

Consolidated Financial Results for the Second 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: November 14, 2008

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

1. Consolidated performance for the second quarter of fiscal year 2008 (cumulative: from April 1, 2008 to September 30, 2008)

(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	%
For six months ended								
September 30, 2008	1,213,973	-	25,361	-	20,854	-	12,772	-
September 30, 2007	1,313,408	30.6	18,830	-	6,632	-	(5,625)	-

	Net income per share		Diluted net income per share	
	Yen		Yen	
For six months ended				
September 30, 2008	2.31		1.40	
September 30, 2007	(1.02)		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
September 30, 2008	1,523,902	308,546	19.5	(25.42)
March 31, 2008	1,609,408	328,132	19.7	(21.81)

Reference: Equity As of September 30, 2008: 296,833 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	-	0.00	-	-	-
FY2008 (Forecast)	-	-	-	0.00	0.00

Note: Revisions to the forecasts of cash dividends in the current quarter: 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
Full year	2,360,000	(12.0)	50,000	(54.0)	43,000	(49.8)	20,000	(42.4)	3.61

Note: Revisions to the consolidated earnings forecasts in the current quarter: Yes

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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 6.

(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 6.

(4) Number of issued shares (common stock)

- a. Total number of issued shares at the end of the period (including treasury stock)
 - As of September 30, 2008: 5,537,898,840 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 September 30, 2008: 82,004 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)
 - For six months ended September 30, 2008: 5,537,817,184 shares
 - For six months ended September 30, 2007: 5,491,443,164 shares

* Proper use of earnings forecasts, and other special matters

1. The consolidated earnings forecasts announced on April 25, 2008 were 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, quarterly consolidated financial statements conform to 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). Also, they 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 second quarter (six months cumulative) showed year-on-year decreases in net sales and unit volume, but operating, ordinary and net income exceeded the results of the same period last fiscal year through improvement in the model mix, and reductions in sales expenses and other areas.

Retail sales volume for the six months decreased 89,000 units year-on-year to 602,000 units, due to decreases 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, the company struggled due to the absence of new vehicles through September resulting in a volume decrease of 18,000 units, or 17%, year-on-year to 83,000 units. In North America, despite increases in Canada and Mexico, overall volume decreased 21,000 units, or 22%, year-on-year to 71,000 units due to declining demand in the U.S. In Europe, growth in Russia and the Ukraine offset losses in Western Europe. The region's volume totaled 168,000 units, or 1,000 units (0%) more than the same period last year. In Asia and other regions, volume decreased 51,000 units, or 15%, year-on-year to 280,000 units. This was mainly due to lower volume in Malaysia, resulting from the conclusion of production parts and components supplies to Proton, and despite increases in markets including Brazil, Indonesia and the Philippines.

Consolidated net sales decreased 99.4 billion yen, or 8%, year-on-year to 1,214 billion yen mainly due to decreased unit volume and the stronger yen.

Operating income was 25.4 billion yen, a 6.6 billion yen year-on-year increase. This was due to an improvement in model mix, reductions in sales expenses, and other cost reductions, which offset the negative factors such as unfavorable foreign exchange rates. Ordinary income increased 14.3 billion yen year-on-year to 20.9 billion yen due to improvements in operating income and the balance of interest received and paid, as well as an increase on foreign exchange gains. Net profit was 12.8 billion yen, which moved into the black from a net loss of 5.6 billion yen in the same period last year.

Note: Results shown in year-on-year comparisons are for approximate reference only.

2. Qualitative information on consolidated financial position

Total assets as of September 30, 2008 were 1,523.9 billion yen, a drop of 85.5 billion yen from the 1,609.4 billion yen recorded at the end of FY2007. Total liabilities amounted to 1,215.4 billion yen, decreasing 65.9 billion yen from the end of FY2007. Of total liabilities, the balance of interest-bearing debt was 334.1 billion yen, a decrease of 19.8 billion yen from the end of FY2007 (353.9 billion yen) due mainly to scheduled debt repayments. Net assets decreased 19.6 billion yen from the end of FY2007 (328.1 billion yen) to 308.5 billion yen.

3. Qualitative information on consolidated earnings forecasts

Net sales, operating income, and ordinary income for fiscal 2008 is expected to fall below the company's original forecast announced on April 25, 2008 due mainly to slow unit sales stemming from the economic downturn and the stronger yen exchange rate. However, the company leaves its net income forecast unchanged.

Revision of consolidated forecasts for fiscal year 2008 (from April 1, 2008 to March 31, 2009)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	2,650,000	60,000	48,000	20,000
Revised forecast (B)	2,360,000	50,000	43,000	20,000
Change in amount (B-A)	(290,000)	(10,000)	(5,000)	0
Change as percentage	(10.9%)	(16.7%)	(10.4%)	-
(For reference only) Results for the last fiscal year (year ending March 2008)	2,682,103	108,596	85,731	34,710

Retail sales volume forecast for fiscal year 2008

(thousands of units)

	Japan	North America	Europe	Asia and other regions	Total
Previous forecast (A)	207	145	388	569	1,309
Revised forecast (B)	190	132	348	558	1,228
Change in units (B-A)	(17)	(13)	(40)	(11)	(81)
Change as percentage	(8%)	(9%)	(10%)	(2%)	(6%)
(For reference only) Results for the last fiscal year (year ending March 2008)	219	160	341	640	1,360

4. Others

(1) **Changes in significant 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 noncurrent assets to which the declining balance method is applied is calculated dividing the depreciation expense for the consolidated fiscal year proportionally over the period.

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

- a. Commencing with the current fiscal year, quarterly consolidated financial statements conform to 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). Also, they are prepared pursuant to 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 the 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 the first quarter period, the accounting treatment for those transactions follow the method for ordinary purchase and sales transactions. As an effect of this change, property, plant and equipment increased by ¥24,172 million. However, the impacts of this change on operating income, ordinary income and income before income taxes and minority interests 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 the 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 the first quarter period, the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF Practical Solution No. 18) has been applied, and necessary amendments for quarterly consolidated financial statements were made. Accordingly, retained earnings at the beginning of the period decreased by ¥13,455 million, and operating income, ordinary income, and income before income taxes and minority interests each increased by ¥971 million.

5. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008 (Summary)
Assets		
Current assets		
Cash and deposits	312,714	355,896
Notes and accounts receivable-trade	144,404	174,076
Short-term investment securities	5,146	5,754
Merchandise and finished goods	168,610	174,999
Work in process	38,177	73,058
Raw materials and supplies	63,165	51,586
Other	123,525	139,658
Allowance for doubtful accounts	(10,048)	(10,897)
Total current assets	<u>845,695</u>	<u>964,133</u>
Noncurrent assets		
Property, plant and equipment	509,397	453,453
Intangible assets	17,777	31,825
Investments and other assets		
Investment securities	58,436	75,999
Other	105,956	98,548
Allowance for doubtful accounts	(13,360)	(14,551)
Total investments and other assets	<u>151,032</u>	<u>159,996</u>
Total noncurrent assets	<u>678,207</u>	<u>645,274</u>
Total assets	<u>1,523,902</u>	<u>1,609,408</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	379,471	423,729
Short-term loans payable	215,988	272,042
Current portion of bonds	46,810	24,260
Accounts payable-other and accrued expenses	152,497	178,508
Income taxes payable	5,573	8,115
Provision for product warranties	49,800	50,320
Other	87,229	73,936
Total current liabilities	<u>937,370</u>	<u>1,030,913</u>
Noncurrent liabilities		
Bonds payable	200	25,800
Long-term loans payable	71,108	31,806
Provision for retirement benefits	105,754	103,295
Provision for directors' retirement benefits	929	936
Other	99,993	88,524
Total noncurrent liabilities	<u>277,986</u>	<u>250,362</u>
Total liabilities	<u>1,215,356</u>	<u>1,281,275</u>

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008 (Summary)
Net assets		
Shareholders' equity		
Capital stock	657,350	657,349
Capital surplus	432,661	432,661
Retained earnings	(703,094)	(702,432)
Treasury stock	(14)	(14)
Total shareholders' equity	386,902	387,564
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	724	10,676
Deferred gains or losses on hedges	1,587	3,157
Foreign currency translation adjustment	(92,381)	(84,584)
Total valuation and translation adjustments	(90,069)	(70,750)
Minority interests	11,712	11,318
Total net assets	308,546	328,132
Total liabilities and net assets	1,523,902	1,609,408

(2) Consolidated statement of income (cumulative)

(Millions of yen)

	For six months ended September 30, 2008
Net sales	1,213,973
Cost of sales	1,006,063
Gross profit	207,910
Selling, general and administrative expenses	
Advertising and promotion expenses	54,228
Freightage expenses	28,608
Directors' compensations, salaries and allowances	36,256
Provision for retirement benefits	2,505
Depreciation	7,165
Research and development expenses	19,604
Other	34,180
Total selling, general and administrative expenses	182,548
Operating income	25,361
Non-operating income	
Interest income	4,172
Equity in earnings of affiliates	1,548
Foreign exchange gains	655
Other	1,168
Total non-operating income	7,544
Non-operating expenses	
Interest expenses	7,911
Other	4,140
Total non-operating expenses	12,051
Ordinary income	20,854
Extraordinary income	
Gain on sales of noncurrent assets	583
Gain on reversal of cost related to the closure of the production facility of Australian subsidiary	1,629
Other	337
Total extraordinary income	2,551
Extraordinary loss	
Loss on retirement of noncurrent assets	1,114
Early retirement expense	1,151
Other	705
Total extraordinary losses	2,971
Income before income taxes and minority interests	20,434
Income taxes-current	4,136
Income taxes-deferred	2,079
Total income taxes	6,216
Minority interests in income	1,446
Net income	12,772

Consolidated statement of income

(Millions of yen)

	For three months ended September 30, 2008
Net sales	603,875
Cost of sales	495,632
Gross profit	108,242
Selling, general and administrative expenses	
Advertising and promotion expenses	26,974
Freightage expenses	16,157
Provision of allowance for doubtful accounts	216
Directors' compensations, salaries and allowances	18,017
Provision for retirement benefits	1,170
Depreciation	3,505
Research and development expenses	10,017
Other	16,894
Total selling, general and administrative expenses	92,954
Operating income	15,288
Non-operating income	
Interest income	1,890
Other	1,056
Total non-operating income	2,946
Non-operating expenses	
Interest expenses	3,897
Foreign exchange losses	7,753
Other	2,122
Total non-operating expenses	13,772
Ordinary income	4,461
Extraordinary income	
Gain on sales of noncurrent assets	419
Gain on reversal of cost related to the closure of the production facility of Australian subsidiary	1,836
Other	142
Total extraordinary income	2,398
Extraordinary loss	
Loss on retirement of noncurrent assets	747
Other	545
Total extraordinary losses	1,293
Income before income taxes and minority interests	5,566
Income taxes-current	1,836
Income taxes-deferred	542
Total income taxes	2,378
Minority interests in income	714
Net income	2,474

(3) Consolidated statement of cash flows (cumulative)

(Millions of yen)

	For six months ended September 30, 2008
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	20,434
Depreciation and amortization	41,943
Increase (decrease) in allowance for doubtful accounts	(1,228)
Increase (decrease) in provision for retirement benefits	1,692
Interest and dividends income	(4,803)
Interest expenses	7,911
Equity in (earnings) losses of affiliates	(1,548)
Loss (gain) on sales and retirement of noncurrent assets	590
Decrease (increase) in notes and accounts receivable-trade	22,034
Decrease (increase) in inventories	(11,110)
Increase (decrease) in notes and accounts payable-trade	(19,234)
Early retirement expense	1,151
Other, net	(10,778)
Subtotal	47,054
Interest and dividends income received	7,131
Interest expenses paid	(8,052)
Compensation based on stock transfer contract paid	(10,896)
Payment for early retirement	(3,195)
Income taxes paid	(6,263)
Net cash provided by (used in) operating activities	25,777

(Millions of yen)

	For six months ended September 30, 2008
Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment	(53,065)
Proceeds from sales of property, plant and equipment	12,383
Purchase of investment securities	(562)
Payments of long-term loans receivable	(644)
Collection of long-term loans receivable	222
Other, net	(12,100)
Net cash provided by (used in) investment activities	(53,767)
Net cash provided by (used in) financing activities	
Increase (decrease) in short-term bank loans and commercial papers	(68,738)
Proceeds from long-term loans payable	74,867
Repayment of long-term loans payable	(23,175)
Cash dividends paid to minority shareholders	(578)
Other, net	(6,122)
Net cash provided by (used in) financing activities	(23,747)
Effect of exchange rate change on cash and cash equivalents	(2,236)
Net increase (decrease) in cash and cash equivalents	(53,973)
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	307,595

Commencing with the current fiscal year, quarterly consolidated financial statements conform to 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). Also, they are prepared pursuant to the "Regulation for Quarterly Consolidated Financial Statements."

(4) Notes on premise of going concern

No items to report

(5) Segment information

[Business segment]

For three months ended September 30, 2008

(Millions of yen)

	Automobiles	Financial services	Total	Corporate and eliminations	Consolidated
Net sales					
(1) External customers	600,867	3,007	603,875	-	603,875
(2) Intersegment sales & transfers	(39)	-	(39)	39	-
Total	600,827	3,007	603,835	39	603,875
Operating income	14,896	351	15,248	39	15,288

For six months ended September 30, 2008

(Millions of yen)

	Automobiles	Financial services	Total	Corporate and eliminations	Consolidated
Net sales					
(1) External customers	1,207,758	6,214	1,213,973	-	1,213,973
(2) Intersegment sales & transfers	(75)	-	(75)	75	-
Total	1,207,683	6,214	1,213,897	75	1,213,973
Operating income	23,913	1,373	25,286	75	25,361

- Notes:
1. Segments are divided by sector and by market.
 2. Major products by business segment
 - (1) AutomobilesPassenger cars
 - (2) Financial servicesSales-finance products
 3. Changes in accounting treatment

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

From the first quarter period, the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF Practical Solution No. 18) has been adopted. Accordingly, the operating income for "Automobiles" increased by ¥971 million as compared to the case where the previous method was adopted.

[Geographical segment]

For three months ended September 30, 2008

(Millions of yen)

	Japan	North America	Europe	Asia	Other	Total	Corporate and eliminations	Consolidated
Net sales								
(1) External customers	373,739	62,882	91,752	23,542	51,958	603,875	-	603,875
(2) Intersegment sales & transfers	130,179	6,240	17,978	69,228	52	223,678	(223,678)	-
Total	503,918	69,122	109,730	92,770	52,011	827,553	(223,678)	603,875
Operating income (loss)	16,656	(4,875)	(1,711)	1,929	85	12,083	3,204	15,288

For six months ended September 30, 2008

(Millions of yen)

	Japan	North America	Europe	Asia	Other	Total	Corporate and eliminations	Consolidated
Net sales								
(1) External customers	712,026	139,863	196,956	52,831	112,295	1,213,973	-	1,213,973
(2) Intersegment sales & transfers	256,969	11,573	27,742	124,521	164	420,972	(420,972)	-
Total	968,996	151,437	224,699	177,352	112,460	1,634,946	(420,972)	1,213,973
Operating income (loss)	25,582	(8,586)	(3,708)	8,444	1,300	23,032	2,328	25,361

Notes: 1. National and regional groupings are classified 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 classified 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 the 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 ¥13,508 million; same for "North America" decreased by ¥12,552 million; and same for "Corporate and eliminations" decreased by ¥956 million. In addition, operating income for "Other" increased by ¥221 million; same for "North America" decreased by ¥194 million; and same for "Corporate and eliminations" decreased by ¥27 million.

3. Changes in accounting treatment

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

From the first quarter period, the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF Practical Solution No. 18) has been adopted. Accordingly, the operating income for "Asia" increased by ¥971 million as compared to the case where the previous method was adopted.

[Overseas sales]

For three months ended September 30, 2008

(Millions of yen)

	North America	Europe	Asia	Other	Total
I. Overseas sales	69,877	216,701	53,520	158,293	498,393
II. Consolidated sales					603,875
III. Overseas sales as a percentage of total sales	11.6%	35.9%	8.8%	26.2%	82.5%

For six months ended September 30, 2008

(Millions of yen)

	North America	Europe	Asia	Other	Total
I. Overseas sales	152,386	439,681	120,632	301,256	1,013,955
II. Consolidated sales					1,213,973
III. Overseas sales as a percentage of total sales	12.6%	36.2%	9.9%	24.8%	83.5%

Notes: 1. National and regional groupings are classified 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 classified 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 the 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 ¥13,508 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 the first quarter period, the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF Practical Solution No. 18) has been adopted .

Accordingly, the retained earnings at the beginning of the period decreased by ¥13,455 million.

Reference:**Financial statements for the second quarter of the fiscal year ended March 31, 2008****(1) Consolidated statement of income**

(Millions of yen)

	For six months ended September 30, 2007
Net sales	1,313,408
Cost of sales	1,105,428
Gross profit before reversal of deferred profit on installment sales	207,979
Reversal of deferred profit on installment sales	0
Gross profit	207,979
Selling, general and administrative expenses	189,149
Operating income (loss)	18,830
Non-operating income	8,206
Interest and dividend income	4,681
Other income	3,525
Non-operating expenses	20,404
Interest expense	11,512
Other expenses	8,891
Ordinary income (loss)	6,632
Extraordinary gains	7,879
Extraordinary losses	9,786
Net income (loss) before income taxes	4,725
Income taxes	9,002
Minority interests in income (loss)	(1,349)
Net income (loss)	(5,625)

(2) Consolidated statement of cash flows

(Millions of yen)

	For six months ended September 30, 2007
Cash flows from operating activities	
Net income (loss) before income taxes	4,725
Depreciation	38,299
Loss on impairment of fixed assets	1,175
Amortization of goodwill	79
Allowance for doubtful accounts, net of reversal	(12,151)
Accrued retirement benefits, net of reversal	1,551
Interest and dividend income	(4,681)
Interest expense	11,512
Foreign exchange (gain) loss	(1,570)
Loss (gain) from affiliates accounted for by the equity method	(2,392)
Loss (gain) on sales and disposal of property, plant and equipment, net	1,451
Loss (gain) on sales of investments in securities, net	107
Loss on devaluation of investments in securities	499
Gain on liquidation of anonymous association	(4,636)
Change in trade notes and accounts receivable	8,025
Change in inventories	64,882
Change in finance receivables	21,160
Change in trade notes and accounts payable	(8,505)
Other	22,808
Sub total	142,341
Interest and dividends received	5,155
Interest paid	(11,635)
Compensation based on stock transfer contract paid	-
Compensation for joint consignment	-
Payment for early retirement	-
Payment for shift to external pension fund	-
Income tax paid	(7,007)
Cash flows from operating activities	128,854

(Millions of yen)

	For six months ended September 30, 2007
Cash flows from investing activities	
Decrease (increase) in investments in term deposits	1,846
Decrease (increase) in marketable securities	9
Acquisition of property, plant and equipment	(44,709)
Proceeds from sales of property, plant and equipment	16,421
Acquisition of investments in securities	(385)
Proceeds from sales of investments in securities	307
Acquisition of capital investments in affiliates	-
Decrease (increase) in short-term loans receivable	3,089
Loans made	(338)
Collection of loans receivable	777
Proceeds from liquidation of anonymous association	4,957
Other	(1,215)
Cash flows from investing activities	(19,239)
Cash flows from financing activities	
Increase (decrease) in short-term borrowings and commercial papers	(41,812)
Proceeds from issuance of long-term debt	1,591
Repayment of long-term debt	(56,073)
Redemption of bonds	(8,700)
Dividend paid to minority interest	(90)
Other	(919)
Cash flows from financing activities	(106,003)
Effect of exchange rate changes on cash and cash equivalents	3,664
Net change in cash and cash equivalents	7,275
Cash and cash equivalents at beginning of year	364,268
Change in cash and cash equivalents due to inclusion and exclusion of subsidiaries in consolidation	-
Cash and cash equivalents at end of year	371,544

(3) Segment information

[Business segment]

For six months ended September 30, 2007

(Millions of yen)

	Automobiles	Financial services	Total	Corporate and eliminations	Consolidated
Net sales					
(1) External customers	1,297,517	15,890	1,313,408	-	1,313,408
(2) Intersegment sales & transfers	(112)	-	(112)	112	-
Total	1,297,405	15,890	1,313,296	112	1,313,408
Operating expenses	1,287,126	7,451	1,294,577	-	1,294,577
Operating income	10,279	8,438	18,718	112	18,830

Notes: 1. Segments are divided by sector and by market.

2. Major products by business segment

(1) AutomobilesPassenger cars

(2) Financial servicesSales-finance products

[Geographical segment]

For six months ended September 30, 2007

(Millions of yen)

	Japan	North America	Europe	Asia	Other	Total	Corporate and eliminations	Consolidated
Net sales								
(1) External customers	649,023	212,799	295,136	53,378	103,070	1,313,408	-	1,313,408
(2) Intersegment sales & transfers	287,548	7,765	23,559	131,751	195	450,822	(450,822)	-
Total	936,572	220,565	318,696	185,130	103,266	1,764,230	(450,822)	1,313,408
Operating expenses	926,361	218,687	314,560	174,943	104,995	1,739,548	(444,970)	1,294,577
Operating income (loss)	10,210	1,877	4,136	10,186	(1,729)	24,682	(5,851)	18,830

Notes: 1. National and regional groupings are classified 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]

For six months ended September 30, 2007

(Millions of yen)

	North America	Europe	Asia	Other	Total
I. Overseas sales	228,103	454,952	109,344	295,563	1,087,963
II. Consolidated sales					1,313,408
III. Overseas sales as a percentage of total sales	17.4%	34.6%	8.3%	22.5%	82.8%

Notes: 1. National and regional groupings are classified 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.