of FY2007	630,794	30.4	6,000	-	2,566	-	(8,229)	-

	Net income per share		Diluted net income per share	
	Yen		Yen	
First three months of FY2008	1.86		1.13	
First three months of FY2007	(1.50)		-	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of June 30, 2008	1,559,272		317,707		19.6		(23.75)	
As of March 31, 2008	1,609,408		328,132		19.7		(21.81)	

Reference: Equity As of June 30, 2008: 306,077 million yen As of March 31, 2008: 316,814 million yen

## 2. Cash dividends

Record date	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2007	-	0.00	-	0.00	0.00
FY2008	-	-	-	-	-
FY2008 (Forecast)	-	0.00	-	0.00	0.00

Note: Revision of the forecast in the first quarter of the fiscal year ending March 31, 2009: No

## 3. Consolidated earnings forecasts for fiscal year 2008 (from April 1, 2008 to March 31, 2009)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	1,250,000	-	15,000	-	10,000	-	0	-	0.00
Full year	2,650,000	(1.2)	60,000	(44.7)	48,000	(44.0)	20,000	(42.4)	3.61

Note: Revision of the forecasts in the first quarter of the fiscal year ending March 31, 2009: No

## 4. Others

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of simple accounting as well as specific accounting for preparing the quarterly consolidated financial statements: Yes

Note: For more details, please refer to the section of "4. Others" of [Qualitative Information and Financial Statements] on page 4.

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of "Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements")

a. Changes due to revisions to accounting standards: Yes

b. Changes due to other reasons: Yes

Note: For more details, please refer to the section of "4. Others" of [Qualitative Information and Financial Statements] on page 4.

(4) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2008: 5,537,897,840 shares

As of March 31, 2008: 5,537,897,840 shares

b. Number of shares of treasury stock at the end of the period

As of June 30, 2008: 80,773 shares

As of March 31, 2008: 80,373 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

First three months of the fiscal year ending March 31, 2009: 5,537,817,124 shares

First three months of the fiscal year ended March 31, 2008: 5,491,439,621 shares

\* Proper use of earnings forecasts, and other special matters

1. The consolidated earnings forecasts for the half year and the full year announced on April 25, 2008 were not revised in this document.
2. The earnings 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 and uncertainties. Changes in the company's business environment, in market trends and in foreign exchange rates may cause actual results to differ materially from these forecast figures.
3. Commencing with the current fiscal year, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) apply. Also, the quarterly consolidated financial statements are prepared pursuant to the "Regulation for Quarterly Consolidated Financial Statements."

## [Qualitative Information and Financial Statements]

### 1. Qualitative information on consolidated operating results

Consolidated financial results for the FY2008 first quarter showed year-on-year decreases in sales and unit volume, but operating, ordinary and net income increased through improvement in the model mix, and reductions in sales expenses and other areas.

Retail sales by unit volume decreased 24 thousand units year-on-year to 314 thousand units, due to a decrease in volume in all regions other than Europe, including Japan, North America, and Asia and other regions.

Year-on-year results by region were as follows: In Japan, due to the reduction of unprofitable fleet sales, volume decreased 7 thousand units, or 15%, year-on-year to 39 thousand units. In North America, despite increases in Canada and Mexico, overall volume decreased 11 thousand units, or 23%, year-on-year to 37 thousand units due to the lower volume in the U.S., where demand is declining. In Europe, continued strong growth in Russia and the Ukraine offset losses in Western Europe to boost the region's volume 12 thousand units, or 14%, year-on-year to 92 thousand units. In Asia and other regions, volume decreased 18 thousand units, or 11%, year-on-year to 146 thousand units, mainly due to the lower volume in Malaysia, resulting from the conclusion of production parts and components supplies to Proton in FY2007, despite increases in Brazil, Indonesia and the Philippines.

Consolidated sales revenue decreased 20.7 billion yen, or 3%, year-on-year to 610.1 billion yen mainly due to the stronger yen.

Operating income was 9.9 billion yen, a 3.9 billion yen year-on-year increase. This was due to an improvement in model mix, reductions in sales expenses, and other cost reductions including reduced fixed costs from the restructuring of Japanese domestic sales companies, which offset the profit decline caused by unfavorable foreign exchange rates. Non-operating income increased 9.7 billion yen year-on-year to 6.3 billion yen, mainly due to an improvement in the balance of interest received and paid, as well as an increase on foreign exchange gains. Consequently, ordinary income was up 13.6 billion yen to 16.2 billion yen. Net profitability was achieved with an increase of 18.5 billion yen to 10.3 billion yen, up from a net loss of 8.2 billion yen in the same period last year. The gain was mainly due to a lack of Japanese domestic sales company restructuring expenses completed in FY2007.

### 2. Qualitative information on consolidated financial position

Total assets as of June 30, 2008 were 1,559.3 billion yen, a drop of 50.1 billion yen from the 1,609.4 billion yen recorded at the end of FY2007. Total liabilities amounted to 1,241.6 billion yen, decreasing 39.7 billion yen from the end of FY2007. Of total liabilities, the balance of interest-bearing debt was 332.0 billion yen, a decrease of 21.9 billion yen from the end of FY2007 (353.9 billion yen) due mainly to scheduled debt repayments. Net assets decreased 10.4 billion yen from the end of FY2007 to 317.7 billion yen.

### 3. Qualitative information on consolidated earnings forecasts

No change is being made to the FY2008 first-half and full-year forecast announced on April 25, 2008 at this time.

### 4. Others

#### (1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation)

No items to report

#### (2) Application of simple accounting as well as specific accounting for preparing the quarterly consolidated financial statements

Depreciation expense of fixed assets to which the declining balance method is applied is calculated dividing the depreciation expense for the consolidated fiscal year proportionally over the term.

#### (3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements

- a. Commencing with the current fiscal year, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) apply. Also, the quarterly consolidated financial statements are prepared based on the "Regulation for Quarterly Consolidated Financial Statements."
- b. Inventories have been stated mainly using the first-in, first-out cost method or the identified cost method by MMC and its domestic consolidated subsidiaries. As the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9) has been applied from this first quarter period, the company mainly and continuously employs the first-in, first-out cost method (for the value stated on the balance sheet, write-downs based on the decreased profitability) or the identified cost method (for the value stated on the balance sheet, write-downs based on the decreased profitability). The impacts of this change on operating income, ordinary income and income before income taxes and minority interests are immaterial.
- c. Before the change, MMC and its domestic consolidated subsidiaries applied the accounting treatment for finance and lease transactions not involving the transfer of ownership rights to the method for operating lease transactions, but now after the early application of "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13), and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16) beginning from this first quarter period, the accounting treatment for those transactions follow the method for ordinary purchase and sales transactions. The impacts of this change on operating income, ordinary income and income before income taxes are immaterial.  
Also, following the application of the Accounting Standard for Lease Transactions or the like, the undepreciated balance of collectively booked amount of purchased molds that were formerly stated in "work in process" for ordinary purchase and sales transactions is stated in "property, plant and equipment" from this first quarter period. As an effect of this change, work in process decreased by ¥35,102 million, and property, plant and equipment increased by the same amount.
- d. From this first quarter period, the company adopts the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF Practical Solution No. 18). Accordingly, retained earnings at the beginning of the term decreased by ¥13,455 million, and operating income, ordinary income, and income before income taxes and minority interests each increased by ¥473 million.

## 5. Consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of June 30, 2008	As of March 31, 2008 (Summary)
<b>Assets</b>		
Current assets		
Cash and deposits	355,789	355,896
Notes and accounts receivable-trade	132,610	174,076
Short-term investment securities	8,555	5,754
Merchandise and finished goods	167,436	174,999
Raw materials and supplies	52,983	51,586
Work in process	34,789	73,058
Other	124,986	139,658
Allowance for doubtful accounts	(10,053)	(10,897)
Total current assets	867,097	964,133
Noncurrent assets		
Property, plant and equipment	518,052	453,453
Intangible assets	18,748	31,825
Investments and other assets	155,373	159,996
Total noncurrent assets	692,174	645,274
Total assets	1,559,272	1,609,408
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	363,937	423,729
Short-term loans payable	252,602	272,042
Current portion of bonds	49,790	24,260
Accounts payable-other and accrued expenses	166,175	178,508
Income taxes payable	6,253	8,115
Provision for product warranties	51,235	50,320
Other	109,102	73,936
Total current liabilities	999,097	1,030,913
Noncurrent liabilities		
Bonds payable	200	25,800
Long-term loans payable	29,435	31,806
Provision for retirement benefits	104,592	103,295
Provision for directors' retirement benefits	936	936
Other	107,302	88,524
Total noncurrent liabilities	242,466	250,362
Total liabilities	1,241,564	1,281,275

(Millions of yen)

	As of June 30, 2008	As of March 31, 2008 (Summary)
Net assets		
Shareholders' equity		
Capital stock	657,349	657,349
Capital surplus	432,661	432,661
Retained earnings	(705,568)	(702,432)
Treasury stock	(14)	(14)
Total shareholders' equity	384,428	387,564
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,674	10,676
Deferred gains or losses on hedges	(3,909)	3,157
Foreign currency translation adjustment	(80,116)	(84,584)
Total valuation and translation adjustments	(78,351)	(70,750)
Minority interests	11,630	11,318
Total net assets	317,707	328,132
Total liabilities and net assets	1,559,272	1,609,408

## (2) Consolidated statement of income

(Millions of yen)

	First three months of FY2008 (From April 1, 2008 to June 30, 2008)
Net sales	610,098
Cost of sales	510,430
Gross profit	99,667
Selling, general and administrative expenses	
Advertising and promotion expenses	27,253
Freightage expenses	12,450
Directors' compensations, salaries and allowances	18,239
Provision for retirement benefits	1,334
Depreciation	3,659
Research and development expenses	9,586
Other	17,286
Total selling, general and administrative expenses	89,811
Operating income	9,856
Non-operating income	
Interest income	2,282
Foreign exchange gains	8,408
Other	1,660
Total non-operating income	12,351
Non-operating expenses	
Interest expenses	4,014
Litigation expenses	1,427
Other	590
Total non-operating expenses	6,032
Ordinary income	16,175
Extraordinary income	
Gain on sales of noncurrent assets	164
Reversal of allowance for doubtful accounts	383
Other	29
Total extraordinary income	576
Extraordinary loss	
Loss on retirement of noncurrent assets	366
Loss on sales of noncurrent assets	75
Early retirement expense	1,139
Other	303
Total extraordinary losses	1,884
Income before income taxes and minority interests	14,868
Income taxes-current	2,300
Income taxes-deferred	1,537
Total income taxes	3,837
Minority interests in income	731
Net income	10,298



### (3) Consolidated statement of cash flows

(Millions of yen)

	First three months of FY2008 (From April 1, 2008 to June 30, 2008)
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	14,868
Depreciation and amortization	20,202
Increase (decrease) in allowance for doubtful accounts	(1,265)
Increase (decrease) in provision for retirement benefits	340
Interest and dividends income	(2,508)
Interest expenses	4,014
Foreign exchange losses (gains)	(11)
Equity in (earnings) losses of affiliates	(1,034)
Loss (gain) on sales and retirement of noncurrent assets	277
Decrease (increase) in notes and accounts receivable-trade	45,233
Decrease (increase) in inventories	18,496
Increase (decrease) in notes and accounts payable-trade	(51,539)
Early retirement expense	1,139
Other, net	2,568
Subtotal	50,782
Interest and dividends income received	3,879
Interest expenses paid	(3,912)
Compensation based on stock transfer contract paid	(10,896)
Payment for early retirement	(2,428)
Income taxes paid	(3,559)
Net cash provided by (used in) operating activities	33,864

(Millions of yen)

	First three months of FY2008 (From April 1, 2008 to June 30, 2008)
Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment	(25,628)
Proceeds from sales of property, plant and equipment	4,949
Purchase of investment securities	(577)
Payments of long-term loans receivable	(319)
Collection of long-term loans receivable	196
Other, net	(474)
Net cash provided by (used in) investment activities	(21,853)
Net cash provided by (used in) financing activities	
Increase (decrease) in short-term bank loans and commercial papers	(9,739)
Repayment of long-term loans payable	(4,311)
Cash dividends paid to minority shareholders	(578)
Other, net	(2,417)
Net cash provided by (used in) financing activities	(17,047)
Effect of exchange rate change on cash and cash equivalents	7,020
Net increase (decrease) in cash and cash equivalents	1,984
Cash and cash equivalents at beginning of period	360,902
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	666
Cash and cash equivalents at end of period	363,554

Commencing with the current fiscal year, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) apply. Also, the quarterly consolidated financial statements are prepared based on the "Regulation for Quarterly Consolidated Financial Statements."

**(4) Notes on premise of going concern**

No items to report

**(5) Segment information**

[Business segment]

First three months of FY2008 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	Automobiles	Financial services	Total	Corporate and eliminations	Consolidated
Net sales					
(1) External customers	606,891	3,206	610,098	-	610,098
(2) Intersegment sales & transfers	(35)	-	(35)	35	-
Total	606,855	3,206	610,062	35	610,098
Operating expenses	598,056	2,185	600,241	-	600,241
Operating income	8,799	1,021	9,821	35	9,856

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

3. Changes in accounting treatment

Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

From this first quarter period, the company adopts the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF Practical Solution No. 18). Accordingly, the operating income for "Automobiles" increased by ¥473 million as compared to the case where the previous method was adopted.

[Geographical segment]

First three months of FY2008 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	Japan	North America	Europe	Asia	Other	Total	Corporate and eliminations	Consolidated
Net sales								
(1) External customers	338,287	76,980	105,204	29,288	60,337	610,098	-	610,098
(2) Intersegment sales & transfers	126,790	5,333	9,764	55,293	112	197,294	(197,294)	-
Total	465,077	82,314	114,968	84,582	60,449	807,392	(197,294)	610,098
Operating expenses	456,415	86,025	116,966	78,066	59,233	796,707	(196,466)	600,241
Operating income (loss)	8,661	(3,711)	(1,997)	6,515	1,215	10,684	(827)	9,856

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.....The United States

(2) Europe.....The Netherlands

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

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

National and regional groupings have been by "geographical proximity and mutual relevance of business activities." However, for the consistency with in-house management, Puerto Rico, which had been included in "North America" until the previous fiscal year, is included in "Other" from this first quarter period.

As a result of this change, as compared to the case where the previous groupings were adopted, net sales for "Other" increased by ¥5,864 million; same for "North America" decreased by ¥5,300 million; and same for "Corporate and eliminations" decreased by ¥564 million. In addition, operating income for "Other" increased by ¥77 million; same for "North America" decreased by ¥18 million; and same for "Corporate and eliminations" decreased by ¥59 million.

3. Changes in accounting treatment

Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

From this first quarter period, the company adopts the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF Practical Solution No. 18). Accordingly, the operating income for "Asia" increased by ¥473 million as compared to the case where the previous method was adopted.

[Overseas sales]

First three months of FY2008 (from April 1, 2008 to June 30, 2008)

(Millions of yen)

	North America	Europe	Asia	Other	Total
I. Overseas sales	82,509	222,979	67,111	142,962	515,562
II. Consolidated sales					610,098
III. Overseas sales as a percentage of total sales	13.5%	36.6%	11.0%	23.4%	84.5%

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.....The United States

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

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

(4) Other.....Australia, New Zealand, Puerto Rico

National and regional groupings have been by "geographical proximity and mutual relevance of business activities." However, for the consistency with in-house management, Puerto Rico, which had been included in "North America" until the previous fiscal year, is included in "Other" from this first quarter period.

As a result of this change, as compared to the case where the previous groupings were adopted, overseas sales for "Other" increased by ¥5,864 million, and same for "North America" decreased by the same amount.

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

**(6) Notes on significant changes in the amount of shareholders' equity**

From this first quarter period, the company adopts the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF Practical Solution No. 18). Accordingly, the retained earnings at the beginning of the term decreased by ¥13,455 million.

**Reference:****Financial statements for the first quarter of the fiscal year ended March 31, 2007****(1) (Summary) Consolidated statement of income**

(Millions of yen)

	First three months of FY2007 (From April 1, 2007 to June 30, 2007)
Net sales	630,794
Cost of sales	529,952
Gross profit before provision for unrealized profit on installment sales	100,841
Provision for unrealized profit on installment sales	0
Gross profit	100,841
Selling, general and administrative expenses	94,841
Operating income (loss)	6,000
Non-operating income	4,749
Interest and dividend income	2,187
Other income	2,562
Non-operating expenses	8,183
Interest expense	6,015
Other expenses	2,167
Ordinary income (loss)	2,566
Extraordinary gains	604
Extraordinary losses	6,333
Net income (loss) before income taxes	(3,162)
Income taxes	4,518
Minority interests in income (loss)	(548)
Net income (loss)	(8,229)

## (2) Segment information

[Business segment]

First three months of FY2007 (from April 1, 2007 to June 30, 2007)

(Millions of yen)

	Automobiles	Financial services	Total	Corporate and eliminations	Consolidated
Net sales					
(1) External customers	622,002	8,792	630,794	-	630,794
(2) Intersegment sales & transfers	(54)	-	(54)	54	-
Total	621,948	8,792	630,740	54	630,794
Operating expenses	620,528	4,266	624,794	-	624,794
Operating income	1,419	4,526	5,945	54	6,000

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

[Geographical segment]

First three months of FY2007 (from April 1, 2007 to June 30, 2007)

(Millions of yen)

	Japan	North America	Europe	Asia	Other	Total	Corporate and eliminations	Consolidated
Net sales								
(1) External customers	287,966	108,680	154,457	25,073	54,617	630,794	-	630,794
(2) Intersegment sales & transfers	152,244	4,692	10,668	62,526	104	230,237	(230,237)	-
Total	440,210	113,372	165,126	87,599	54,721	861,031	(230,237)	630,794
Operating expenses	445,838	113,979	160,264	83,150	54,706	857,940	(233,145)	624,794
Operating income (loss)	(5,627)	(607)	4,862	4,448	15	3,091	2,908	6,000

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.....The United States, Puerto Rico

(2) Europe.....The Netherlands

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

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

[Overseas sales]

First three months of FY2007 (from April 1, 2007 to June 30, 2007)

(Millions of yen)

	North America	Europe	Asia	Other	Total
I. Overseas sales	110,271	226,657	49,266	137,692	523,888
II. Consolidated sales					630,794
III. Overseas sales as a percentage of total sales	17.5%	35.9%	7.8%	21.9%	83.1%

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.....The 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. The figures consist of sales outside of Japan of MMC and its consolidated subsidiaries.