

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2013 [Japan GAAP]

Company name: **Mitsubishi Motors Corporation**
 Listing: First Section, the Tokyo Stock Exchange
 Stock code: 7211
 URL: <http://www.mitsubishi-motors.co.jp/>
 Representative: Osamu Masuko, President
 Contact: Yoshihiro Kuroi, Executive Officer,
 Corporate General Manager of Corporate Planning Office
 TEL: +81-3-6852-4206 (from overseas)
 Scheduled date to file quarterly report: November 13, 2012
 Scheduled date to deliver cash dividends: TBD
 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 second quarter of fiscal year 2012 (from April 1, 2012 to September 30, 2012)

(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	%
FY2012 2 nd quarter	859,960	(5.2)	30,822	(9.9)	31,648	36.0	30,060	183.9
FY2011 2 nd quarter	907,462	4.9	34,219	396.9	23,265	234.6	10,589	-

Note: Comprehensive income FY2012 2nd quarter: ¥ 7,516 million (- %) FY2011 2nd quarter: ¥ (14,533) million (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2012 2 nd quarter	5.41	2.95
FY2011 2 nd quarter	1.91	1.06

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2012	1,257,425	272,270	20.9
March 31, 2012	1,321,306	265,620	19.5

Reference: Equity As of September 30, 2012: ¥ 262,790 million As of March 31, 2012: ¥ 256,994 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
FY2011	-	0.00	-	0.00	0.00
FY2012	-	0.00			
FY2012 (Forecast)			-	0.00	0.00

Note: Revisions to the forecasts of cash dividends in the current quarter: Nil

3. Consolidated earnings forecasts for fiscal year 2012 (from April 1, 2012 to March 31, 2013)

(Percentages indicate changes over the same period in 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	1,830,000	1.3	80,000	25.6	62,000	1.8	13,000	(45.7)	2.28

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

For revisions to consolidated earnings forecasts, please refer to page 5 "3. Qualitative information on consolidated earnings forecasts".

* 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 simple accounting as well as specific accounting for preparing 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 September 30, 2012:	5,712,466,280 shares
As of March 31, 2012:	5,537,956,840 shares
 - 2) Number of shares of treasury stock at the end of the period

As of September 30, 2012:	2,194,665 shares
As of March 31, 2012:	94,665 shares
 - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

FY2012 2 nd quarter:	5,558,636,250 shares
FY2011 2 nd quarter:	5,537,864,965 shares

* 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:

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.

[Qualitative Information and Financial Statements]

1. Qualitative information on consolidated operating results

The operating environment for automobile makers was as harsh as ever in the first half of the 2012 fiscal year (FY). The rebuilding of the earthquake disaster areas, as well as the national "eco-car" subsidies supported demand in Japan. However, outside of Japan, the lingering strength of the yen continues to hinder Japanese companies' competitiveness abroad. Moreover, the worsening of the debt crises in Eurozone countries affected emerging countries like China, among others. With these factors the slowing down of the global economy further intensified.

In the midst of this operating environment, the Mitsubishi Motors Group's consolidated operating results for the first half of FY2012 are as follows: Net sales decreased 47.5 billion yen, or 5% year-on-year to 860 billion yen. Although wholesales volume increased, changes in the model mix as well as factors including the negative effect of the strong yen forced the decrease. Operating income decreased 3.4 billion yen, or 10% year-on-year down to 30.8 billion yen. The positive effects of steadily progressing reductions in materials and other costs could not overcome negative factors including effect of the strong yen and increases in selling costs, such as new model advertising costs. Ordinary income rose 8.3 billion yen, or 36% year-on-year to a profit of 31.6 billion yen. Net income rose 19.5 billion yen, or 184% year-on-year to a profit of 30.1 billion yen.

Although year-on-year retail sales volume by unit increased in Asia & Other Regions, Japan, North America, and Europe all decreased. As a result, global retail sales in the first half of FY2012 totaled 478,000 units, a decrease of 41,000 units, or 8% year-on-year.

Sales volumes by region were as follows:

In Japan, Mitsubishi Motors posted a sales volume of 63,000 units, a decrease of 9,000 units, or 12% over the same period last year. Factors that negatively influenced sales volume were mainly the lack of models in the minicar class that qualify for the government's "eco-car" incentives as well as the end of the current Outlander core model making way for the new version.

In North America, Mitsubishi Motors posted a sales volume of 43,000 units, a decrease of 18,000 units, or 29% over the same period last year. Although sales of the *Outlander Sport* (*RVR* or *ASX* in other markets, for which local production started in July) in the United States increased over the same period last year, the decrease was caused mostly due to a drop in sales in the United States of the *Eclipse* and the *Endeavor*, following the termination of these models in August of last year.

In Europe, Mitsubishi Motors posted a sales volume of 90,000 units, a decrease of 27,000 units, or 23% over the same period last year. Enjoying brisk sales in the growing Russian market, MMC added the new *Outlander* to high acclaim and continuing strong sales there. However the Russian boost was overcome by western Europe, where declining overall demand led to a deep drop in sales year-on-year.

In Asia & Other Regions, Mitsubishi Motors posted a sales volume of 282,000 units, an increase of 13,000 units, or 5% over the same period last year. Although sales volume decreased in North Asia as well as the Middle East & Africa and other regions, the increase was made possible mainly by strong sales in ASEAN bloc countries led by Thailand where the *Mirage* was released in March showing a major increase in sales.

2. Qualitative information on consolidated financial position

Total assets as of September 30, 2012 amounted to 1,257.4 billion yen, a decrease of 63.9 billion yen from the end of FY2011. Out of total assets, cash and cash deposits amounted to 314.9 billion yen, a 3.3 billion yen increase from the end of FY2011.

Total liabilities amounted to 985.2 billion yen, a decrease of 70.5 billion yen from the end of FY2011. Out of total liabilities, the balance of interest bearing debt was 315.5 billion yen, a decrease of 32.6 billion yen from the same period last year. In spite of a net profit of 30.1 billion yen for the term, net assets at the first half of FY2012 amounted to 272.2 billion yen, a 6.6 billion increase compared to 265.6 billion yen at the end of FY2011; mainly due to valuation and translation adjustments due to a stronger end-of-term yen rate which resulted in a 24.1 billion yen decrease.

3. Qualitative information on consolidated earnings forecasts

Mitsubishi Motors has decided to revise the sales volume and net sales figures in its fiscal 2012 full-year (April 1, 2012 through March 31, 2012) consolidated earnings forecasts announced on July 30, 2012. These changes were made based on the 1H FY2012 financial results and the consideration of many factors, including the intensified slowing down of the global economy caused by deepening debt crises in Europe, feeling the effects of the continuous historically strong yen. The revision is outlined below.

At present, Mitsubishi Motors bases its full-year consolidated earnings forecasts on currency exchange rates of 79 JPY/USD and 100JPY/EUR (78 JPY/USD and 100 JPY/EUR for the second half of the fiscal year).

- Retail sales volume: 1,044,000 units (a 46,000-unit decrease from the previous forecast)
- Wholesale sales volume: 1,094,000 units (a 81,000-unit decrease from the previous forecast)

Revision to the Full-year Consolidated Earnings Forecast for FY2012 (April 1, 2012 through March 31, 2012)

	Net Sales (millions of yen)	Operating Income (millions of yen)	Ordinary Income (millions of yen)	Net Income (millions of yen)	Net Income Per Share (Yen)
Previous Forecast (A)	1,980,000	80,000	62,000	13,000	2.35
Revised Forecast (B)	1,830,000	80,000	62,000	13,000	2.28
Change in amount (B-A)	-150,000	—	—	—	—
Change as percentage	-7.6	—	—	—	—
(For reference only) Results for the last fiscal year (year ending March 2011)	1,807,293	63,674	60,904	23,928	4.32

4. Others

N/A

3. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
Assets		
Current assets		
Cash and deposits	311,631	314,941
Notes and accounts receivable-trade	146,182	112,541
Merchandise and finished goods	118,788	124,746
Work in process	20,088	38,345
Raw materials and supplies	48,586	32,802
Other	121,161	91,651
Allowance for doubtful accounts	(7,263)	(5,859)
Total current assets	759,175	709,170
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	77,580	77,459
Machinery, equipment and vehicles, net	113,112	127,030
Tools, furniture and fixtures, net	45,956	51,138
Land	99,173	97,957
Construction in progress	40,913	14,122
Total Property, plant and equipment	376,736	367,708
Intangible assets	11,669	11,186
Investments and other assets		
Investment securities	72,477	61,821
Other	111,709	117,319
Allowance for doubtful accounts	(10,461)	(9,781)
Total investments and other assets	173,724	169,359
Total noncurrent assets	562,130	548,255
Total assets	1,321,306	1,257,425

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	317,355	281,213
Short-term loans payable	186,690	144,752
Accounts payable-other and accrued expenses	99,220	96,241
Income taxes payable	8,792	4,157
Provision for product warranties	24,753	23,915
Other	66,644	75,374
Total current liabilities	703,457	625,654
Noncurrent liabilities		
Long-term loans payable	161,390	170,740
Provision for retirement benefits	108,602	109,970
Provision for directors' retirement benefits	912	912
Other	81,323	77,876
Total noncurrent liabilities	352,228	359,500
Total liabilities	1,055,686	985,155
Net assets		
Shareholders' equity		
Capital stock	657,355	657,355
Capital surplus	432,666	432,666
Retained earnings	(726,028)	(695,968)
Treasury stock	(15)	(217)
Total shareholders' equity	363,976	393,835
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,327	3,065
Deferred gains or losses on hedges	2,232	(1,579)
Foreign currency translation adjustment	(120,542)	(132,531)
Total accumulated other comprehensive income	(106,982)	(131,045)
Minority interests	8,626	9,480
Total net assets	265,620	272,270
Total liabilities and net assets	1,321,306	1,257,425

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

Consolidated statement of income	(Millions of yen)	
	FY2011 2 nd quarter (from April 1, 2011 to September 30, 2011)	FY2012 2 nd quarter (from April 1, 2012 to September 30, 2012)
Net sales	907,462	859,960
Cost of sales	746,379	700,223
Gross profit	161,083	159,736
Selling, general and administrative expenses		
Advertising and promotion expenses	30,897	31,805
Freightage expenses	21,801	21,402
Provision of allowance for doubtful accounts	(685)	(145)
Directors' compensations, salaries and allowances	29,593	29,973
Provision for retirement benefits	2,330	2,554
Depreciation	4,563	4,172
Research and development expenses	17,113	18,010
Other	21,249	21,141
Total selling, general and administrative expenses	126,863	128,913
Operating income (loss)	34,219	30,822
Non-operating income		
Interest income	1,872	1,520
Equity in earnings of affiliates	3,871	5,103
Other	1,167	2,342
Total non-operating income	6,911	8,966
Non-operating expenses		
Interest expenses	7,273	5,364
Foreign exchange losses	9,170	157
Other	1,421	2,617
Total non-operating expenses	17,865	8,140
Ordinary income (loss)	23,265	31,648
Extraordinary income		
Gain on sales of noncurrent assets	203	114
Gain on sales of investment securities	20	11,401
Gain on sales of subsidiaries and affiliates' stocks	477	-
Other	2	157
Total extraordinary income	702	11,674
Extraordinary loss		
Loss on retirement of noncurrent assets	552	485
Loss on disaster	737	-
Other	385	411
Total extraordinary losses	1,675	897
Income (loss) before income taxes and minority interests	22,292	42,426
Income taxes	10,053	10,655
Income (loss) before minority interests	12,238	31,770
Minority interests in income	1,649	1,709
Net income (loss)	10,589	30,060

Consolidated statement of comprehensive income

(Millions of yen)

	FY2011 2 nd quarter (from April 1, 2011 to September 30, 2011)	FY2012 2 nd quarter (from April 1, 2012 to September 30, 2012)
Income (loss) before minority interests	12,238	31,770
Other comprehensive income		
Valuation difference on available-for-sale securities	(836)	(8,257)
Deferred gains or losses on hedges	(3,773)	(3,812)
Foreign currency translation adjustment	(22,296)	(12,816)
Share of other comprehensive income of associates accounted for using equity method	133	632
Total other comprehensive income	(26,772)	(24,253)
Comprehensive income	(14,533)	7,516
Comprehensive income attributable to:		
Owners of the parent	(15,633)	6,015
Minority interests	1,099	1,500

(3) Consolidated statement of cash flows

(Millions of yen)

	FY2011 2 nd quarter (from April 1, 2011 to September 30, 2011)	FY2012 2 nd quarter (from April 1, 2012 to September 30, 2012)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	22,292	42,426
Depreciation and amortization	28,623	26,073
Increase (decrease) in allowance for doubtful accounts	(1,154)	(1,150)
Increase (decrease) in provision for retirement benefits	1,934	1,486
Interest and dividends income	(2,838)	(2,593)
Interest expenses	7,273	5,364
Foreign exchange losses (gains)	1,102	2,188
Equity in (earnings) losses of affiliates	(3,871)	(5,103)
Loss (gain) on sales and retirement of noncurrent assets	388	395
Loss (gain) on sales of investment securities	(20)	(11,401)
Decrease (increase) in notes and accounts receivable-trade	(16,221)	25,874
Decrease (increase) in inventories	3,022	(13,771)
Increase (decrease) in notes and accounts payable-trade	3,190	(30,005)
Other, net	21,763	29,548
Subtotal	65,485	69,332
Interest and dividends income received	3,629	4,895
Interest expenses paid	(7,161)	(5,499)
Income taxes paid	(11,218)	(15,417)
Net cash provided by (used in) operating activities	50,735	53,310

(Millions of yen)

	FY2011 2 nd quarter (from April 1, 2011 to September 30, 2011)	FY2012 2 nd quarter (from April 1, 2012 to September 30, 2012)
Net cash provided by (used in) investment activities		
Decrease (increase) in time deposits	(32)	(20,940)
Purchase of property, plant and equipment	(38,609)	(24,753)
Proceeds from sales of property, plant and equipment	4,545	4,209
Purchase of investment securities	(0)	(0)
Proceeds from sales of investment securities	20	12,406
Payments for investments in capital of subsidiaries and affiliates	-	(11,381)
Collection of long-term loans receivable	137	206
Other, net	(1,937)	4,318
Net cash provided by (used in) investment activities	(35,876)	(35,934)
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	(24,679)	(41,887)
Proceeds from long-term loans payable	45,359	67,263
Repayment of long-term loans payable	(45,333)	(51,525)
Cash dividends paid to minority shareholders	(946)	(983)
Other, net	(2,178)	(2,776)
Net cash provided by (used in) financing activities	(27,778)	(29,910)
Effect of exchange rate change on cash and cash equivalents	(11,210)	(4,975)
Net increase (decrease) in cash and cash equivalents	(24,130)	(17,509)
Cash and cash equivalents at beginning of period	316,464	310,993
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	37
Cash and cash equivalents at end of period	292,334	293,521

(4) Notes on premise of going concern

N/A

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

N/A

(6) Segment information

FY2011 2nd quarter (from April 1, 2011 to September 30, 2011)

1. Sales and income (loss) for each reportable segment

	Automobiles	Financial services	Total	Adjustment (Note 1)	(Millions of yen) Amount in the consolidated statement of income (Note 2)
Net sales					
(1) External customers	902,158	5,303	907,462	-	907,462
(2) Intersegment sales & transfers	(8)	-	(8)	8	-
Total	902,150	5,303	907,453	8	907,462
Segment income (loss)	32,030	2,180	34,210	8	34,219

- 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.

(Supplementary information about geographic information)

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

	Japan	North America	Europe	Asia	Oceania	Other	Total
Net sales							
Net sales to external customers	163,415	97,083	254,157	207,557	83,288	101,960	907,462

- 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	535,683	92,321	79,866	103,440	83,288	12,861	907,462	–	907,462
(2) Intersegment sales & transfers	206,294	2,649	39,396	127,593	61	–	375,996	(375,996)	–
Total	741,978	94,970	119,263	231,034	83,350	12,861	1,283,458	(375,996)	907,462
Operating income (loss)	1,805	1,470	7,087	25,078	512	772	36,727	(2,507)	34,219

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

FY2012 2nd quarter (from April 1, 2012 to September 30, 2012)

1. 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	855,030	4,930	859,960	–	859,960
(2) Intersegment sales & transfers	(0)	–	(0)	0	–
Total	855,029	4,930	859,960	0	859,960
Segment income (loss)	29,378	1,444	30,822	0	30,822

- 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.

(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	154,929	79,792	210,811	224,986	75,013	114,426	859,960

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	513,376	72,975	41,561	144,073	75,013	12,958	859,950	-	859,960
(2) Intersegment sales & transfers	186,888	4,698	21,977	157,986	54	-	371,605	(371,605)	-
Total	700,264	77,674	63,539	302,060	75,068	12,958	1,231,565	(371,605)	859,960
Operating income (loss)	(9,645)	(2,324)	6,570	34,302	260	288	29,451	1,370	30,822

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