Translation

April 24, 2014

Consolidated Financial Results for FY 2013 Full Year (April 1, 2013 through March 31, 2014) [Japan GAAP]

Company name: Mitsubishi Motors Corporation
Listing: First Section, the Tokyo Stock Exchange
Stock code: 7211
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Representative: Osamu Masuko, President
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Scheduled date for ordinary general shareholders' meeting: June 25, 2014
Scheduled date to file Securities Report: June 25, 2014
Scheduled date to deliver cash dividends: June 26, 2014

1. Consolidated performance for the Full Year 2013 (April 1, 2013 to March 31, 2014)

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

(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	%
FY 2013	2,093,409	15.3	123,434	83.2	129,472	37.9	104,664	175.6
FY 2012	1,815,113	0.4	67,382	5.8	93,903	54.2	37,978	58.7

Reference: Comprehensive income FY 2013: ¥ 121,808 million (37.7%) FY2012: ¥ 88,459 million (330.3%)

	Net income per share-basic	Net income per share-diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to sales
	Yen	Yen	%	%	%
FY 2013	156.60	104.29	23.8	8.6	5.9
FY 2012	66.05	37.09	12.7	6.8	3.7

Note: Equity income from affiliates:

FY 2013	FY 2012
¥7,373 million	*¥4,853 million*

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 year ended March 31, 2013.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2014	1,543,890	550,009	35.0	549.63
March 31, 2013	1,452,809	351,227	23.4	(92.12)

Reference: Shareholders' Equity As of March 31, 2014: ¥ 540,532 million As of March 31, 2013: ¥ 340,197 million

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

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from Investing activities	Cash flows from financing activities	Cash & cash equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2013	210,443	(81,352)	(82,083)	411,695
FY2012	172,227	(114,327)	(8,310)	361,167

2. Cash dividends

Record Date	Cash dividend per share					Total annual cash dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2012	—	0.00	—	0.00	0.00	0	0.0	—
FY2013	—	0.00	—	25.00	25.00	24,586	16.0	10.9
FY2014 (Forecast)	—	7.50	—	7.50	15.00		13.4	

Note: The amount of the year-end dividend for FY2013 (ended March 31, 2014) includes an extraordinary dividend of 10 yen.

3. Consolidated earnings forecasts for fiscal year 2014 (from April 1, 2014 to March 31, 2015)

(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
FY2014 2nd quarter	1,090,000	17.3	55,000	8.2	56,000	(8.2)	43,000	(8.0)	43.72
Full year	2,300,000	9.9	135,000	9.4	138,000	6.6	110,000	5.1	111.85

Note

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards: Yes
- (ii) Changes in accounting policies due to other reasons: No
- (iii) Changes in accounting estimates: No
- (iv) Restatement: No

(3) Number of shares issued and outstanding (common stocks)

- (i) Total number of shares issued and outstanding at the end of the fiscal year (including treasury stock)
  - As of March 31, 2014: 983,661,919 shares
  - As of March 31, 2013: 608,090,053 shares
- (ii) Number of shares of treasury stock at the end of the period
  - As of March 31, 2014: 221,383 shares
  - As of March 31, 2013: 219,595 shares
- (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)
  - As of March 31, 2014: 668,367,915 shares
  - As of March 31, 2013: 574,989,838 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 year ended March 31, 2013.

Reference: Summary of Non-consolidated Results

Financial highlights (April 1, 2013 through March 31, 2014)

(1) Non-consolidated operating results *(Percentages indicate changes over same period in the previous fiscal year.)*

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2013	1,671,622	20.8	56,705	283.9	102,831	36.6	93,641	142.0
FY2012	1,383,389	(3.1)	14,771	(2.4)	75,290	283.3	38,696	84.9

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
FY2013	140.11	93.31
FY2012	67.30	37.80

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share– basic
As of	Millions of Yen	Millions of Yen	%	Yen
March 31, 2014	1,035,396	349,699	33.8	355.59
March 31, 2013	982,418	170,789	17.4	(370.81)

Note: Shareholders' equity:

	FY2013	*FY2012*
	¥ 349,699 million	*¥ 170,789 million*

* Annual audit procedures:

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

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

(Note for the description about financial forecast)

Figures for financial 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, uncertainties and assumptions. Changes in the MMC group's business environment, market trends or exchange rates may cause actual results to differ materially from these forecasts for FY2014.

(How to obtain Additional Information Material / Details of the Financial Results Briefing)

Additional Information Material is disclosed on the official MMC web site on the same day as publication of the results. In addition, an audio recording of the Financial Results Briefing held on the same day will, together with the material used for the briefing, be posted on the official MMC website immediately quickly following the briefing.

1. Operating and Financial Results

1.1 Analysis of operating results

Overview of consolidated results for the term

The operating environment for the automobile industry during fiscal 2013 continued to be marked by destabilizing factors. There were some indications that the recovery in the global economy was gaining strength, these including the economic recovery in the United States, the bottoming out of economic troubles in the Eurozone and the correction in the high value of the yen as a result of the Bank of Japan's fiscal easing policy. But the operating environment was negatively impacted by upheavals in emerging market economies due to the scale-back in the United States' qualitative easing policy, by a slowing down in the growth of the Chinese economy, by political and economic confusion in some emerging nations and by geopolitical risks which now include the tensions in the Ukraine.

Fiscal 2013 marked the final year of the company's JUMP 2013 mid-term business plan and during the year Mitsubishi Motors focused its efforts on emerging markets, environmental initiatives and raising profit levels in order to achieve the plan's fundamental goal of "growth and a leap forward."

Operating within this environment, the Mitsubishi Motors Group posted cumulative consolidated results for the full 2013 fiscal year which set record profits in all profit indicators, as follows: Net sales increased 278.3 billion yen, or 15% year-on-year, to 2,093.4 billion yen. Operating income rose 56.0 billion yen, or 83% year-on-year, to 123.4 billion yen, as a result of favorable foreign exchange rates as well as solid progress made in continuing reduction of material and other costs, despite increases in sales and R&D costs. Ordinary income rose 35.6 billion yen, or 38% year-on-year, to 129.5 billion yen. Net income increased 66.7 billion yen, or 176% year-on-year, to 104.7 billion yen.

Global retail sales volume for the full 2013 fiscal year totaled 1,047,000 units, an increase of 6% or 60,000 units over the same period in FY2012. Sales volumes by region were as follows.

In Japan, MMC posted a sales volume of 143,000 units, a year-on-year increase of 7% or 9,000 units. A fall in registered car sales over the same period last year was more than countered by firm sales of the eK Wagon and eK Custom minicar models launched in June 2013 and of the eK Space minicar model launched in February 2014.

In North America, MMC posted a sales volume of 97,000 units, an increase of 14% or 12,000 units over the same period last year. The increase was driven by the launch of new Outlander SUV and new Mirage models.

In Europe, MMC posted a sales volume of 202,000 units, an increase of 11% or 21,000 units over the same period last year. The increase was driven by the launch of the Outlander PHEV and other new models.

In Asia, MMC posted a sales volume across the region of 344,000 units, a decrease of 4% or 13,000 units over the same period last year. Sales volume decreased in Thailand as a result of sluggish demand stemming from the ending of the Thai government's First Buyer Program in December 2012 and confusion in the political situation. This drop was partly countered by a major growth in sales in China, and especially at GAC Mitsubishi Motors, as well as by record-setting sales volume in Indonesia and the Philippines.

In Other regions, MMC posted a sales volume of 261,000 units, an increase of 14% or 31,000 units. The increase was due to sales volume in Australia, New Zealand, Latin America and the Middle East & Africa all exceeding the figures for fiscal 2012.

Notes:

(1) The sales figures above are reported by geographical segment, which is based on an administrative classification created by MMC.

(2) The unit sales, net sales and operating income reported below are supplemental information for the "Consolidated Financial Tables: Segment information". Specifically, results for MMC and affiliated companies in Japan, as well as

results for MMC Group-affiliated companies outside of Japan will be outlined.

Results by business sector were as follows:

(1) Automobile business

In the automotive business sector, for the year ended March 31, 2014 net sales totaled 2,081.2 billion yen, up 276.1 billion yen or 15% over the previous fiscal year. Operating profit of 121.9 billion yen was up 56.9 billion yen over fiscal 2012.

(2) Automobile financing business

In the automobile financing business sector, for the year ended March 31, 2014 net sales totaled 12.2 billion yen, up 2.1 billion yen or 21% over the previous fiscal year. Operating profit of 1.5 billion yen was down 0.9 billion yen over fiscal 2012.

Results by region were as follows:

(1) Japan

Net sales totaled 1,744.4 billion yen, an increase of 299.8 billion yen or 21% over fiscal 2012 due to higher unit sales. Operating income came in at 68.4 billion yen, an increase of 59.1 billion yen or 639% over fiscal 2012 due to the correction in the high value of the Japanese yen and to the positive results of cost reductions. (Higher revenue and profit)

(2) North America

Net sales totaled 267.3 billion yen, an increase of 92.2 billion yen or 53% over fiscal 2012 driven mainly by higher unit sales and the correction in the high value of the Japanese yen. Operating income came in at 2.7 billion yen (higher revenue and a positive turnaround in operating profit).

(3) Europe

Net sales came in at 128.7 billion yen, an increase of 7.9 billion yen or 7%, over fiscal 2012 mainly due to the correction in the high value of the Japanese yen and to increased unit sales of higher-priced models. Operating income, however, came in at 8.2 billion yen, down 3.1 billion yen or 27% on fiscal 2012 due to an increase in costs and other factors (higher revenue, lower profit).

(4) Asia & Other

Net sales came in at 856.2 billion yen, an increase of 5.5 billion yen or 1% over fiscal 2012 driven mainly by higher unit sales in the ASEAN region. Operating income, however, came in at 48.0 billion yen, down 7.7 billion yen or 14% on fiscal 2012 due to higher sales costs and a drop in unit sales of high-margin models (higher revenue, lower profit).

FY2014 forecast summary

The consolidated earnings forecast for fiscal 2014 (ending March 31, 2015) at the current time is as follows:

	FY2014 2Q Consolidated	FY 2014 Full-year
Net Sales	1,090.0 billion yen	2,300.0 billion yen
Operating income	55.0 billion yen	135.0 billion yen
Ordinary income	56.0 billion yen	138.0 billion yen
Net income	43.0 billion yen	110. billion yen

* Assumed currency exchange rates: 100 yen / 1 USD; 138 yen / 1 EUR; 90 yen / 1 AUD; 3.28 yen/1THB

Forecasts for consolidated retail sales volume are as follows: (1,000 units; reference only)

Region	FY 2014 Forecast	FY 2013 Results
Japan	147	143
North America	109	97

Europe	225	202
Asia	431	344
Others	270	261
Total	1,182	1,047

＊These 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, uncertainties and assumptions. Changes in MMC's business environment, market trends or exchange rates may cause actual results to differ materially from these forecasts for FY2014

Progress of mid-term business plan

On November 6, 2013 the company announced a new mid-term business plan titled "New Stage 2016" covering the three years from fiscal 2014 through fiscal 2016. New Stage 2016 lays out the following five policies for making the company more competitive so that it can put the MMC Group on a solid path to growth (for details see Section 3. Management Policies (4) Issues facing the Company):

- Growing revenues by launching strategic models
- Enhancing the MMC brand and identity
- Reinforcing MMC’s production base in ASEAN countries,
- Establishing an SUV brand with a strong foothold in emerging markets
- Making effective use of resources through business partnerships

1.2 Financial standing

Analysis of assets, debt, net assets and cash flows

Assets at the end of the period totaled 1,543.9 billion yen, an increase of 91.1 billion yen over the end of fiscal 2012. Liabilities totaled 993.9 billion yen, a reduction of 107.7 billion yen compared to the end of fiscal 2012. Net assets totaled 550.0 billion yen, an increase of 198.8 billion yen over the figure for the end of fiscal 2012.

Cash flows from operating activities came to a net inflow of 210.4 billion yen. This compared to a net inflow of 172.2 billion yen in fiscal 2012.

Cash flows from investing activities came to a net outflow of 81.4 billion yen, due to disbursements related to the acquisition of tangible fixed assets. This compared to a net outflow of 114.3 billion yen in fiscal 2012.

Cash flows from financing activities came to a net outflow of 82.1 billion yen due to disbursements related to repayments of long-term borrowings. This compared to a net outflow of 8.3 billion yen in fiscal 2012.

As a result, the balance of cash and cash equivalents at the end of fiscal 2013 stood at 411.7 billion yen. This compared to a balance of 361.2 billion yen at the end of fiscal 2012.

Trends in key cash flow ratios

	FY2008 Full-year	FY2009 Full-year	FY2010 Full-year	FY2011 Full-year	FY2012 Full-year	FY2013 Full-year
Ratio of shareholders' equity (%)	18.8	17.8	18.2	19.5	23.4	35.0
Ratio of market value to assets (%)	60.8	55.9	43.0	39.4	41.0	68.8
Debt repayment coverage (years)	-	3.9	3.8	2.9	2.1	1.1
Interest coverage ratio	-	7.4	7.9	8.5	15.9	22.3

Definitions:

Ratio of shareholders' equity: Shareholders' equity / total assets (excluding minority interest)
Ratio of market value to assets: Total market value of shares / total assets (excluding minority interest)
Debt repayment coverage: Interest bearing liabilities / cash flow from operating activities
Interest coverage ratio: Cash flows from operating activities / interest payments

- All figures are calculated based on consolidated financial data.
- Total market value of shares is the closing market share price at the end of the period multiplied by the number of outstanding shares (excluding treasury shares) at the end of the period.
- Operating cash flows used.
- Interest bearing liabilities indicate all liabilities listed on the consolidated balance sheet for which interest is paid.

1.3 Dividend policy and dividends for the term ended March 31, 2014

MMC considers the return of profits to shareholders to be one of the most important goals of management. The increasing intensity of competition in the global auto industry and the need to develop more advanced environmental technologies today mean that demand on corporate funds is high. It is a basic company policy to regularly divide the fruits of its operations among its shareholders after taking the state of earnings and cash flows into account.

MMC forecast that the amount of the year-end dividend is to be 25 yen, which is the total of an

ordinary dividend of 15 yen per share and an extraordinary dividend of 10 yen per share in light of factors such the cleanup of shares of preferred stock and the state of full-year operating results.

The payment of the year-end dividend is to be confirmed through a resolution at the General Shareholders' Meeting.

For the term ending March 2015, the company plans to pay an ordinary dividend of 15 Yen, the same as this term, split into an interim dividend of 7.5 Yen and a year-end dividend of 7.5 Yen.

1.4 Business-related risks

Risks that may seriously impact the operating results and/or financial standing of the MMC Group are outlined below.

Country risk

Overseas sales accounted for around 80 percent of the MMC Group's consolidated net sales for the period. Changes in the economic, political or social situation in Japan or in the regions and countries MMC trades with, and in particular the countries of ASEAN and other emerging nations which will be central to the company's regional strategy, may seriously impact the MMC Group's operating results and/or financial standing.

In addition, conducting business operations in overseas markets exposes the company to latent risks including, but not limited to, changes in laws and taxes, changes in the political and economic situation, deficiencies in infrastructure, difficulties in acquiring skilled personnel, acts of terrorism and other emergencies and the outbreak of epidemics. In the event risks such as these start to manifest themselves, they may seriously impact the operating results and/or financial standing of the MMC Group.

Intensifying competition

Overcapacity in the auto industry and other factors are seeing an intensification of competition on a global basis. Increasing price competition makes sales incentives and effective publicity campaigns indispensable in promoting sales and retaining market share. Such increases in price competition and marketing incentives may seriously impact the operating results and/or financial standing of the MMC Group.

In addition, as competition in the auto industry intensifies, the development cycle for new products becomes shorter. In such circumstances, unless the company is able to offer new products which satisfy price, quality, safety and other customer requirements, or if the company's strategic products are unable to gain suitable market acceptance, the operating results and/or financial standing of the MMC Group may be seriously impacted. Further, unless the MMC Group is able to formulate effective measures and strategies aimed at maintaining and increasing its competitiveness, the operating results and/or financial standing of the MMC Group may be seriously impacted through a drop in demand for its products.

Natural and other disasters

The MMC Group maintains production and other facilities in Japan and many parts of the world. The occurrence of a major natural or other disaster, including earthquakes, typhoons, fires and epidemics, in these areas may result in the suspension or other serious interruption in the operations of the MMC Group or of its suppliers. MMC has prepared and maintains plans and measures to keep operations going in areas and under situations where such risks are high and where they would have a serious impact on MMC Group operations. A disaster occurring on a scale larger than anticipated, however, may seriously impact the operating results and/or financial standing of the MMC Group.

Changes in laws and regulations

The MMC Group is subject to laws and regulations governing protection of the environment, product safety and other matters in the countries where it operates. In the event that the MMC Group fails to conform to or is unable to comply with such laws and regulations, or should such failure lead to sanctions against it, then large costs may be incurred for the purpose of conforming to or of complying with any revision, strengthening of or additions to, these laws and regulations and this may seriously impact the operating results and/or financial standing of the MMC Group.

Manufacturing cost

The MMC Group sources parts and raw materials from a large number of suppliers to manufacture its products. Any rise in the manufacturing cost of MMC's products due to changes in demand and other market conditions may seriously impact the operating results and/or financial standing of the MMC Group.

Foreign exchange rate fluctuations

Overseas sales accounted for around 80 percent of the MMC Group's consolidated net sales for the term under consideration. MMC endeavors to hedge risks involved in foreign currency receivables and payables through the prudent use of derivative contracts and other instruments but fluctuations in foreign exchange rates may still seriously impact the operating results and/or financial standing of the MMC Group.

Funding interest rates

As at the end of March 2014, the balance of MMC's consolidated interest-bearing debt （short-term borrowings and long-term borrowings） was 222.4 billion yen. At that time, the balance of the company's consolidated savings was 450.1 billion yen and so any impact due to the interest-bearing debt may be partially mitigated but changes in interest rates on borrowings resulting from changes in financial market conditions may seriously impact the operating results and/or financial standing of the MMC Group.

Failure to achieve mid-term business plan targets

The MMC Group has drawn up a mid-term business plan setting out operational strategy for the mid-term. However, in the event that differences arise between the premises on which the plan was drawn up and real-world conditions, or should risks other than those described in this section become prominent, the operating results and/or financial standing of the MMC Group may be seriously impacted.

MMC endeavors to improve the quality and assure the safety of MMC Group products. However, in the event that MMC has to issue a recall or implement countermeasures on a large scale due to product defects or failures, or in the event that MMC is pursued in a large-scale product liability action, the large costs incurred and the damage to the company's reputation and consequent drop in demand for its products may seriously impact the operating results and/or financial standing of the MMC Group.

Lawsuits

Any lawsuit brought against MMC by customers, trading partners or other third parties in the course of the MMC Group conducting its business operations may seriously impact the operating results and/or financial standing of the MMC Group.

In addition, in the event that a decision in a legal action currently under dispute goes against the MMC Group's claims or predictions, this may seriously impact the operating results and/or financial standing of the MMC Group.

In February 20, 2010, MASRIA CO., Ltd. (hereafter "Plaintiff"), a former MMC distributor in Egypt, filed a lawsuit against MMC for dissolution of a distributor agreement between MMC and the Plaintiff including a 900 million USD claim for damages. The judgments in both the courts of first and second instance found in favor of MMC on October 26, 2010 and July 3, 2012 respectively. The case is now before the final appellate court after the Plaintiff appealed on July 21, 2012 against the judgment of the court of second instance. MMC's notice to terminate the distributor agreement with the Plaintiff followed due legal process and the terms of the agreement, thus making the Plaintiff's claim irrational. For this reason, at present MMC does not consider this legal case will result in any serious impact on the operating results and/or financial standing of the MMC Group.

Tie-ups and alliances

The MMC Group engages in a variety of activities through operational tie-ups and alliances with auto manufacturers and other companies both in Japan and overseas for the purpose of conducting and expanding its operations. In the event of a particular situation arising at, or of any breakdown in discussions with, a tie-up or alliance company which is beyond the control of MMC, the operating results and/or financial standing of the MMC Group may be seriously impacted.

Dependence on particular suppliers

MMC sources raw materials and parts from a large number of suppliers. The necessity to procure materials and parts characterized by higher quality or more advanced technologies at more competitive prices may bring about a situation in which orders are concentrated upon a specific supplier. There may also be only a limited number of suppliers able to supply parts for which a specific technology is required. Consequently, the operating results and/or financial standing of the MMC Group may be seriously impacted in the event that some unforeseen situation arises and interrupts deliveries from such suppliers.

Customer, trading partner credit

The MMC Group is exposed to credit risks in its dealings with customers and with dealers and other trading partners and in its automobile financing business. In the event that losses stemming from such credit risks exceed the company's estimates, the operating results and/or financial standing of the MMC Group may be seriously impacted.

Infringement of intellectual property rights

In order to distinguish its products from those of other auto manufacturers MMC endeavors to protect its own technologies, know-how and other intellectual property as well as to prevent the infringement of third party intellectual property rights. However, in the event that a third party unlawfully uses MMC Group intellectual property to manufacture and sell imitations of its products, or in the event that limitations in the legal system in certain countries in relation to the protection of intellectual property rights result in a fall in sales or in legal costs, or in the event that an unforeseen third party intellectual property right requires a halt in manufacturing or sales or in the payment of compensation, the operating results and/or financial standing of the MMC Group may be seriously impacted.

IT and information security

The information technology and the networks and systems that the MMC Group uses in its management and its products are exposed to the possibility of attacks by hackers or computer viruses, to illegal or inappropriate use and to infrastructure breakdowns. In such an event, the operating results and/or financial standing of the MMC Group may be seriously impacted.

The MMC Group possesses confidential information relating to matters both within and without the Group and including personal data. In the event such information is improperly leaked to the outside, the operating results and/or financial standing of the MMC Group may be seriously impacted.

2. The Mitsubishi Motors Corporation Group of Companies

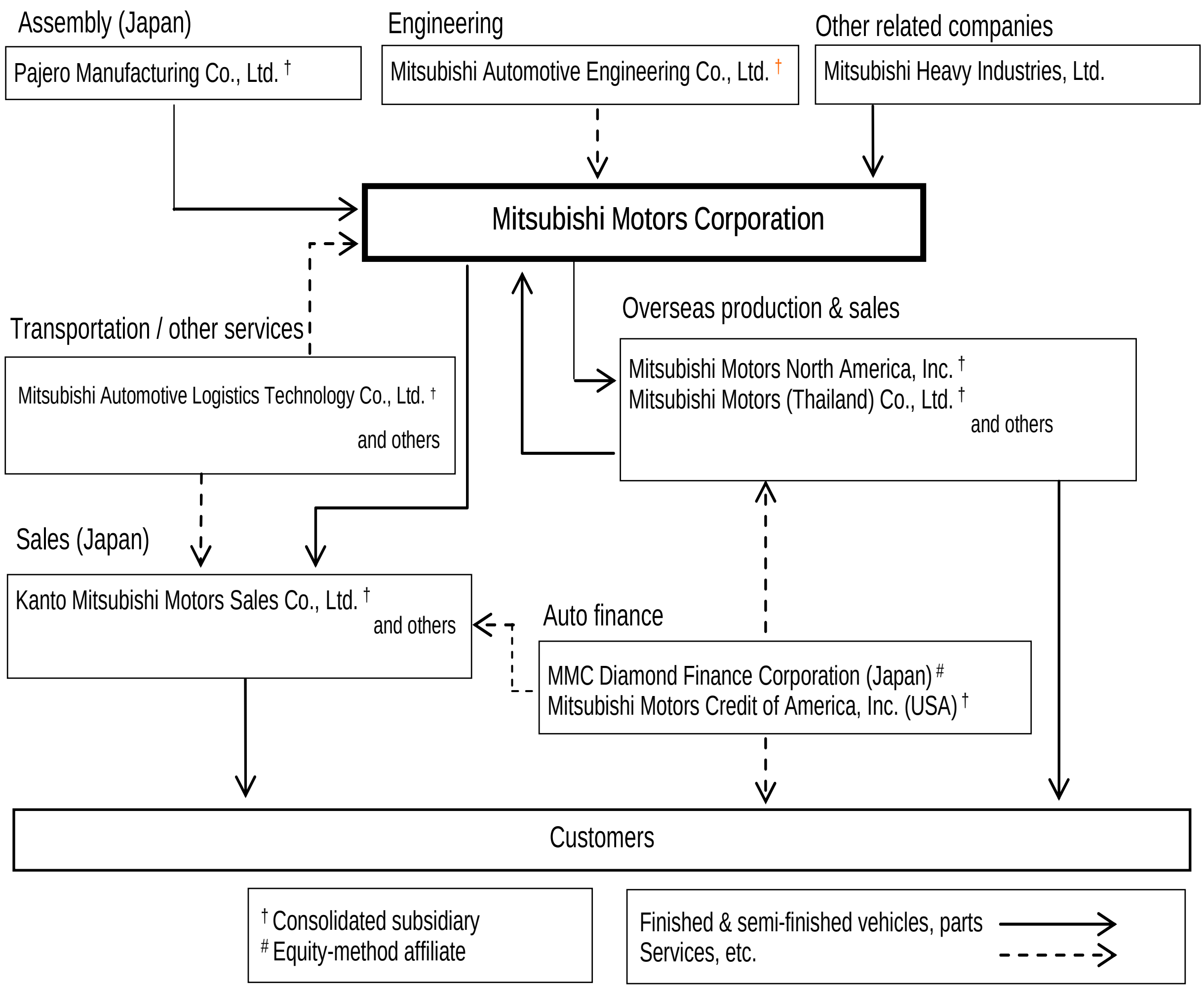
The MMC Group of companies comprises Mitsubishi Motors Corporation, 43 consolidated subsidiaries and 22 equity method affiliates (as at March 31, 2014). The MMC Group is engaged in the development, production and sales of passenger vehicles and their parts and components, as well as in auto financing operations. MMC conducts most of the development work.

In Japan, MMC produces standard and small passenger cars and minicars, while Pajero Manufacturing Co., Ltd. produces some Mitsubishi-brand sport utility vehicles (including the Pajero). Mitsubishi-brand vehicles are sold in Japan by Kanto Mitsubishi Motors Sales Co., Ltd. and other Mitsubishi Motors sales companies. Mitsubishi Automotive Engineering Co., Ltd. undertakes some of the development of MMC products. Mitsubishi Automotive Logistics Technology Co., Ltd. is responsible for the transport of Mitsubishi-brand cars throughout Japan and also for some pre-delivery inspection and maintenance work.

Outside Japan, Mitsubishi-brand cars are produced and sold in North America by Mitsubishi Motors North America, Inc. and in Thailand by Mitsubishi Motors (Thailand) Co., Ltd.

Auto lease and financing services are provided by MMC Diamond Finance Corporation, and by Mitsubishi Motors Credit of America, Inc. in the United States.

The MMC Group structure and constituent company products and services outlined above are shown in the diagram below.



3. Management Policies

3.1 Basic management policy

"We are committed to providing the utmost driving pleasure and safety for our valued customers and our community. On these commitments we will never compromise. This is the Mitsubishi Motors way."

This corporate philosophy is the cornerstone to all of MMC's corporate activities in its quest to remain and grow as a company that enjoys the trust of its shareholders, customers, business associates, employees and all other stakeholders.

The phrase "For our valued customers and our community" refers to MMC's determination to place the utmost importance on its customers and the local communities it operates in. All corporate activities are conducted with customer satisfaction as the foremost consideration. To this end, MMC devotes its energies and resources to developing environmental technologies and to the pursuit of vehicle safety. By earning customer satisfaction in this way MMC aims to remain a company in which society places its trust.

The phrase "The utmost driving pleasure and safety" refers to MMC's determination to make clear the direction engineering and car building MMC is taking. The vehicles that MMC offers customers reflect the ideals of "Driving Pleasure" and "Reassuring Safety." MMC builds cars that balance on and off-road performance – the fundamental appeal of a car – with the safety and reliability that encourage customers to drive Mitsubishi cars with confidence and reassurance for many years.

The phrase "On these commitments we will never compromise" refers to the uncompromising attention to detail that MMC gives to its car design and building activities and that distinguishes MMC from others. In its approach to designing and building cars MMC leaves no stone unturned in its commitment to discovering new values that earn customer satisfaction and enrich the car ownership experience.

The phrase "Committed to providing" refers to the importance that MMC attaches to continuity. MMC passionately believes that by constantly challenging new frontiers and pushing the envelope in its design and building activities it can continue to offer customers cars that reflect and embody the next evolutionary stage in traditional MMC values.

3.2 Management indices

MMC does not currently employ ROE, ROA or other such management performance indices. MMC is, however, working toward sustainable growth by devoting its energies and resources to tackling the tasks set out in the New Stage 2016 midterm business plan.

3.3 Medium- and long-term management strategy

All MMC Group directors and employees will work together in devoting their energies to executing the New Stage 2016 mid-term business plan that covers the period from fiscal 2014 through fiscal 2016 (end of March 2017).

3.4 Issues facing the Company

In a journey that started with the Revitalization Plan initiated in FY2005, went on through STEP UP 2010 and ended with JUMP 2013, the MMC Group has succeeded in creating the climate to allow resumption of dividend payments on common stock, a long-standing issue, after completing the cleanup of shares of preferred stock.

Gazing into the future, while a rebound fall in demand in Japan after the last-minute surge before the recent increase in consumption tax is unavoidable in the short term, a certain degree of improvement in the operating environment for automakers is expected as business recovers overseas. However, the industry is still exposed to such risks as political and economic uncertainty in emerging nations which are looked to as growth markets, mid- to long-term stagnation in established markets, foreign exchange fluctuations and intensifying competition between automakers.

In these circumstances, the MMC Group has positioned the New Stage 2016 mid-term business plan as a "new stage for growth" in its management plans. This "new stage for growth" adopts five basic policies: Revenue growth by launching strategic models; Enhancing the MMC brand and identity; Reinforcing MMC's production base in ASEAN countries; Establishing an SUV brand with a strong foothold in emerging markets; and, making effective use of resources through business partnerships. In turn, these policies provide the foundation for the following strategies which the company will adopt as it aims to achieve the new mid-term business plan.

1. Revenue growth by launching strategic models

2. Development of next-generation technology
3. Strengthening of regional strategies
4. Restructuring of operating structure
5. Establishment of stable business foundation
6. Actions for quality improvement

MMC identifies the following as keys to achieving the New Stage 2016 mid-term business plan: Ensuring the profitability of the measures taken under JUMP 2013 to strengthen MMC operations such as the start-up of a new factory in Thailand, as well as the start of production at joint-venture operations China and Russia; utilizing its strong-selling pickup trucks, SUVs and crossover models as strategic products while steadily meeting the growing global need for eco-car technologies and safety technologies; harvesting higher sales volume on the back of mid- to long-term growth in Asian markets; strengthening its operations organization in emerging markets as well as conducting advance research and cutting-edge technology development to prepare for the future after New Stage 2016 has been completed.

In FY2014, the initial year of the new mid-term business plan, MMC will introduce a new pickup truck as the first of its strategic products. And with a firm eye on future growth in the Philippine automobile market, the company will bolster its operational base in the country by restructuring its production capability by relocating Mitsubishi Motors Philippines Corporation's (MMPC) headquarters and factory to another factory site where MMPC acquired in March this year.

In addition, MMC will continue implementation of its "Customer First Program" initiative to promote company-wide quality reforms.

Placing the highest priority on compliance in its implementation and execution of the initiatives described above, MMC will give even greater consideration to its relationship with the environment and with society to ensure that it continues to faithfully earn the trust it enjoys from its customers and society at large.

Through a process of resolute examination of its internal control systems, MMC will further bolster its corporate governance and redouble its efforts to ensure corporate compliance and the appropriateness and efficiency of its operations management.

Guided by New Stage 2016, MMC is aiming to enter a new stage of growth in which it will achieve a solid increase in net sales and in earnings and will build an organization that returns growth-driven profits to its shareholders on a consistent basis. MMC wishes to thank its stockholders and all stakeholders for their support and guidance to date and humbly asks for their continued support and guidance in the years ahead.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	FY 2012 As of March 31, 2013	FY 2013 As of March 31, 2014
Assets		
Current assets		
Cash and deposits	409,509	450,063
Notes and accounts receivable-trade	149,555	173,535
Finance receivables	26,856	28,927
Merchandise and finished goods	143,046	156,080
Work in process	33,979	24,876
Raw materials and supplies	25,295	26,593
Short-term loans receivable	90	3,261
Deferred tax assets	3,543	15,445
Other	93,416	61,803
Less: Allowance for doubtful accounts	(6,312)	(4,025)
Total current assets	878,980	936,561
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	82,541	79,678
Machinery, equipment and vehicles, net	139,756	148,565
Tools, furniture and fixtures, net	51,977	55,033
Land	99,432	101,022
Construction in progress	13,196	16,501
Total property, plant and equipment	386,903	400,801
Intangible assets	12,894	12,937
Investments and other assets		
Long-term finance receivables	48,228	40,652
Investment securities	67,251	71,759
Long-term loans receivable	4,562	7,775
Deferred tax assets	4,349	9,898
Other	59,873	70,415
Less: Allowance for doubtful accounts	(10,234)	(6,911)
Total investments and other assets	174,031	193,590
Total noncurrent assets	573,829	607,329
Total assets	1,452,809	1,543,890

(Millions of yen)

	FY 2012 As of March 31, 2013	FY 2013 As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	313,810	355,724
Short-term loans payable	113,984	121,074
Current portion of long-term loans payable	143,271	32,611
Lease obligations	4,703	3,818
Accounts payable-other and accrued expenses	106,168	113,893
Income taxes payable	8,360	9,522
Deferred tax liabilities	346	15
Provision for product warranties	28,273	31,993
Other	68,328	52,291
Total current liabilities	787,248	720,946
Noncurrent liabilities		
Long-term loans payable	107,125	68,672
Lease obligations	6,793	4,933
Deferred tax liabilities	30,103	28,053
Provision for retirement benefits	111,660	-
Net defined benefit liability	-	113,747
Provision for directors’ retirement benefits	912	912
Other	57,738	56,614
Total noncurrent liabilities	314,333	272,934
Total liabilities	1,101,581	993,880
Net assets		
Shareholders’ equity		
Capital stock	657,355	165,701
Capital surplus	432,666	85,257
Retained earnings	(688,049)	340,714
Treasury stock	(217)	(219)
Total shareholders’ equity	401,754	591,453
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	5,222	5,786
Deferred gains or losses on hedges	2,980	(1,641)
Foreign currency translation adjustment	(69,759)	(51,323)
Remeasurements of defined benefit plans	-	(3,742)
Total accumulated comprehensive income	(61,556)	(50,921)
Minority interests	11,030	9,477
Total net assets	351,227	550,009
Total liabilities and net assets	1,452,809	1,543,890

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

Consolidated statements of income (Millions of yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Net sales	1,815,113	2,093,409
Cost of sales	1,475,141	1,643,176
Gross profit	339,971	450,232
Selling, general and administrative expenses		
Advertising and promotion expenses	75,225	106,143
Freightage expenses	43,252	56,595
Provision of allowance for doubtful accounts	232	(1,144)
Directors' compensations, salaries and allowances	60,761	64,515
Provision for retirement benefits	5,080	5,155
Depreciation	8,795	9,129
Research and development expenses	34,817	36,714
Other	44,422	49,687
Total selling, general and administrative expenses	272,589	326,797
Operating income (loss)	67,382	123,434
Non-operating income		
Interest income	3,746	5,325
Dividends income	1,144	1,031
Foreign exchange gains	30,395	16,674
Equity in earnings of affiliates	4,853	7,373
Other	2,012	929
Total non-operating income	42,152	31,333
Non-operating expenses		
Interest expenses	10,624	9,345
Share issuance cost	-	12,639
Litigation expenses	1,538	1,031
Other	3,469	2,279
Total non-operating expenses	15,631	25,295
Ordinary income (loss)	93,903	129,472
Extraordinary income		
Gain on sales of noncurrent assets	332	1,198
Gain on sales of subsidiaries and affiliates' stocks	-	802
Gain on sales of investment securities	11,533	205
Other	155	85
Total extraordinary income	12,022	2,291

(Millions of yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Extraordinary loss		
Loss on retirement of noncurrent assets	5,328	4,572
Loss on sales of noncurrent assets	36	664
Impairment loss	793	6,902
Loss on sales of stocks of subsidiaries and affiliates	30,188	185
Other	182	2,243
Total extraordinary losses	36,529	14,568
Income (loss) before income taxes and minority interests	69,396	117,194
Income taxes-current	17,383	24,693
Income taxes-deferred	10,385	(14,629)
Total income taxes	27,769	10,063
Income (loss) before minority interests	41,627	107,130
Minority interests in income	3,648	2,465
Net income (loss)	37,978	104,664

Consolidated statements of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Income (loss) before income taxes and minority interests	41,627	107,130
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,087)	558
Deferred gains or losses on hedges	747	(3,438)
Foreign currency translation adjustment	42,817	7,621
Share of other comprehensive income of associates accounted for using equity method	9,354	9,936
Total other comprehensive income	46,832	14,677
Comprehensive income	88,459	121,808
Comprehensive income attributable to:		
Owners of the parent	83,177	119,028
Minority interests	5,281	2,780

(3) Consolidated statements of changes in net assets

(Millions of yen)

For the fiscal year ended March 31,2013	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	657,355	432,666	(726,028)	(15)	363,976
Changes of items during the period					
Net income (loss)	-	-	37,978	-	37,978
Issuance of new shares	-	-	-	-	-
Deficit disposition	-	-	-	-	-
Transfer to other capital surplus from capital stock	-	-	-	-	-
Purchase of treasury stock	-	-	-	(201)	(201)
Disposal of treasury shares	-	-	-	-	-
Retirement of treasury shares	-	-	-	-	-
Change of scope of equity method	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	-	-	37,978	(201)	37,777
Balance at the end of current period	657,355	432,666	(688,049)	(217)	401,754

(Millions of yen)

For the fiscal year ended March 31,2013	Other comprehensive income					Minority interests	Owners of the parent
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure ments of defined benefit plans	Total other comprehensi ve income		
Balance at the end of previous period	11,327	2,232	(120,542)	-	(106,982)	8,626	265,620
Changes of items during the period							
Net income (loss)	-	-	-	-	-	-	37,978
Issuance of new shares	-	-	-	-	-	-	-
Deficit disposition	-	-	-	-	-	-	-
Transfer to other capital surplus from capital stock	-	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	(201)
Disposal of treasury shares	-	-	-	-	-	-	-
Retirement of treasury shares	-	-	-	-	-	-	-
Change of scope of equity method	-	-	-	-	-	-	-
Net changes of items other than shareholders' equity	(6,104)	747	50,782	-	45,426	2,404	47,830
Total changes of items during the period	(6,104)	747	50,782	-	45,426	2,404	85,607
Balance at the end of current period	5,222	2,980	(69,759)	-	(61,556)	11,030	351,227

(Millions of yen)

For the fiscal year ended March 31,2014	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	657,355	432,666	(688,049)	(217)	401,754
Changes of items during the period					
Net income (loss)	-	-	104,664	-	104,664
Issuance of new shares	133,375	133,375	-	-	266,750
Deficit disposition	-	(924,102)	924,102	-	-
Transfer to other capital surplus from capital stock	(625,028)	625,028	-	-	-
Purchase of treasury stock	-	-	-	(181,711)	(181,711)
Disposal of treasury shares	-	0	-	0	0
Retirement of treasury shares	-	(181,709)	-	181,709	-
Change of scope of equity method	-	-	(3)	-	(3)
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	(491,653)	(347,408)	1,028,764	(2)	189,699
Balance at the end of current period	165,701	85,257	340,714	(219)	591,453

(Millions of yen)

For the fiscal year ended March 31,2014	Other comprehensive income					Minority interests	Owners of the parent
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure ments of defined benefit plans	Total other comprehensi ve income		
Balance at the end of previous period	5,222	2,980	(69,759)	-	(61,556)	11,030	351,227
Changes of items during the period							
Net income (loss)	-	-	-	-	-	-	104,664
Issuance of new shares	-	-	-	-	-	-	266,750
Deficit disposition	-	-	-	-	-	-	-
Transfer to other capital surplus from capital stock	-	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	(181,711)
Disposal of treasury shares	-	-	-	-	-	-	0
Retirement of treasury shares	-	-	-	-	-	-	-
Change of scope of equity method	-	-	-	-	-	-	(3)
Net changes of items other than shareholders' equity	563	(4,621)	18,435	(3,742)	10,635	(1,553)	9,082
Total changes of items during the period	563	(4,621)	18,435	(3,742)	10,635	(1,553)	198,781
Balance at the end of current period	5,786	(1,641)	(51,323)	(3,742)	(50,921)	9,477	550,009

(4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	69,396	117,194
Depreciation and amortization	54,324	59,211
Impairment loss	793	6,902
Amortization of goodwill	1	1
Increase (decrease) in allowance for doubtful accounts	(1,596)	(2,445)
Increase (decrease) in provision for retirement benefits	2,676	-
Increase (decrease) in net defined benefit liability	-	(3,372)
Interest and dividends income	(4,890)	(6,356)
Interest expenses	10,624	9,345
Foreign exchange losses (gains)	10,467	(7,507)
Equity in (earnings) losses of affiliates	(4,853)	(7,373)
Loss (gain) on sales and retirement of noncurrent assets	5,032	4,038
Loss (gain) on sales of investment securities	(11,533)	(205)
Loss (gain) on sales of stocks of subsidiaries and affiliates	30,188	(616)
Share issuance cost	-	12,639
Decrease (increase) in notes and accounts receivable-trade	14,919	(23,910)
Decrease (increase) in inventories	5,976	(1,187)
Change in finance receivables	15,153	12,249
Increase (decrease) in notes and accounts payable-trade	(22,208)	42,135
Other, net	19,972	23,163
Subtotal	194,443	233,906
Interest and dividends income received	7,218	9,396
Interest expenses paid	(10,826)	(9,453)
Income taxes paid	(18,608)	(23,404)
Net cash provided by (used in) operating activities	172,227	210,443
Net cash provided by (used in) investment activities		
Decrease (increase) in time deposits	(40,203)	9,583
Purchase of property, plant and equipment	(61,573)	(90,695)
Proceeds from sales of property, plant and equipment	8,528	14,715
Purchase of investment securities	(944)	(0)
Proceeds from sales of investment securities	12,563	221
Payments for investments in capital of subsidiaries and affiliates	(11,381)	-
Decrease (increase) in short-term loans receivable	8,651	(1,625)
Payments of long-term loans receivable	(0)	(6,294)
Collection of long-term loans receivable	302	705
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(21,587)	(2,265)
Other, net	(8,681)	(5,697)
Net cash provided by (used in) investment activities	(114,327)	(81,352)

(Millions of yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	21,552	(5,790)
Proceeds from long-term loans payable	85,169	2,925
Repayment of long-term loans payable	(106,473)	(142,824)
Proceeds from issuance of common shares	-	254,111
Purchase of treasury shares	(201)	(181,711)
Cash dividends paid to minority shareholders	(3,562)	(4,313)
Other, net	(4,793)	(4,480)
Net cash provided by (used in) financing activities	(8,310)	(82,083)
Effect of exchange rate change on cash and cash equivalents	546	3,520
Net increase (decrease) in cash and cash equivalents	50,136	50,527
Cash and cash equivalents at beginning of period	310,993	361,167
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	37	-
Cash and cash equivalents at end of period	361,167	411,695

(5) Notes to consolidated financial statements

Notes on premise of going concern

There is no item to be reported.

Significant Matters Serving as a Basis for the Preparation of Consolidated Financial Statements

Disclosure is omitted as there were no significant changes to the items described in the latest Annual Securities Report (filed on June 25, 2013) except for the following.

Application of Accounting Standard for Retirement Benefits

Notes on Changes in Accounting Policies

Accounting Standard for Retirement Benefits

"Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, issued on May 17, 2012, hereinafter referred to as the "Retirement Benefits Accounting Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on May 17, 2012, hereafter referred as the Guidance on Retirement Benefits) have been applied from this fiscal year except for the amendments relating to determination of retirement benefit obligations and current service cost, which stipulated in section 35 of the Retirement Benefits Accounting Standard and section 67 of the Guidance on Retirement benefits.

Accordingly, net defined benefit liability is recorded by deducting pension assets from defined benefit obligations and unrecognized actuarial gains and losses and unrecognized prior service costs are recorded in net defined benefit liability. When the amount of pension assets exceeds defined benefit obligations, the net amount is recorded in other in investments and other assets.

With regard to application of Accounting Standard for Retirement Benefits, the effect of changes are adjusted to measurements of defined benefit plans in accumulated other comprehensive income at the end of this fiscal year in accordance with transitional measures stipulated in section 37 of the Retirement Benefits Accounting Standard.

The effect of application of changes is immaterial.

Consolidated balance sheet:

(Millions of yen)

As of March 31, 2014	
Contingent liabilities	
Contingent liabilities	14,065

Consolidated statement of income:

(Millions of yen)

For the fiscal year from April 1, 2013 to March 31, 2014	
Total R&D expenditure included in selling, general and administrative expenses	36,714

Consolidated statement of changes in net assets: (from April 1, 2013 to March 31, 2014)

Shares issued and outstanding and treasury shares (Thousands of shares)

	Number of shares As of 3/31/2013	Increase	Decrease	Number of shares As of 3/31/2014
Shares issued and outstanding:				
Common shares Note 1,2	6,080,900	508,807	5,606,045	983,661
Class A # 1 preferred shares Note 3	57	-	57	-
Class G # 1 preferred shares Note 4	130	-	130	-
Class G # 2 preferred shares Note 5	168	-	168	-
Class G # 3 preferred shares Note 6	10	-	10	-
Class G # 4 preferred shares Note 7	30	-	30	-
Total	6,081,296	508,807	5,606,441	983,661
Treasury shares				
Common shares Note 8,9	2,195	2	1,976	221
Class A # 1 preferred shares Note 10	-	57	57	-
Class G # 1 preferred shares Note 11,12	-	130	130	-
Class G # 2 preferred shares Note 13,14	-	168	168	-
Class G # 3 preferred shares Note 15	-	10	10	-
Class G # 4 preferred shares Note 16	-	30	30	-
Total	2,195	398	2,372	221

Note:

1. *Increase of 508,807 thousand common shares consists of 187,113 thousand shares increased from conversion of Class A # 1 preferred shares, 31,142 thousand shares increased from conversion of Class G # 1 preferred shares, 26,674 thousand shares increased from conversion of Class G # 2 preferred shares, 25,706 thousand shares increased from conversion of Class G # 4 preferred shares, 217,750 thousand shares increased from public offering and 20,419 thousand shares increased from third-party allocation.*
2. *Decrease of 5,606,045 thousand common shares is due to stock merger.*
3. *Decrease of 57 thousand Class A #1 preferred shares is due to retirement of treasury shares.*
4. *Decrease of 130 thousand Class G # 1 preferred shares is due to retirement of treasury shares.*
5. *Decrease of 168 thousand Class G #2 preferred shares is due to retirement of treasury shares.*
6. *Decrease of 10 thousand Class G #3 preferred shares is due to retirement of treasury shares.*
7. *Decrease of 30 thousand Class G #4 preferred shares is due to retirement of treasury shares.*
8. *Increase of 2 thousand treasury common shares is due to increase of 2 thousand shares from the purchases of stock lots not meeting the minimum trading lot.*
9. *Decrease of 1,976 thousand treasury common shares is due to stock merger.*
10. *Increase and decrease of 57 thousand treasury Class A # 1 preferred shares are due to purchases and retirements associated with the conversion of preferred shares.*
11. *Increase of 130 thousand treasury Class G # 1 preferred shares is due to purchases of 32 thousand treasury preferred shares associated with conversion of preferred shares and purchases of 97 thousand treasury preferred shares associated with resolution of the board of directors meeting.*
12. *Decrease of 130 thousand G #1 preferred treasury shares is due to retirement.*

13. *Increase of 168 thousand treasury Class G # 2 preferred shares is due to purchases of 31 thousand treasury preferred shares associated with conversion of preferred shares and purchases of 137 thousand treasury preferred shares in associated with resolution of the board of directors meeting.*
14. *Decrease of 168 thousand G #2 preferred treasury shares is due to retirement.*
15. *Increase and decrease of 10 thousand treasury Class G # 3 preferred shares are due to purchases and retirements associated with resolution of the board of directors meeting.*
16. *Increase and decrease of 30 thousand treasury Class G # 4 preferred shares are due to purchases and retirements associated with the conversion of preferred shares.*

Consolidated statement of cash flows:

(Millions of yen)

For the fiscal year ended March 31, 2014	
Reconciliation between cash and cash equivalents and the amounts reported in the consolidated balance sheet is as follows:	
Cash and deposits	450,063
Time deposits with maturities greater than three months	(38,368)
Cash and cash equivalents	411,695

Segment information:

1) Overview of reportable segment (from April 1, 2013 to March 31, 2014)

The reportable segments of the Group are components for which discrete financial information is available, and for which operating results are regularly reviewed by MMC's decision making bodies including the Board of Directors to make decisions about resource allocation to the segments and to assess their performance.

The main business of the Group is automobile business, involving development, design, manufacturing and sales of automobiles and component parts. In addition, as financial service business, we engage in sales finance and leasing services for Group products. Accordingly, based on the types of products and services offered, the Group determined "automobile business" and "financial service business" as two reportable segments.

2) The amounts of sales, income (loss), assets and others for each reportable segment (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment (Note 1)	Grand total (Note 2)
Net sales					
(1) External customers	2,081,251	12,157	2,093,409	-	2,093,409
(2) Intersegment sales & transfers	(38)	-	(38)	38	-
Total	2,081,212	12,157	2,093,370	38	2,093,409
Segment income (loss)	121,879	1,516	123,395	38	123,434
Assets	1,412,527	119,386	1,531,913	11,976	1,543,890
Depreciation	53,182	6,029	59,211	-	59,211
Investments in the equity-method affiliates	79,551	7,850	87,401	(605)	86,795
Increase in property, plant and equipment and intangible assets	74,150	25,396	99,546	-	99,546

Notes: 1. Adjustment of segment income (loss) has been derived from the elimination of intersegment transactions.
2. Segments' income (loss) agrees to the amount of operating income (loss) presented in the consolidated statement of income.
3. Depreciation, Increase in property, plant and equipment and intangible assets include prepaid expenses and depreciation of prepaid expenses.

(Related Information)

1) Information by products and services (from April 1, 2013 to March 31, 2014)

The information is omitted as its classification is the same as for the reportable segment.

2) Information by geographic region (from April 1, 2013 to March 31, 2014)

[Net sales]

Net sales are classified by the geographic location of the customers.

(Millions of yen)

Japan	North America	Europe	Asia		Oceania	Other	Total
				Thailand			
474,088	229,382	484,300	415,704	161,693	208,921	281,011	2,093,409

Notes: 1. Main countries and regions outside Japan are grouped as follows:
(1) North America............The United States
(2) Europe........................Russia, France, , The Netherlands, Germany
(3) Asia.............................Thailand, The Philippines, China, Indonesia,
(4) Oceania……………….Australia, New Zealand
(5) Other...........................Brazil, .U.A.E., Puerto Rico

[Property, plant and equipment]

(Millions of yen)

	Japan	The United States	Thailand	Other	Total
Property, plant and equipment	264,542	58,572	61,831	15,855	400,801

(Supplementary information)

Net sales and operating income (loss) classified by the geographic areas of the Company and its consolidated subsidiaries

(Millions of yen)

	Japan	North America	Europe	Asia	Oceania	Other	Total	Adjustment	Grand total
Net sales									
(1)External customers	1,272,664	209,633	126,997	244,777	208,921	30,414	2,093,409	-	2,093,409
(2)Intersegment sales & transfers	471,687	57,628	1,653	371,903	171	0	903,044	(903,044)	–
Total	1,744,352	267,262	128,651	616,680	209,093	30,414	2,996,453	(903,044)	2,093,409
Operating income (loss)	68,387	2,718	8,225	42,300	4,682	1,046	127,361	(3,927)	123,434

Notes: 1. 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

Information on major customers

(Millions of yen)

Customer	Net sales	Relevant segment
Mitsubishi Corporation	272,020	Automobiles

Impairment loss (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Automobiles	Financial services	Total	Adjustment	Grand total
Impairment loss	6,902	-	6,902	-	6,902

Goodwill (from April 1, 2013 to March 31, 2014)

No significant items to be reported.

Negative goodwill (from April 1, 2013 to March 31, 2014)

There is no item to be reported.

Per share information

(Yen)

For the fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)	
Net assets per share	549.63
Net income per share - basic	156.60
Net income per share - diluted	104.29

Note: Basis for calculating net income per share - basic and net income per share - diluted is shown below.

(Millions of yen)

	For the fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)
Net income per share - basic	
Net income as shown on the statement of income	104,664
Gain not attributable to ordinary shareholders	-
Net income related to common stock	104,664
Average number of shares of common stock outstanding during the period (Unit: Thousands of shares)	668,367
Net income per share – diluted	
Adjustment to Net income	-
Increase in number of shares of common stock (Unit: Thousands of shares)	335,179
(Preferred shares)	(335,179)
(Subscription rights to shares)	-

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 year ended March 31, 2014.

Significant subsequent events:

There is no item to be reported.

Other notes:

Notes to the following items are omitted from this report to enable accelerated disclosure of our financial reporting.

- Lease transactions
- Related-party transactions
- Deferred tax
- Financial instruments
- Marketable securities
- Derivative transactions
- Retirement benefits
- Business combinations etc.
- Asset retirement obligations
- Investment and rental properties etc.

5. Non-consolidated financial statements

(1) Non-consolidated balance sheet

(Millions of yen)

	FY 2012 As of March 31, 2013	FY 2013 As of March 31, 2014
Assets		
Current assets		
Cash and cash deposits	239,393	238,499
Notes receivable – trade	1	-
Accounts receivable – trade	162,478	179,352
Finished goods	29,763	27,842
Work in process	28,545	17,278
Raw materials and supplies	9,580	12,020
Advance payments - trade	6,388	645
Prepaid expenses	747	1,062
Deferred tax assets	-	10,534
Short-term loans receivable to affiliated companies	50,169	78,507
Accounts receivable–other	35,311	41,491
Other	2,697	7,188
Less: Allowance for doubtful accounts	(19,303)	(17,002)
Total current assets	545,774	597,422
Non-current assets		
Property, plant and equipment		
Buildings	143,368	141,135
Less: Accumulated depreciation	(105,367)	(105,192)
	38,000	35,942
Structures	36,997	36,899
Less: Accumulated depreciation	(30,174)	(30,173)
	6,823	6,725
Machinery and equipment	445,162	433,035
Less: Accumulated depreciation	(385,516)	(381,072)
	59,646	51,963
Transportation equipment	4,407	4,367
Less: Accumulated depreciation	(3,684)	(3,512)
	723	855
Tools, furniture and fixtures	218,584	218,402
Less: Accumulated depreciation	(175,265)	(172,604)
	43,318	45,797
Land	49,668	50,524
Construction in progress	6,779	5,667
Total property, plant and equipment	204,960	197,477
Intangible assets		
Patent right	32	19
Leasehold right	885	885
Right of Trademark	27	24
Software	7,512	6,986
Others	861	1,537
Total intangible assets	9,320	9,454

(Millions of yen)

	FY 2012 As of March 31, 2013	FY 2013 As of March 31, 2014
Investments and other assets		
Investment securities	23,747	23,550
Investments in subsidiaries and affiliates	158,663	164,157
Investments in capital	20	20
Investments in capital of subsidiaries and affiliates	21,311	21,311
Long-term loans receivable	0	0
Long-term loans receivable from subsidiaries and affiliates	-	3,620
Claims provable in bankruptcy, claims provable in rehabilitation and other	5,426	2,376
Long-term prepaid expenses	7,688	8,590
Lease and guarantee deposits	10,999	9,575
Other	-	28
Less: Allowance for doubtful accounts	(5,496)	(2,189)
Total investments and other assets	222,362	231,042
Total non-current assets	436,643	437,974
Total assets	982,418	1,035,396
Liabilities		
Current liabilities		
Notes payable- trade	8,734	3,388
Electronically recorded obligations - operating	-	9,145
Accounts payable- trade	294,888	320,304
Short-term loans payable	68,150	30,100
Current portion of long-term loans payable	110,716	16,851
Lease obligations	4,402	3,505
Accounts payable – other	50,373	63,437
Accrued expenses	3,108	3,290
Income taxes payable	374	2,607
Deferred tax liabilities	343	-
Advances received	31,849	17,207
Deposits received	40,770	41,660
Unearned revenue	33	35
Provision for product warranties	9,434	10,669
Asset retirement obligations	922	141
Other	7,187	10,354
Total current liabilities	631,288	532,700
Non-current liabilities		
Long-term loans payable	22,487	5,631
Long-term loans payable to subsidiaries and affiliates	22,500	17,500
Lease obligations	5,974	4,292
Long-term accounts payable-other	12,461	10,611
Deferred tax liabilities	9,646	7,621
Provision for retirement benefits	92,117	93,590
Provision for directors' retirement benefits	696	696
Asset retirement obligations	4,863	3,443
Other	9,593	9,608
Total non-current liabilities	180,340	152,996
Total liabilities	811,629	685,696

(Millions of yen)

	FY 2012 As of March 31, 2013	FY 2013 As of March 31, 2014
Net assets		
Shareholders' equity		
Capital stock	657,355	165,701
Capital surplus		
Legal capital surplus	433,202	-
Other capital surplus	-	85,257
Total capital surplus	433,202	85,257
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(924,638)	93,641
Total earned surplus	(924,638)	93,641
Treasury stock	(217)	(219)
Total shareholders' equity	165,701	344,381
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,057	5,649
Deferred gains or losses on hedges	30	(330)
Total valuation and translation adjustments	5,088	5,318
Total net assets	170,789	349,699
Total liabilities and net assets	982,418	1,035,396

(2) Non-consolidated statement of income

(Millions of yen)

	For the fiscal year Ended as of March 31, 2013	For the fiscal year Ended as of March 31, 2014
Net sales	1,383,389	1,671,622
Cost of sales	1,223,517	1,445,346
Gross profit	159,872	226,276
Selling, general and administrative expenses		
Advertising and promotion expenses	30,224	34,885
Haulage expenses	40,148	51,866
Provision of allowance for doubtful accounts	204	(1,108)
Directors' compensations, salaries and allowances	20,325	21,191
Provision for retirement benefits	2,308	1,694
Depreciation	4,890	4,581
Research and development expenses	33,238	41,013
Fees	4,798	7,044
Rent expenses	8,213	7,267
Other	748	1,135
Total selling, general and administrative expenses	145,100	169,751
Operating income (loss)	14,771	56,705
Non-operating income		
Interest income	1,963	2,286
Dividends income	57,268	54,064
Foreign exchange gains	12,376	8,227
Other	1,505	2,304
Total non-operating income	73,113	66,883
Non-operating expenses		
Interest expenses	9,301	6,476
Share issuance cost	-	12,639
Foreign withholding tax	1,418	-
Other	1,875	1,641
Total non-operating expenses	12,594	20,757
Ordinary income (loss)	75,290	102,831
Extraordinary income		
Gain on sales of investment securities	11,531	199
Gain on sales of non-current assets	198	23
Gain on sales of subsidiaries and affiliates' stocks	1,321	-
Other gains	138	10
Total extraordinary income	13,189	234
Extraordinary losses		
Impairment loss	508	6,073
Loss on disposal of fixed assets	5,036	3,974
Loss on sales of stocks of subsidiaries and affiliates	31,623	-
Loss on valuation of stocks of subsidiaries and affiliates	7,988	900
Other losses	2,526	1,823
Total extraordinary losses	47,684	12,771
Net income(loss) before income taxes	40,795	90,293
Income tax, current	2,067	9,632
Income tax, deferred (- indicates reduction)	31	(12,980)
Total income taxes	2,099	(3,347)
Net income(loss)	38,696	93,641

(3) Non-consolidated statements of changes in net assets

(Millions of yen)

For the fiscal year ended March 31,2013	Shareholders' equity					
	Capital stock	Legal capital surplus	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	657,355	433,202	-	(963,334)	(15)	127,206
Changes of items during the period						
Net income (loss)	-	-	-	38,696	-	38,696
Issuance of new shares	-	-	-	-	-	-
Deficit disposition	-	-	-	-	-	-
Transfer to other capital surplus from capital stock	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	(201)	(201)
Disposal of treasury shares	-	-	-	-	-	-
Retirement of treasury shares	-	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-
Total changes of items during the period	-	-	-	38,696	(201)	38,494
Balance at the end of current period	657,355	433,202	-	(924,638)	(217)	165,701

(Millions of yen)

For the fiscal year ended March 31,2013	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total other comprehensive income	
Balance at the end of previous period	11,246	436	11,683	138,890
Changes of items during the period				
Net income (loss)	-	-	-	38,696
Issuance of new shares	-	-	-	-
Deficit disposition	-	-	-	-
Transfer to other capital surplus from capital stock	-	-	-	-
Purchase of treasury stock	-	-	-	(201)
Disposal of treasury shares	-	-	-	-
Retirement of treasury shares	-	-	-	-
Net changes of items other than shareholders' equity	(6,189)	(406)	(6,595)	(6,595)
Total changes of items during the period	(6,189)	(406)	(6,595)	31,899
Balance at the end of current period	5,057	30	5,088	170,789

(Millions of yen)

For the fiscal year ended March 31,2014	Shareholders' equity					
	Capital stock	Legal capital surplus	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	657,355	433,202	-	(924,638)	(217)	165,701
Changes of items during the period						
Net income (loss)	-	-	-	93,641	-	93,641
Issuance of new shares	133,375	133,375	-	-	-	266,750
Deficit disposition	-	-	(924,638)	924,638	-	-
Transfer to other capital surplus from capital stock	(625,028)	(566,577)	1,191,605	-	-	-
Purchase of treasury stock	-	-	-	-	(181,711)	(181,711)
Disposal of treasury shares	-	-	0	-	0	0
Retirement of treasury shares	-	-	(181,709)	-	181,709	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-
Total changes of items during the period	(491,653)	(433,202)	85,257	1,018,279	(2)	178,679
Balance at the end of current period	165,701	-	85,257	93,641	(219)	344,381

(Millions of yen)

For the fiscal year ended March 31,2014	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total other comprehensive income	
Balance at the end of previous period	5,057	30	5,088	170,789
Changes of items during the period				
Net income (loss)	-	-	-	93,641
Issuance of new shares	-	-	-	266,750
Deficit disposition	-	-	-	-
Transfer to other capital surplus from capital stock	-	-	-	-
Purchase of treasury stock	-	-	-	(181,711)
Disposal of treasury shares	-	-	-	0
Retirement of treasury shares	-	-	-	-
Net changes of items other than shareholders' equity	592	(361)	230	230
Total changes of items during the period	592	(361)	230	178,910
Balance at the end of current period	5,649	(330)	5,318	349,699

Notes on premise of going concern:

There is no item to be reported.