

Booking of extraordinary losses

Mitsubishi Motors Corporation hereby gives notice that it has booked the extraordinary losses detailed below in its full-year financial results announced today for the term ending March 31, 2009.

1. Impairment losses

The company booked extraordinary losses totaling 27.5 billion yen in its consolidated financial results for the term ending March 31, 2009. These losses stem from impairment losses incurred by the company's American subsidiary Mitsubishi Motors North America, Inc. (MMNA), by other overseas subsidiaries, and from impairment losses relating to sales-related assets in Japan.

The principal subjects for the loss in accordance with the impairment accounting methods are the production plant and equipment at MMNA due to the little prospect in the near future of any recovery in overall demand in the United States. The impairment loss at MMNA totaled 22.5 billion yen.

2. Early retirement severance pay

The company booked an extraordinary loss of 8.8 billion yen in its consolidated financial results for the term ending March 31, 2009 for early retirement severance payments made mainly at its subsidiaries including MMNA and Mitsubishi Motors Europe B.V. in the Netherlands. The early retirements resulted from the streamlining of functions of and the reassessment of staff levels at overseas subsidiaries in line with the current level of production and sales volumes.

3. Unrealized loss on subsidiary company shares

The company booked in its non-consolidated financial results for the term ending March 31, 2009 an extraordinary loss of 51.4 billion yen to cover declines in net asset value at its American and other subsidiaries for the reasons including those given in section 1 above. This accounting method has not affected the consolidated financial results.