

## Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2014 [Japan GAAP]

Company name: **Mitsubishi Motors Corporation**  
 Listing: First Section, the Tokyo Stock Exchange  
 Stock code: 7211  
 URL: <http://www.mitsubishi-motors.co.jp/>  
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 TEL: +81-3-6852-4206 (from overseas)  
 Scheduled date to file quarterly report: February 13, 2014  
 Scheduled date to deliver cash dividends: –  
 Quarterly earnings supplementary explanatory documents: Yes  
 Quarterly earnings presentation: Yes

(Figures less than one million yen are rounded, unless otherwise noted)

### 1. Consolidated performance for the third quarter of fiscal year 2013 (from April 1, 2013 to December 31, 2013)

#### (1) Consolidated operating results

(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	%
FY2013 3 <sup>rd</sup> quarter	1,518,713	18.4	96,304	135.4	116,355	122.2	88,413	409.8
FY2012 3 <sup>rd</sup> quarter	1,282,629	(0.8)	40,912	6.3	52,366	80.9	17,343	27.3

Note: Comprehensive income FY2013 3<sup>rd</sup> quarter: ¥ 98,032 million (172.4%) FY2012 3<sup>rd</sup> quarter: ¥ 35,991 million (– %)

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY2013 3 <sup>rd</sup> quarter	142.48		89.77	
FY2012 3 <sup>rd</sup> quarter	30.66		17.03	

Note: Ten shares of common stock were consolidated into one share on August 1, 2013. Net income per share were calculated as if the consolidation of shares had been carried out on the beginning of the previous fiscal year ended March 31, 2013.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2013	1,504,953	446,768	29.0
March 31, 2013	1,452,809	351,227	23.4

Reference: Equity As of December 31, 2013: ¥ 435,736 million As of March 31, 2013: ¥ 340,197 million

## 2. Cash dividends

Record date	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2012	-	0.00	-	0.00	0.00
FY2013	-	0.00	-		
FY2013 (Forecast)				-	-

Note: Revisions to the forecasts of cash dividends from the latest announcement: Yes  
Leave the issue of dividend payment "undecided" at the present time

## 3. Consolidated earnings forecasts for fiscal year 2013 (from April 1, 2013 to March 31, 2014)

(Percentages indicate changes over the same period from the previous fiscal year)

	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
Full year	2,110,000	16.2	120,000	78.1	120,000	27.8	100,000	163.3	160.60

Note: Revisions to the forecasts of consolidated earnings forecasts in the current quarter: No

### \* Notes:

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of the accounting treatments and/or procedures specific to preparation of the quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - 1) Changes in accounting policies due to revisions to accounting standards: No
  - 2) Changes in accounting policies due to other reasons: No
  - 3) Changes in accounting estimates: No
  - 4) Restatement: No
- (4) Number of issued shares (common stock)
  - 1) Total number of issued shares and outstanding at the end of the period (including treasury stock)
 

As of December 31, 2013:	622,893,974 shares
As of March 31, 2013:	608,090,053 shares
  - 2) Number of shares of treasury stock at the end of the period
 

As of December 31, 2013:	221,383 shares
As of March 31, 2013:	219,595 shares
  - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
 

FY2013 3 <sup>rd</sup> quarter:	620,534,557 shares
FY2012 3 <sup>rd</sup> quarter:	565,736,758 shares

Note: Ten shares of common stock were consolidated into one share on August 1, 2013. The total number of issued shares and outstanding (including treasury stock), the number of shares of treasury stock and the average number of shares of the previous period were calculated as if the consolidation of shares had been carried out on the beginning of the previous fiscal year ended March 31, 2013.

\* Quarterly review procedures:

As of when this summary of quarterly financial results have been released as flash report, we have not completed the review for the quarterly financial reporting required in accordance with the Financial Instruments and Exchange Act.

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

(Regarding a future description)

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.

(Regarding dividend forecast)

Mitsubishi Motors Corporation had set the FY2013 year-end dividend payment at 0 (zero) yen in the latest forecast. However, in light of the progress made by the Mitsubishi Motors Capital Restructuring Plan announced on November 6, 2013, the company has decided to leave the issue of dividend payment "undecided" at the present time. The company will make an announcement regarding the dividend amount as soon as any decision has been made after careful consideration of the full-year operating results and of the results of the disposition of preferred shares.

## 1. Qualitative Information and Financial Statements

### (1) Qualitative information on consolidated operating results

The operating environment for the automobile industry remained unsettled in the third quarter of FY2013. Although there were some positive factors -- including a correction in the high value of the yen resulting from the Bank of Japan's quantitative easing policy, recovering economy in the United States and signs that Eurozone economic troubles have bottomed out -- the operating environment was negatively affected by several factors including instability in emerging market economies affected by the scaling back of the qualitative easing policy in the United States, problems associated with "shadow banking" in China, as well as an increase in geopolitical risks in the Middle East and North Africa.

Operating within this environment, the Mitsubishi Motors Group posted cumulative consolidated results for the first nine months of FY2013 which set record profits in all profit indicators, as follows: Net sales increased 236.1 billion yen, or 18% year-on-year, to 1,518.7 billion yen. Operating income rose 55.4 billion yen, or 135% year-on-year, to 96.3 billion yen. Despite a reduction in sales volume in Thailand and increased sales costs in other ASEAN bloc markets, Australia, and in North America, the increase was helped by favorable foreign exchange rates and by the firm progress MMC made in the reduction of material and other costs. Ordinary income rose 64.0 billion yen, or 122% year-on-year, to 116.4 billion yen, mainly due to foreign exchange gains. Net income increased 71.1 billion yen, or 410% year-on-year, to 88.4 billion yen.

Global retail sales volume for the first nine months of FY2013 totaled 776,000 units, an increase of 7% or 52,000 units over the same period in FY2012. The introduction of new models was one of the factors driving increases recorded in all regions including Japan, North America, Europe and Asia & Other Regions.

Sales volumes by region were as follows:

**Japan:** Sales volume reached 97,000 units, a year-on-year increase of 5% or 5,000 units. A fall in registered car sales over the same period last year was more than countered by continuing brisk sales of the *eK Wagon* and *eK Custom* minicar models launched in June 2013.

**North America:** Sales volume reached 70,000 units, an increase of 12% or 8,000 units over the same period last year. The increase was driven by firm sales in the United States of the new *Outlander* SUV launched in June 2013, the *Outlander Sport* (*RVR* or *ASX* in some markets) core model, and by the full launch of the new *Mirage* compact model (*Space Star* in some markets) in October 2013.

**Europe:** Sales volume reached 149,000 units, an increase of 10% or 14,000 units over the same period last year. The increase was driven by the launch of the new *Outlander* SUV, *Mirage* compact as well as the eco-friendly *Outlander PHEV*. The *Pajero Sport* SUV model (*Montero Sport* or *Nativa* in some markets) which went into local production in Russia in September 2013 also contributed to the increased sales volume in the European market.

**Asia & Other Regions:** Sales volume reached 460,000 units, an increase of 6% or 25,000 units over the same period last year. In ASEAN bloc markets, sales volume came to 184,000 units, a decrease of 13% or 27,000 units over the same period last year. Sales volume decreased in Thailand, where the market is in an adjusting phase due to the ending of the Thai government's First Car Buyer Program in December 2012; however firm sales in Indonesia and the Philippines and other ASEAN markets partially made up for the Thailand decrease. In China, sales volume reached 54,000 units, an increase of 85% or 25,000 units over the same period last year. This increase was fueled by firm sales of the *ASX* and *Pajero Sport* SUV models produced locally by GAC Mitsubishi Motors Co., Ltd. Australia, New Zealand, Latin America, and the Middle East & Africa markets also reported higher sales for the term.

## **(2) Qualitative information on consolidated financial position**

Total assets as of December 31, 2013 amounted to 1,505.0 billion yen, an increase of 52.2 billion yen over the end of FY2012. Accounts receivable totaled 123.2 billion yen, a decrease of 26.4 billion yen over the end of FY2012. Inventory amounted to 218.9 billion yen, an increase of 16.6 billion yen over the end of FY2012 mainly due to an increase in new model inventory. Total liabilities totaled 1,058.2 billion yen, a decrease of 43.4 billion yen over the end of FY2012. From an asset efficiency perspective, the interest bearing debt balance was condensed to 284.1 billion yen, a decrease of 80.3 billion yen. Net assets came to 446.8 billion yen at the end of the first nine months of FY2013, a 95.6 billion yen increase over the end of FY2012; the result of posting a high net income and other factors.

## **(3) Qualitative information on consolidated earnings forecasts**

Mitsubishi Motors Corporation has decided to leave its full-year operating results forecast announced on December 20, 2013 unchanged.

As for the FY2013 year-end dividend payment, MMC had set it at 0 (zero) yen in the latest forecast. However, in light of the progress made by the Mitsubishi Motors Capital Restructuring Plan announced on November 6, 2013, the company has decided to leave the issue of dividend payment "undecided" at the present time. The company will make an announcement regarding the dividend amount as soon as any decision has been made after careful consideration of the full-year operating results and of the results of the disposition of preferred shares.

## **2. Others**

N/A

## Consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
Assets		
Current assets		
Cash and deposits	409,509	444,229
Notes and accounts receivable-trade	149,555	123,167
Merchandise and finished goods	143,046	157,722
Work in process	33,979	28,521
Raw materials and supplies	25,295	32,663
Other	123,906	131,769
Allowance for doubtful accounts	(6,312)	(4,905)
Total current assets	878,980	913,168
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	82,541	79,615
Machinery, equipment and vehicles, net	139,756	148,965
Tools, furniture and fixtures, net	51,977	52,832
Land	99,432	99,845
Construction in progress	13,196	12,389
Total Property, plant and equipment	386,903	393,648
Intangible assets	12,894	12,245
Investments and other assets		
Investment securities	67,251	69,960
Other	117,014	126,399
Allowance for doubtful accounts	(10,234)	(10,468)
Total investments and other assets	174,031	185,891
Total noncurrent assets	573,829	591,785
Total assets	1,452,809	1,504,953

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	313,810	338,166
Short-term loans payable	113,984	93,718
Current portion of long-term loans payable	143,271	106,707
Accounts payable-other and accrued expenses	106,168	123,400
Income taxes payable	8,360	10,417
Provision for product warranties	28,273	30,249
Other	73,378	65,143
Total current liabilities	787,248	767,803
Noncurrent liabilities		
Long-term loans payable	107,125	83,641
Provision for retirement benefits	111,660	113,627
Provision for directors' retirement benefits	912	912
Other	94,634	92,199
Total noncurrent liabilities	314,333	290,381
Total liabilities	1,101,581	1,058,184
<b>Net assets</b>		
Shareholders' equity		
Capital stock	657,355	165,701
Capital surplus	432,666	217
Retained earnings	(688,049)	324,466
Treasury stock	(217)	(219)
Total shareholders' equity	401,754	490,165
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,222	7,129
Deferred gains or losses on hedges	2,980	(1,585)
Foreign currency translation adjustment	(69,759)	(59,973)
Total accumulated other comprehensive income	(61,556)	(54,429)
Minority interests	11,030	11,032
Total net assets	351,227	446,768
Total liabilities and net assets	1,452,809	1,504,953

## (2) Consolidated statement of income and Consolidated statement of comprehensive income

Consolidated statement of income	(Millions of yen)	
	FY2012 3 <sup>rd</sup> quarter (from April 1, 2012 to December 31, 2012)	FY2013 3 <sup>rd</sup> quarter (from April 1, 2013 to December 31, 2013)
Net sales	1,282,629	1,518,713
Cost of sales	1,046,333	1,179,183
Gross profit	236,296	339,530
Selling, general and administrative expenses		
Advertising and promotion expenses	50,708	80,152
Freightage expenses	31,516	40,237
Provision of allowance for doubtful accounts	(374)	(600)
Directors' compensations, salaries and allowances	45,108	48,097
Provision for retirement benefits	3,694	3,149
Depreciation	6,393	6,748
Research and development expenses	26,687	26,268
Other	31,650	39,173
Total selling, general and administrative expenses	195,383	243,226
Operating income (loss)	40,912	96,304
Non-operating income		
Interest income	2,496	3,923
Foreign exchange gains	11,555	20,879
Equity in earnings of affiliates	6,550	3,042
Other	2,866	1,779
Total non-operating income	23,469	29,624
Non-operating expenses		
Interest expenses	8,017	7,454
Other	3,997	2,118
Total non-operating expenses	12,015	9,572
Ordinary income (loss)	52,366	116,355
Extraordinary income		
Gain on sales of noncurrent assets	197	1,151
Gain on sales of investment securities	11,533	6
Other	137	46
Total extraordinary income	11,868	1,204
Extraordinary loss		
Loss on retirement of noncurrent assets	767	2,528
Loss on sales of stocks of subsidiaries and affiliates	24,480	-
Impairment loss	162	4,785
Other	310	1,507
Total extraordinary losses	25,721	8,820
Income (loss) before income taxes and minority interests	38,513	108,738
Income taxes	18,449	18,232
Income (loss) before minority interests	20,064	90,505
Minority interests in income	2,721	2,092
Net income (loss)	17,343	88,413



## Consolidated statement of comprehensive income

(Millions of yen)

	FY2012 3 <sup>rd</sup> quarter (from April 1, 2012 to December 31, 2012)	FY2013 3 <sup>rd</sup> quarter (from April 1, 2013 to December 31, 2013)
Income (loss) before minority interests	20,064	90,505
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,190)	1,901
Deferred gains or losses on hedges	3,427	(3,630)
Foreign currency translation adjustment	18,607	4,238
Share of other comprehensive income of associates accounted for using equity method	1,081	5,016
Total other comprehensive income	15,926	7,526
Comprehensive income	35,991	98,032
Comprehensive income attributable to:		
Owners of the parent	32,592	95,509
Minority interests	3,399	2,522

**(3) Notes to consolidated financial statements****Notes on premise of going concern**

N/A

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

N/A

## Segment information

FY2012 3<sup>rd</sup> quarter (from April 1, 2012 to December 31, 2012)

### 1. Net sales and income (loss) for each reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Amount in the consolidated statement of income (Note 2)
Net sales					
(1) External customers	1,275,287	7,342	1,282,629	-	1,282,629
(2) Intersegment sales & transfers	(4)	-	(4)	4	-
Total	1,275,282	7,342	1,282,624	4	1,282,629
Segment income (loss)	39,046	1,861	40,907	4	40,912

- Notes:
1. Adjustment of segment income (loss) represents the elimination of intersegment transactions.
  2. The aggregate amount of segment income (loss) agrees to the amount of operating income (loss) presented in the consolidated statement of income.

### 2. Information on impairment loss on non-current assets or goodwill by reportable segments

#### (1) Information on impairment loss on non-current assets

No significant items to be reported.

(Supplementary information about geographic information)

### 1. Net sales to the external customers classified by the geographic location of the external customers

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers	225,758	112,377	298,214	364,668	109,027	172,582	1,282,629

- Note: Main countries and regions outside Japan are grouped as follows:
- (1) North America..... The United States
  - (2) Europe..... The Netherlands, Italy, Germany, Russia, Ukraine
  - (3) Asia..... Thailand, Malaysia, Taiwan, China
  - (4) Oceania..... Australia, New Zealand
  - (5) Other..... U.A.E., Puerto Rico

2. Net sales and operating income (loss) classified by the geographic location of the company and its consolidated subsidiaries

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total	Adjustments and eliminations	Consolidated
Net sales									
(1) External customers	754,071	101,988	58,258	240,168	109,027	19,114	1,282,629	-	1,282,629
(2) Intersegment sales & transfers	294,903	17,224	29,152	236,665	80	-	578,027	(578,027)	-
Total	1,048,975	119,213	87,411	476,833	109,108	19,114	1,860,656	(578,027)	1,282,629
Operating income (loss)	(11,593)	(4,375)	9,886	51,252	(1,967)	542	43,745	(2,832)	40,912

Note: Main countries and regions outside Japan are grouped as follows:

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

FY2013 3<sup>rd</sup> quarter (from April 1, 2013 to December 31, 2013)

1. Net sales and income (loss) for each reportable segment

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Amount in the consolidated statement of income (Note 2)
Net sales					
(1) External customers	1,509,776	8,937	1,518,713	-	1,518,713
(2) Intersegment sales & transfers	(41)	-	(41)	41	-
Total	1,509,734	8,937	1,518,671	41	1,518,713
Segment income (loss)	95,110	1,152	96,262	41	96,304

- Notes:
- 1. Adjustment of segment income (loss) represents the elimination of intersegment transactions.
  - 2. The aggregate amount of segment income (loss) agrees to the amount of operating income (loss) presented in the consolidated statement of income.

2. Information on impairment loss on non-current assets or goodwill by reportable segments

(1) Information on impairment loss on non-current assets

Impairment loss was recognized in automobile segment. Loss on impairment amounted to ¥4,785 million.

(Supplementary information about geographic information)

1. Net sales to the external customers classified by the geographic location of the external customers

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers	324,422	176,372	341,456	310,647	157,529	208,285	1,518,713

Note: Main countries and regions outside Japan are grouped as follows:

- (1) North America..... The United States
- (2) Europe..... Russia, France, Germany, The Netherlands
- (3) Asia..... Thailand, Indonesia, The Philippines, China, Taiwan
- (4) Oceania..... Australia, New Zealand
- (5) Other..... Brazil, U.A.E., Puerto Rico

2. Net sales and operating income (loss) classified by the geographic location of the company and its consolidated subsidiaries

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total	Adjustments and eliminations	Consolidated
Net sales									
(1) External customers	882,614	160,536	106,409	189,695	157,529	21,928	1,518,713	-	1,518,713
(2) Intersegment sales & transfers	364,297	43,976	1,159	264,275	84	0	673,792	(673,792)	-
Total	1,246,912	204,512	107,568	453,970	157,613	21,928	2,192,506	(673,792)	1,518,713
Operating income (loss)	52,613	1,244	8,373	37,876	1,323	931	102,362	(6,058)	96,304

Note: Main countries and regions outside Japan are grouped as follows:

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