

July 30, 2015

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2016 [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: Tetsuro Aikawa, President, COO
 Contact: Yoshihiro Kuroi, Senior Executive Officer,
 Corporate General Manager of Corporate Planning Office
 TEL: +81-3-6852-4206 (from overseas)

Scheduled date to file quarterly report: August 7, 2015

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 first quarter of fiscal year 2015 (from April 1, 2015 to June 30, 2015)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of the parent | |
|--------------------------------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| FY2015 1 st quarter | 500,521 | (2.6) | 18,633 | (39.8) | 24,136 | (26.1) | 23,988 | (14.8) |
| FY2014 1 st quarter | 513,788 | 25.5 | 30,955 | 93.1 | 32,643 | 46.3 | 28,159 | 71.3 |

Note: Comprehensive income FY2015 1st quarter: ¥24,580 million (0.0)% FY2014 1st quarter: ¥24,585 million 30.2%

| | Net income per share | Diluted net income per share |
|--------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| FY2015 1 st quarter | 24.39 | – |
| FY2014 1 st quarter | 28.63 | – |

Note: Diluted net income per shares are not shown above because there are no diluted shares.

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of | | | |
| June 30, 2015 | 1,524,274 | 685,728 | 44.0 |
| March 31, 2015 | 1,582,802 | 670,766 | 41.6 |

Reference: Equity As of June 30, 2015: ¥671,000 million As of March 31, 2015: ¥658,652 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 |
| FY2014 | – | 7.50 | – | 8.50 | 16.00 |
| FY2015 | – | | | | |
| FY2015 (Forecast) | | 8.00 | – | 8.00 | 16.00 |

Note : Modifications in the cash dividend forecast from the latest announcement: Nil

3. Consolidated earnings forecasts for fiscal year 2015 (from April 1, 2015 to March 31, 2016)

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

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of the parent | | Net income per share |
|--------------------------------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | |
| FY2015 2 nd quarter | 1,020,000 | (1.5) | 50,000 | (20.2) | 52,000 | (29.3) | 41,000 | (32.7) | Yen 41.69 |
| Full year | 2,280,000 | 4.6 | 125,000 | (8.0) | 130,000 | (14.3) | 100,000 | (15.4) | 101.68 |

Note: Modifications in the consolidated earnings forecasts from the latest announcement: Nil

* 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: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - 1) Changes in accounting policies due to revisions to accounting standards: Yes
 - 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 June 30, 2015: | 983,661,919 shares |
| As of March 31, 2015: | 983,661,919 shares |
 - 2) Number of shares of treasury stock at the end of the period

| | |
|-----------------------|----------------|
| As of June 30, 2015: | 221,955 shares |
| As of March 31, 2015: | 221,845 shares |
 - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | |
|---------------------------------|--------------------|
| FY2015 1 st quarter: | 983,440,023 shares |
| FY2014 1 st quarter: | 983,440,460 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:

(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 FY2015.

(How to obtain additional information materials / details of the earnings release conference)

Additional information materials are disclosed on the MMC web site on the same day as publication of the results. In addition, an audio recording of the earnings release conference held on the same day will, together with the material used for the conference, be posted on the MMC website promptly following conference.

1. Qualitative Information and Financial Statements

(1) Summary of operating results

The Mitsubishi Motors Group posted cumulative consolidated results for the first three months of FY2015 as follows: Net sales decreased 13.3 billion yen, or 3% year-on-year, to 500.5 billion yen. Operating income decreased 12.4 billion yen or 40% year-on-year, to 18.6 billion yen. Decline in wholesales volume of minicars and the Outlander PHEV which is in its transition period for the model change negatively affected to volume and model mix resulting in the decrease.

Despite non-operating gains stemming from equity method investment gains and foreign exchange gains, ordinary income decreased 8.5 billion yen or 26% year-on-year, to 24.1 billion yen. Net income for the first quarter of FY2015 attributable to owners of the parent decreased 4.2 billion yen or 15%, to 24.0 billion yen.

Global retail sales volume for the first three months of FY2015 totaled 262,000 units, an increase of 1% or 4,000 units over the same period in FY2014.

Japan: Sales volume totaled 18,000 units, a year-on-year decrease of 35% or 9,000 units. Sales of both minicar models and registered vehicles decreased over the same period last year.

North America: Sales volume totaled 35,000 units, a year-on-year increase of 25% or 7,000 units. The increase was driven by firm sales in the United States mainly of the Mirage compact model (Space Star in some markets).

Europe: Sales volume totaled 55,000 units, a year-on-year increase of 6% or 3,000 units. Despite sales volume dropped in Russia where economic situation worsened, the sales increase in Western Europe led by Germany and the U.K. which contributed to the overall increase for the region.

Asia: Sales volume totaled 78,000 units, a year-on-year decrease of 8% or 6,000 units. In ASEAN, sales volume decreased to 49,000 units, a year-on-year decrease of 10% or 5,000 units due to economy in Thailand remained sluggish. In North Asia, speed of market growth declined since beginning of this fiscal year in China, resulting in a year-on-year decrease of 5% or 1,000 units to 29,000 units. These negative factors affected the decrease of total sales volume for the region.

Other Regions: Sales volume totaled 76,000 units, a year-on-year increase of 14% or 9,000 units. Sales increased mainly in the Middle East and Africa, resulting in an overall increase in sales for the region.

(2) Summary of financial position

Total assets as of June 30, 2015 amounted to 1,524.3 billion yen, a decrease of 58.5 billion yen over the end of FY2014. Cash and cash deposits amounted 411.2 billion yen, a decrease of 29.1 billion yen from the end of FY2014. Total liabilities amounted to 838.6 billion yen, a decrease of 73.4 billion yen from the end of FY2014. Out of total liabilities, the interest bearing debt balance was reduced to 137.8 billion yen, a decrease of 6.7 billion yen from the end of FY2014. Net assets at the end of the first quarter of FY2015 attributable to owners of the parent amounted to 685.7 billion yen, a 14.9 billion yen increase from the end of FY2014 due to factors including the net income posted for the first quarter of FY2015 and dividend payouts.

(3) Summary of earnings forecasts

Mitsubishi Motors Corporation has decided to leave its consolidated forecasts announced on April 24, 2015 unchanged for both the first half of FY2015 (April 1 through September 30, 2015) as well as for the full-year of FY2015 (April 1, 2015 through March 31, 2016).

2. Others

- (1) Application of simple accounting as well as specific accounting for preparing the quarterly consolidated financial statements:

Income tax expenses were calculated as multiplying income before income taxes by reasonably estimated annual effective tax rate. This tax rate was reasonably estimated after applying the deferred tax accounting to the annual income before income taxes.

- (2) Changes in accounting policies, changes in accounting estimates, and restatement

Changes in accounting policies due to revisions to accounting standards:

Effective from the beginning of the first quarter of FY2015, Mitsubishi Motors Corporation adopted the “Revised Accounting Standard for Business Combinations” (ASBJ Statement No.21 of September 13, 2013), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22 of September 13, 2013), and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7 of September 13, 2013). In applying these accounting standards, the accounting treatment for any changes in a parent’s ownership interest in a subsidiary when the parent retains control over the subsidiary and the corresponding accounting for acquisition-related costs were revised. In addition, the presentation method of net income was amended, the reference to “minority interests” was changed to “non-controlling interests”, and accounting treatment for adjustments to provisional amounts during measurement period was also changed.

There is no impact to the profit/loss.

3. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2015 | As of June 30, 2015 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 440,272 | 411,160 |
| Notes and accounts receivable-trade | 184,653 | 155,830 |
| Merchandise and finished goods | 155,181 | 151,300 |
| Work in process | 25,968 | 26,474 |
| Raw materials and supplies | 30,533 | 32,390 |
| Other | 130,633 | 179,527 |
| Allowance for doubtful accounts | (3,585) | (2,744) |
| Total current assets | 963,658 | 953,939 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 80,347 | 81,048 |
| Machinery, equipment and vehicles, net | 174,585 | 168,223 |
| Tools, furniture and fixtures, net | 37,142 | 36,079 |
| Land | 97,129 | 93,661 |
| Construction in progress | 17,105 | 16,889 |
| Total Property, plant and equipment | 406,310 | 395,902 |
| Intangible assets | 14,043 | 13,782 |
| Investments and other assets | | |
| Investment securities | 74,298 | 79,966 |
| Other | 131,254 | 87,355 |
| Allowance for doubtful accounts | (6,763) | (6,672) |
| Total investments and other assets | 198,789 | 160,649 |
| Total noncurrent assets | 619,143 | 570,334 |
| Total assets | 1,582,802 | 1,524,274 |

(Millions of yen)

| | As of March 31, 2015 | As of June 30, 2015 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 353,862 | 309,966 |
| Electronically recorded obligations | 21,018 | 23,863 |
| Short-term loans payable | 90,907 | 88,196 |
| Current portion of long-term loans payable | 27,643 | 25,036 |
| Accounts payable-other and accrued expenses | 122,128 | 111,851 |
| Income taxes payable | 5,829 | 4,818 |
| Provision for product warranties | 34,108 | 34,366 |
| Other | 37,342 | 47,360 |
| Total current liabilities | 692,840 | 645,460 |
| Noncurrent liabilities | | |
| Long-term loans payable | 25,914 | 24,557 |
| Net defined benefit liability | 106,821 | 87,341 |
| Other | 86,459 | 81,186 |
| Total noncurrent liabilities | 219,195 | 193,085 |
| Total liabilities | 912,035 | 838,546 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 165,701 | 165,701 |
| Capital surplus | 85,257 | 85,257 |
| Retained earnings | 432,241 | 447,870 |
| Treasury stock | (220) | (220) |
| Total shareholders' equity | 682,980 | 698,608 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 7,844 | 6,837 |
| Deferred gains or losses on hedges | 286 | (1,207) |
| Foreign currency translation adjustment | (21,013) | (21,549) |
| Remeasurements of defined benefit plans | (11,445) | (11,688) |
| Total accumulated other comprehensive income | (24,327) | (27,608) |
| Non-controlling interests | 12,113 | 14,727 |
| Total net assets | 670,766 | 685,728 |
| Total liabilities and net assets | 1,582,802 | 1,524,274 |

(2) Consolidated statements of income and consolidated statements of comprehensive income

| Consolidated statements of income | (Millions of yen) | |
|---|---|---|
| | FY2014 1 st quarter (from April 1, 2014 to June 30, 2014) | FY2015 1 st quarter (from April 1, 2015 to June 30, 2015) |
| Net sales | 513,788 | 500,521 |
| Cost of sales | 403,025 | 399,487 |
| Gross profit | 110,763 | 101,034 |
| Selling, general and administrative expenses | | |
| Advertising and promotion expenses | 24,408 | 24,353 |
| Freightage expenses | 14,165 | 12,734 |
| Provision of allowance for doubtful accounts | (429) | (186) |
| Directors' compensations, salaries and allowances | 16,847 | 17,438 |
| Retirement benefit expenses | 1,098 | 1,399 |
| Depreciation | 2,251 | 2,173 |
| Research and development expenses | 9,818 | 10,678 |
| Other | 11,647 | 13,809 |
| Total selling, general and administrative expenses | 79,807 | 82,400 |
| Operating income (loss) | 30,955 | 18,633 |
| Non-operating income | | |
| Interest income | 1,178 | 1,379 |
| Foreign exchange gains | — | 2,475 |
| Equity in earnings of affiliates | 2,874 | 2,679 |
| Other | 281 | 369 |
| Total non-operating income | 4,334 | 6,904 |
| Non-operating expenses | | |
| Interest expenses | 1,172 | 414 |
| Foreign exchange losses | 934 | — |
| Litigation expenses | 226 | 643 |
| Other | 312 | 344 |
| Total non-operating expenses | 2,646 | 1,401 |
| Ordinary income (loss) | 32,643 | 24,136 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 38 | 9,730 |
| Gain on sales of investment securities | 20 | — |
| Other | 3 | 3 |
| Total extraordinary income | 63 | 9,734 |
| Extraordinary loss | | |
| Loss on retirement of noncurrent assets | 301 | 521 |
| Loss on sales of noncurrent assets | 195 | 66 |
| Other | 108 | 230 |
| Total extraordinary losses | 605 | 818 |
| Income (loss) before income taxes | 32,101 | 33,051 |
| Income taxes | 3,545 | 5,052 |
| Net income (loss) | 28,556 | 27,999 |
| Net income (loss) attributable to non-controlling interests | 397 | 4,011 |
| Net income (loss) attributable to owners of the parent | 28,159 | 23,988 |

Consolidated statements of comprehensive income

(Millions of yen)

| | FY2014 1 st quarter (from April 1, 2014 to June 30, 2014) | FY2015 1 st quarter (from April 1, 2015 to June 30, 2015) |
|---|---|---|
| Net income (loss) | 28,556 | 27,999 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,213 | (1,003) |
| Deferred gains or losses on hedges | 404 | (680) |
| Foreign currency translation adjustment | (2,981) | (1,924) |
| Remeasurements of defined benefit plans | 156 | (236) |
| Share of other comprehensive income of associates accounted for using equity method | (2,763) | 427 |
| Total other comprehensive income | (3,970) | (3,418) |
| Comprehensive income | 24,585 | 24,580 |
| Comprehensive income attributable to: | | |
| Owners of the parent | 24,240 | 20,707 |
| Non-controlling interests | 345 | 3,873 |

(3) Notes to consolidated financial statements

Notes on premise of going concern

N/A

Notes on significant changes in the amount of shareholders' equity

N/A

Segment information

FY2014 1st quarter (from April 1, 2014 to June 30, 2014)

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

(Millions of yen)

| | Automobiles | Financial services | Total | Adjustment (Note 1) | Grand total (Note 2) |
|---------------------------------------|-------------|--------------------|---------|------------------------|-------------------------|
| Net sales | | | | | |
| (1) External customers | 510,495 | 3,293 | 513,788 | – | 513,788 |
| (2) Intersegment sales & transfers | 107 | – | 107 | (107) | – |
| Total | 510,603 | 3,293 | 513,896 | (107) | 513,788 |
| Segment income (loss) | 30,718 | 344 | 31,062 | (107) | 30,955 |

Notes: 1. Adjustment represents the elimination of intersegment transactions.

2. 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 | 108,524 | 47,819 | 147,447 | 95,285 | 56,848 | 57,862 | 513,788 |

Note: 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

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 | Adjustment (Note) | Grand total |
|---------------------------------------|---------|------------------|--------|---------|---------|-------|---------|----------------------|-------------|
| Net sales | | | | | | | | | |
| (1) External customers | 328,256 | 45,126 | 27,219 | 49,279 | 56,848 | 7,058 | 513,788 | – | 513,788 |
| (2) Intersegment sales & transfers | 100,332 | 18,767 | 440 | 92,048 | 42 | – | 211,631 | (211,631) | – |
| Total | 428,588 | 63,893 | 27,659 | 141,327 | 56,891 | 7,058 | 725,420 | (211,631) | 513,788 |
| Operating income (loss) | 11,128 | 828 | 3,174 | 11,349 | 2,783 | 166 | 29,430 | 1,524 | 30,955 |

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

FY2015 1st quarter (from April 1, 2015 to June 30, 2015)

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

(Millions of yen)

| | Automobiles | Financial services | Total | Adjustment (Note 1) | Grand total (Note 2) |
|---------------------------------------|-------------|--------------------|---------|------------------------|-------------------------|
| Net sales | | | | | |
| (1) External customers | 496,368 | 4,152 | 500,521 | – | 500,521 |
| (2) Intersegment sales & transfers | (163) | – | (163) | 163 | – |
| Total | 496,205 | 4,152 | 500,358 | 163 | 500,521 |
| Segment income (loss) | 17,530 | 939 | 18,470 | 163 | 18,633 |

Notes: 1. Adjustment represents the elimination of intersegment transactions.

2. 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 | 79,034 | 83,071 | 107,028 | 98,119 | 60,526 | 72,740 | 500,521 |

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

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

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

(Millions of yen)

| | Japan | North America | Europe | Asia | Oceania | Other | Total | Adjustment (Note) | Grand total |
|---------------------------------------|---------|------------------|--------|---------|---------|-------|---------|----------------------|-------------|
| Net sales | | | | | | | | | |
| (1) External customers | 288,731 | 74,637 | 15,905 | 56,045 | 60,526 | 4,673 | 500,521 | – | 500,521 |
| (2) Intersegment sales & transfers | 106,155 | 5,769 | 1,946 | 101,148 | 20 | – | 215,039 | (215,039) | – |
| Total | 394,886 | 80,407 | 17,852 | 157,194 | 60,547 | 4,673 | 715,561 | (215,039) | 500,521 |
| Operating income (loss) | (1,745) | 4,176 | 2,280 | 8,990 | 2,364 | 115 | 16,181 | 2,452 | 18,633 |

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

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

Subsequent event

MMC resolved at its board of directors meeting held on July 30, 2015 to cease vehicle production at manufacturing plant (Location: Bloomington-Normal, Illinois, the United States) of Mitsubishi Motors North America, Inc. (Head Office: Cypress, California, the United States), a wholly owned subsidiary of MMC in the United States, by the end of November 2015 and will not allocate a new model for production from December 2015 and beyond. At the moment, it is difficult to reasonably estimate the impacts of the resolution.