

FY2008 Third Quarter Financial Results



Mitsubishi Motors Corporation

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FY2008 Third Quarter Results and FY2008 Full Year Forecast



Shuichi Aoto

Director

**In Charge of Corporate Planning,
Controlling & Accounting Group Headquarters**

(100 million yen/000 units)

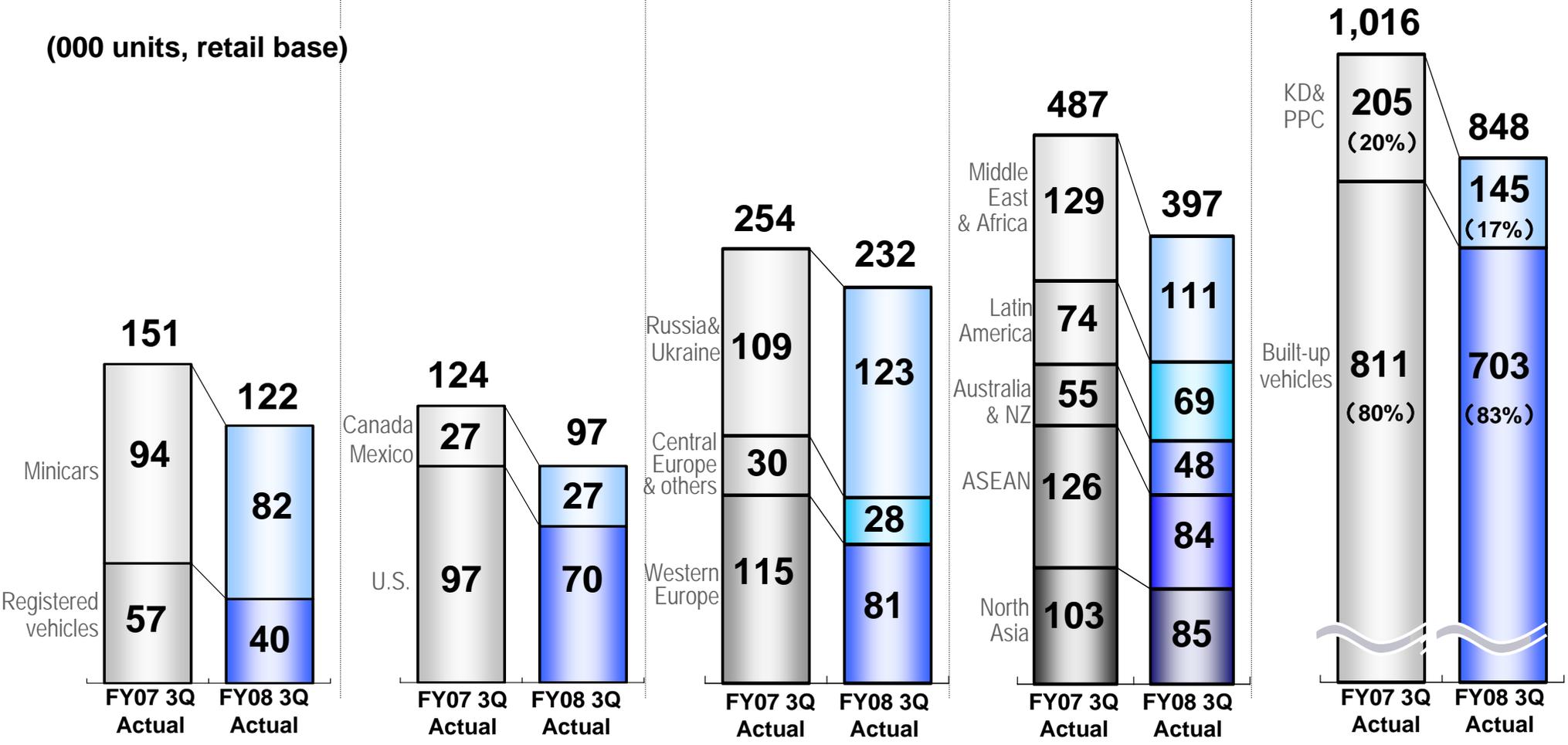
Revenue and income decreased
 -due to a drop in sales volume and the impact of the high yen exchange rate-

	FY07 3Q (Apr-Dec '07) Actual	FY08 3Q (Apr-Dec '08) Actual	Change
Revenue	19,473	16,581	-2,892
Operating Income	520	199	-321
Ordinary Income	393	47	-346
Net Income	217	-48	-265
Sales Volume (retail)	1,016	848	-168

FY2008 3Q Regional Sales Volume (9 month cumulative, vs. FY07 3Q Actual)

Japan	North America	Europe	Asia & Others	Total
Change from FY07 3Q result				
-29 (-19%)	-27 (-22%)	-22 (-8%)	-90 (-19%)	-168 (-17%)

(000 units, retail base)

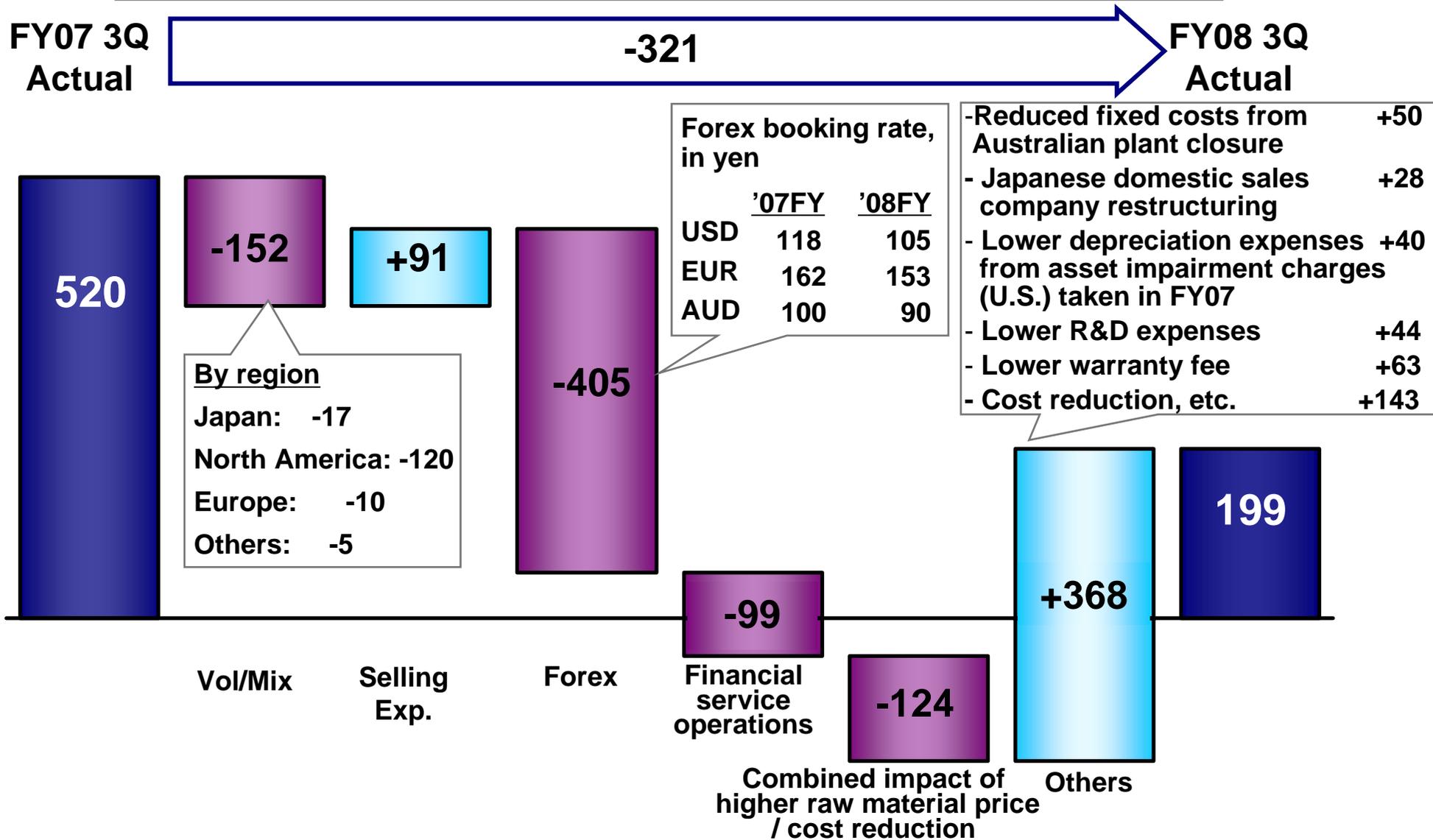


Note: -Sales volume figures exclude OEM volume. Sales volumes of FY08 3Q refer to preliminary result.
 -Sales volume of Puerto Rico for FY07 3Q (9,000) & FY08 3Q (7,000) are both included in Latin America.

Analysis of Operating Income (9 month cumulative, vs. FY07 3Q Actual)

(100 million yen)

Due mainly to decreased sales volume, the stronger yen, and the rise of raw material costs



Non-operating and Extraordinary Income

(9 month cumulative, vs. FY07 3Q Actual)

(100 million yen)

	FY07 3Q (Apr-Dec '07) Actual	FY08 3Q (Apr-Dec '08) Actual	Change
Operating Income	520	199	-321
Non-operating Income	-127	-152	-25
Ordinary Income	393	47	-346
Extraordinary Income & Tax	-176	-95	+81
Net Income	217	-48	-265

Main Items

-Interest income/exp. +47
-Forex -37
-Equity in net income of affiliates -22

Main Items

-Extraordinary profit/loss -5
-Corporate tax, etc. +86

(100 million yen)

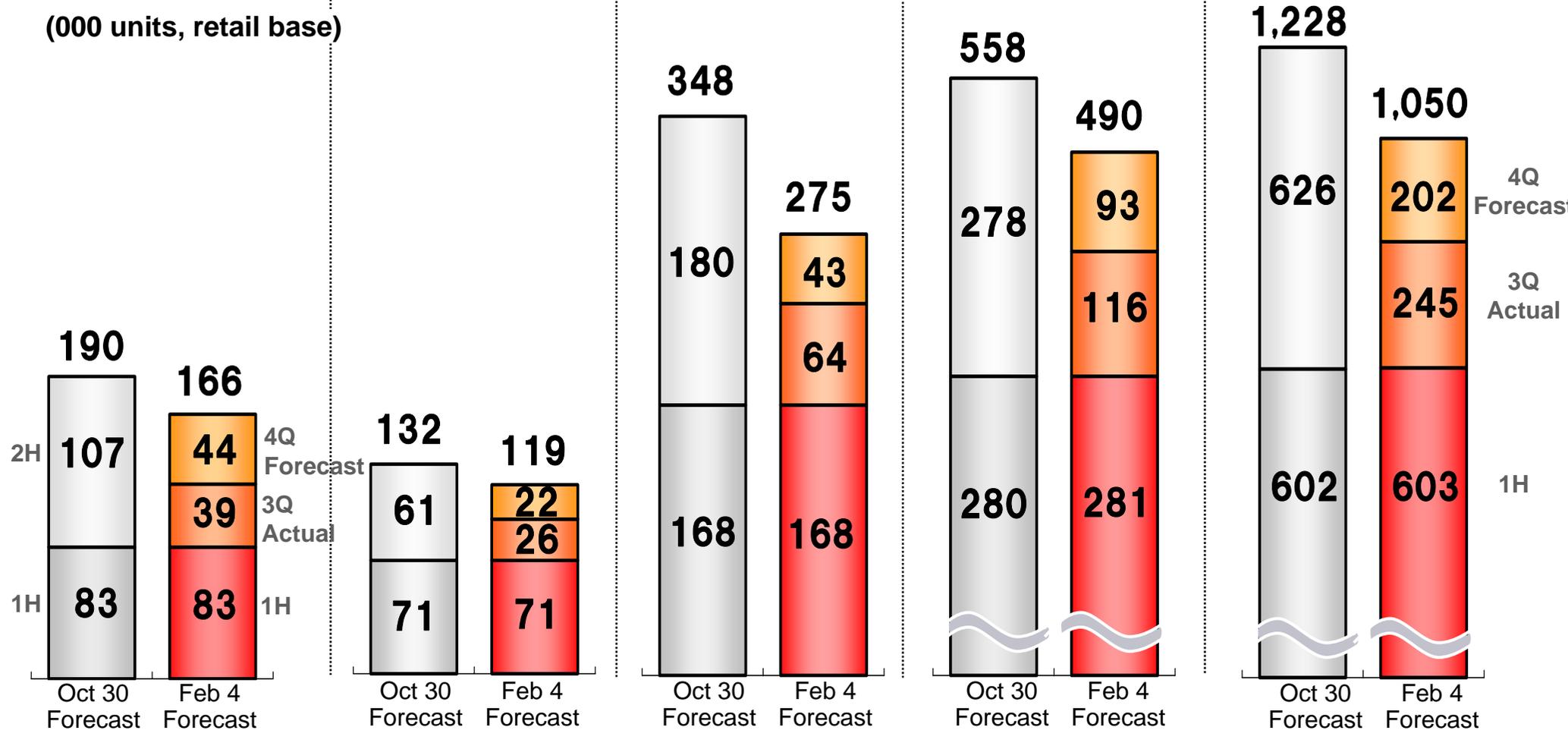
	Mar 2008	Dec 2008	Change
	_____	_____	_____
Total Assets	16,094	13,684	-2,410
Cash and cash deposits	3,559	2,680	-879
Accounts Receivable	1,741	944	-797
Inventory	2,996	2,590	-406
Total Liabilities	12,813	11,130	-1,683
Accounts payable	4,237	3,074	-1,163
Interest-bearing Debt	3,539	3,609	+70
Accrued liability/exp.	1,785	1,231	-554
Net Assets	3,281	2,554	-727

FY2008 Regional Sales Volume Forecast

(vs. previous forecast as of Oct 30)

Japan	North America	Europe	Asia & Others	Total
Change from Oct 30 Forecast				
-24 (-13%)	-13 (-10%)	-73 (-21%)	-68 (-12%)	-178 (-15%)

(000 units, retail base)



Note: Sales volume figure excludes OEM volume. Sales volume of Oct 30 forecasts (1H) and Feb 4 forecasts (3Q) refer to preliminary results.

FY2008 Results Forecast Summary

(vs. previous forecast as of Oct 30)

(100 million yen/000 units)

	FY08 Oct.30 Forecast	FY08 Feb. 4 Forecast	Change	【reference】 FY07 Actual
Revenue	23,600	20,100	-3,500	26,821
Operating Income	500	50	-450	1,086
Ordinary Income	430	-200	-630	857
Net Income	200	-600	-800	347
Sales volume (Retail)	1,228	1,050	-178	1,360

Assumed Forex Rate

	<u>1H</u>	<u>2H</u>	<u>FY08</u>	<u>4Q</u>	<u>2H</u>	<u>FY08</u>
USD:	106	95	101	90	93	100
EUR:	164	125	144	120	124	143
AUD:	98	65	81	60	63	80

Breakdown of change

-Volume/Mix	-600
-Forex	-40
-Selling Exp.	+40
-Cost reduction, etc.	+150

Note: Sales volume figure excludes OEM volume.

Crisis Countermeasures



Osamu Masuko

President

Production adjustment to lower inventory levels

FY08 global production: 330,000 units reduced from initial plan

{ Domestic production: -200,000 units
Overseas production: -130,000 units

Cost cutting

- Withdraw from Dakar Rally
- Reconsider participation in and scale of participation in global motor shows
- Further reduce remuneration to company officers (from March 2009)
- Reduce salaries of managerial staff (from March 2009)
- Further reduce manufacturing costs; selling, general and administrative expenses

Strict screening of investment activities

FY08 2H capital expenditure forecast: 30% reduced from initial plan

- Postpone plan to build capacity new paint shop in Okazaki plant
- Terminate plan to beef up engine production capacity
- Reschedule the start of production of mid-size SUV in new Russian plant

Employ human resources more effectively

- Send administrative staff to sales companies to boost strength of sales force
- Streamline functions of and reassess staff levels at overseas affiliates

Maintain investment in environmental technology

- Develop EV business
 - =>Launch *i MiEV* electric vehicle in Japanese market (summer 2009)
 - =>Bring *i MiEV* electric vehicle to left-hand drive markets overseas (post-2010)
- Strengthen smaller, fuel-efficient vehicle lineup
 - =>Expand number of models fitted with idle-stop technology and flexible-fuel vehicles in lineup
 - =>Roll out global small car on world markets



i MiEV SPORT AIR

Expand sales in 'focus' markets

- China: Establish new sales company (April 2009)
- Brazil: Step up exports to Latin American markets and provide personnel support
- Start local production of new *Lancer* in Thailand (October 2009), Philippines (December 2009) and China (December 2009)

Expand collaboration

- Production of MMC licensed mid-size passenger car by PROTON (Spring 2010)

■ FY2008 3Q Results (9 month cumulative)

Revenue and income decreased

-due to a drop in sales volume and the impact of the high yen exchange rate-

- Sales volume: Decreased 17% year-on-year to 848,000 units, as sales in all regions declined
- Revenue: Decreased 15% year-on-year to 1,658.1 billion yen, due mainly to decreased sales volume and impact of the stronger yen
- Income levels: Operating income decreased 62% year-on-year to 19.9 billion yen, due mainly to decreased sales volume, stronger yen and the rise of raw material costs despite reductions in cost and expenses.
Ordinary and net income were income of 4.7 billion yen, and loss of 4.8 billion yen respectively.

■ FY2008 Full-year Forecasts

Revised downward

-prepare for the future by accelerating inventory reduction and thorough cost cutting-

- Sales volume: Revised forecast to 1,050,000 units, a 15% decrease from the previous forecast announced October 30 2008
- Revenue: Revised forecast to 2,010 billion yen, 350 billion yen lower than the October forecast as a result of the revised sales volume and foreign exchange rate forecasts
- Income levels: Aim for operating income of 5 billion yen surplus.
Forecasts for ordinary and net income were revised to -20 billion yen and -60 billion yen respectively.

Additional Information

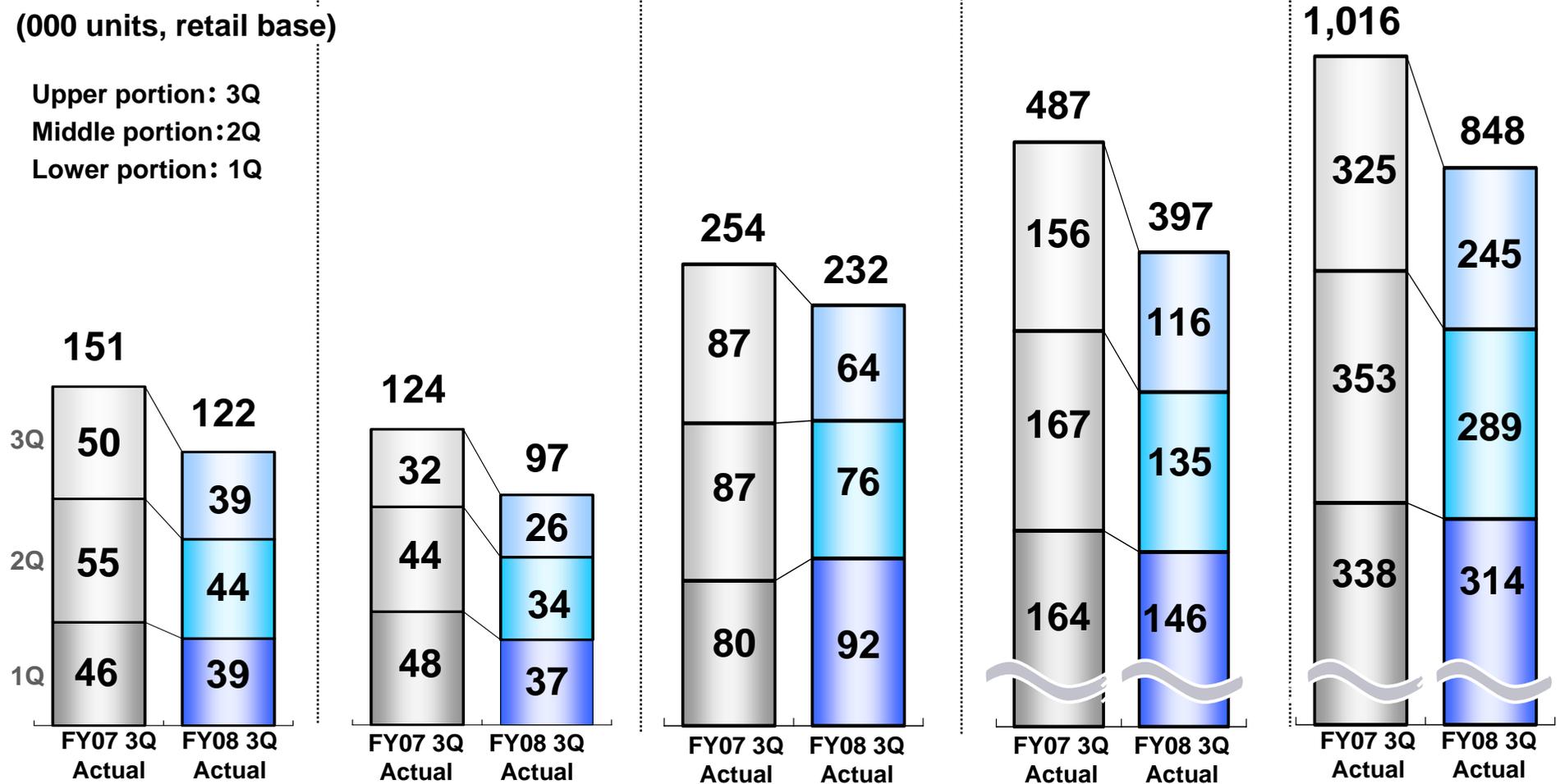


FY2008 3Q Regional Sales Volume (9 month cumulative, vs. FY07 3Q Actual)

Japan	North America	Europe	Asia & Others	Total
Change from FY07 3Q result (9 month cumulative)				
-29 (-19%)	-27 (-22%)	-22 (-8%)	-90 (-19%)	-168 (-17%)

(000 units, retail base)

Upper portion: 3Q
Middle portion: 2Q
Lower portion: 1Q



Note: Sales volume figures exclude OEM volume. Sales volumes of FY08 3Q refer to preliminary result.

FY2008 3Q Results Summary (progression by quarter)

(100 million yen/000 units)

	FY08 1Q (Apr-Jun '08)	FY08 2Q (Jul-Sep '08)	FY08 3Q (Oct-Dec '08)	FY08 3Q (Apr-Dec '08) Cumulative
Revenue	6,101	6,039	4,441	16,581
Operating Income	99	155	-55	199
Ordinary Income	162	47	-162	47
Net Income	103	25	-176	-48
Sales Volume (Retail)	313	290	245	848

Note: Sales volume figures exclude OEM volume. Sales volumes of FY08 3Q refer to preliminary result.

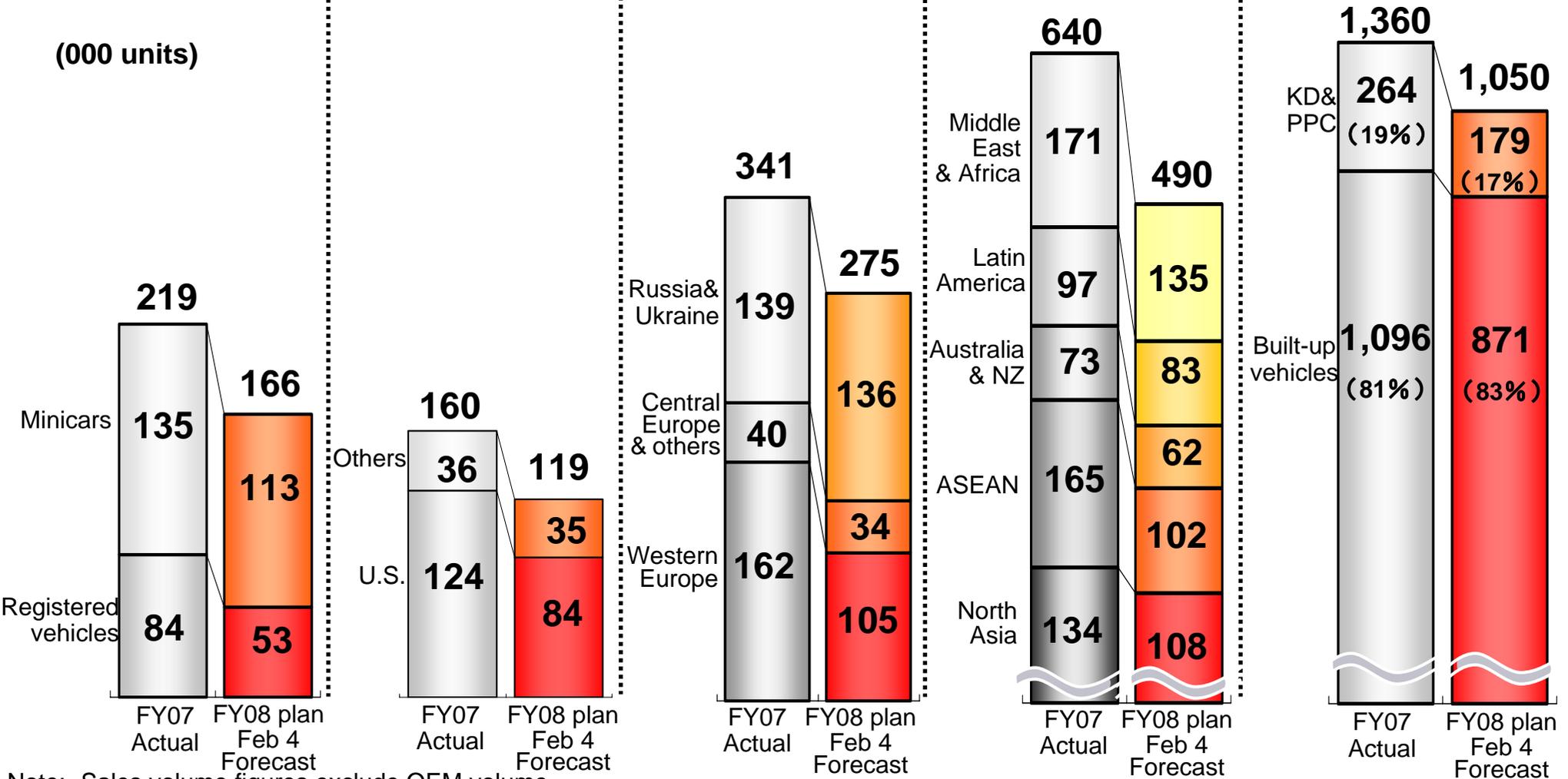
FY2008 3Q Regional Results (9 month cumulative, vs. FY07 3Q Actual)

	FY07 3Q (Apr-Dec '07) Actual	FY08 3Q (Apr-Dec '08) Actual	Change
			(100 million yen)
Revenue	19,473	16,581	-2,892
Japan	3,443	2,988	-455
North America	3,067	1,965	-1,102
Europe	6,579	5,665	-914
Asia & Others	6,384	5,963	-421
Operating Income	520	199	-321
Japan	-228	-146	+82
North America	-94	-270	-176
Europe	400	180	-220
Asia & Others	442	435	-7

FY2008 Regional Sales Volume Forecast (vs. FY07 Actual, retail base)

Japan	North America	Europe	Asia & Others	Total
Change from FY07 Actual				
-53 (-24%)	-41 (-26%)	-66 (-19%)	-150 (-23%)	-310 (-23%)

(000 units)



Note: -Sales volume figures exclude OEM volume.
 -Sales volume of Puerto Rico for FY07 (12,000) & FY08 (9,000) are both included in Latin America.

FY2008 Regional Results Forecast (vs. FY07 Actual and previous FY08 Forecast)

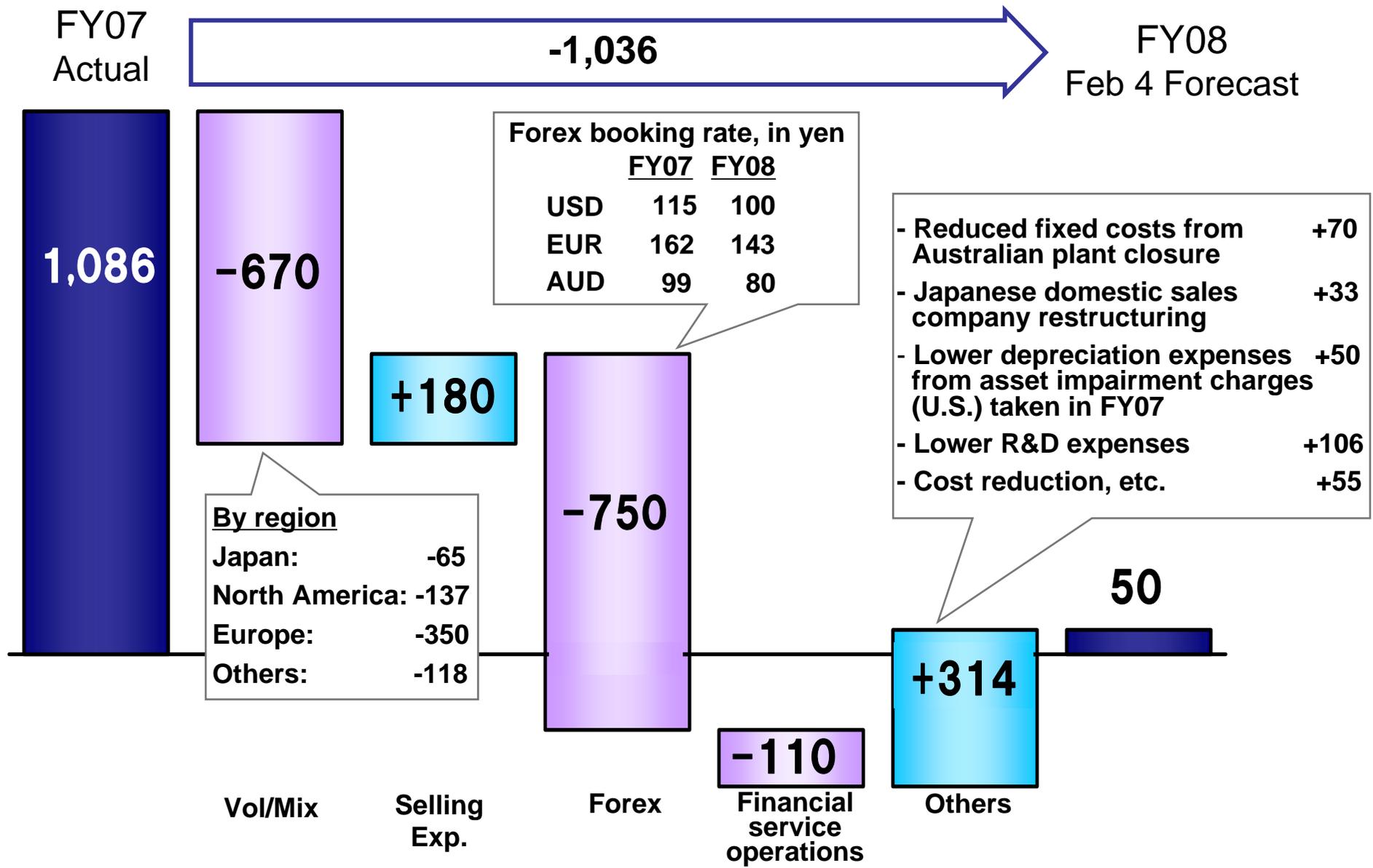
(100 million yen)

	FY07 Actual	FY08 Oct 30 forecast	FY08 Feb 4 forecast
Revenue	26,821	23,600	20,100
Japan	4,885	4,500	4,000
North America	4,027	2,700	2,350
Europe	9,316	8,000	6,400
Asia & Others	8,593	8,400	7,350
Operating Income	1,086	500	50
Japan	-189	-140	-150
North America	-178	-330	-380
Europe	797	230	60
Asia & Others	656	740	520

FY2008 Result Forecast: Analysis of Operating Income

(vs. FY2007 Actual)

(100 million yen)



October 2008

- ✓ MMC gives *Lancer Sportback* global premiere at Paris Motor Show
- ✓ MMC launches new *Outlander* on Indian market
- ✓ MMC launches *Pajero* powered by new long-term regulation-compliant diesel engine
- ✓ MMC supplies Kyoto prefecture and GS Yuasa with *i MiEV* for joint research
- ✓ MMC revised its consolidated forecasts for FY2008 from the original forecasts as of April 25, 2008

November 2008

- ✓ *i MiEV* introduced in fleet test program at Narita Airport
- ✓ *i MiEV* electric vehicle delivered to Japan Post Service Co.

December 2008

- ✓ MMC participated in Eco Products Exhibition 2008
- ✓ MMC announced vehicle, technology collaboration for a PROTON brand vehicle
- ✓ Japan Ministry of Environment begins fleet test of *iMiEV*

January 2009

- ✓ *i MiEV* electric vehicle delivered to Lawson inc. convenience store chain for pre-launch evaluation

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- **Fluctuations in interest rates, exchange rates and oil prices;**
- **Changes in laws, regulations and government policies; and**
- **Regional and/or global socioeconomic changes.**

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