

"Summary"
Business Results
For
Interim Term Ended March 2001
(Consolidated)

(in billion yen)

| | 1999FY Interim Term ACTUAL April 99 to Sep 99 (A) | 2000FY Interim Term ACTUAL April 2000 to Sep 2000 (B) | 2000FY FORECAST April 2000 to Mar 2001 (C) | 2000FY FORECAST (May 2000) April 2000 to Mar 2001 (D) | 1999FY ACTUAL April 99 to Mar 2000 (E) |
|----------------------------------|---|--|--|---|---|
| Net sales | 1,565.5 | 1,542.5 | 3,400.0 | 3,550.0 | 3,335.0 |
| Domestic | 660.4 | 628.1 | 1,400.0 | 1,550.0 | 1,441.1 |
| Overseas | 905.1 | 914.4 | 2,000.0 | 2,000.0 | 1,893.9 |
| Operating Income | -1.6 | -23.2 | -30.0 | 50.0 | 22.5 |
| <margin> | <-0.1%> | <-1.5%> | <-0.9%> | <1.4%> | <-0.7%> |
| Causes of change | | Europe -16.0 Oceania -4.6 Others -1.0 Total change (B-A) -21.6 | Europe -28.2 Domestic -22.8 Others -1.5 Total change (C-E) -52.5 | | |
| Ordinary Income | -27.2 | -29.5 | -45.0 | 20.0 | 3.8 |
| <margin> | <-1.7%> | <-1.9%> | <-1.3%> | <0.6%> | <-0.1%> |
| Net Income | -38.5 | -75.6 | -140.0 | -70.0 | -23.3 |
| <margin> | <-2.5%> | <-4.9%> | <-4.1%> | <-2.0%> | <-0.7%> |
| Capital Expenditure | 24.4 | 25.8 | 62.0 | 65.0 | 50.6 |
| Depreciation | 65.5 | 59.0 | 110.0 | 110.0 | 117.6 |
| Balance of interest bearing debt | 1,745.5 | 1,599.4 | 1,320.0 | 1,300.0 | 1,473.3 |
| Total assets | 2,938.5 | 2,914.4 | | | 2,784.1 |
| Comments | | Revenue - decrease Net loss - increase | Net loss - increase | | Revenue - decrease |
| (in '000 units) | | | | | |
| Sales Volume | 676 | 675 | 1,472 | | 1,498 |
| Domestic | 262 | 241 | 545 | | 593 |
| Overseas | 414 | 434 | 927 | | 905 |

"Summary"
Business Results
for
Interim Term Ended March 2001
(non-consolidated)

(in billion yen)

| | 1999FY Interim Term ACTUAL April 99 to Sep 99 (A) | 2000FY Interim Term ACTUAL April 2000 to Sep 2000 (B) May forecast | 2000FY FORECAST April 2000 to Mar 2001 (C) | 2000FY FORECAST (May 2000) April 2000 to Mar 2001 (D) | 1999FY ACTUAL April 99 to Mar 2000 (E) |
|----------------------------------|---|---|---|---|---|
| Net Sales | 962.7 | 986.5 | 1050.0 | 2,100.0 | 2,106.6 |
| Domestic | 471.7 | 411.5 | 970.0 | 1,200.0 | 1,091.7 |
| Export | 491.0 | 575.0 | 1,130.0 | 1,050.0 | 1,014.9 |
| Operating Income | -13.3 | -25.0 | 13.0 | 30.0 | 13.4 |
| [operating income margin] | [-1.4%] | [-2.5%] | [-1.7%] | [1.3%] | [0.6%] |
| Causes of Change | | (Positive causes) | (Positive causes) | | |
| | | Cost reduction 23.7 | Cost reduction 45.6 | 43.6 | |
| | | R&D expenses 3.6 | | | |
| | | (Adverse causes) | (Adverse causes) | | |
| | | Volume change -3.0 | Volume change -28.0 | 15.0 | |
| | | Foreign exchange -30.0 | Foreign exchange -45.0 | -30.0 | |
| | | Sales expense -6.0 | Sales expense -18.0 | -6.0 | |
| | | | R&D expenses -3.0 | -6.0 | |
| | | Total change(B-A) -11.7 | Total change(C-E) -48.4 | 16.6 | Total change(D-E) |
| Ordinary Income | -20.3 | -24.6 | 20.0 | 20.0 | 6.3 |
| [ordinary income margin] | [-2.1%] | [-2.5%] | [-1.9%] | [0.9%] | [0.3%] |
| Net Income | -22.5 | -64.1 | 47.0 | -55.0 | 0.5 |
| [net income margin] | [-2.3%] | [-6.5%] | [-6.2%] | [-2.4%] | |
| Exchange Rate | ¥114 /US\$ ¥120 /EUR | ¥107 /US\$ ¥99 /EUR | ¥106 /US\$ ¥95 /EUR | ¥107 /US\$ ¥100 /EUR | ¥109 /US\$ ¥112 /EUR |
| Capital Expenditure | 18.0 | 18.7 | 45.0 | 50.0 | 35.8 |
| Depreciation | 35.6 | 29.9 | 61.0 | 65.0 | 71.2 |
| R&D Expenses | 51.8 | 48.2 | 107.0 | 110.0 | 104.0 |
| <per sales ratio> | <5.4%> | <4.9%> | <5.1%> | <4.9%> | <4.9%> |
| Balance of interest bearing debt | 517.6 | 431.2 | | | 477.0 |
| Comments | | Revenue- increase Net loss- increase | Revenue- decrease Net loss- increase | | Revenue- decrease Net income- decrease |
| (in '000 units) | | | | | |
| Production Volume | 822 | 897 | 1,880 | 2,010 | 1,728 |
| Domestic | 467 | 466 | 980 | 1,050 | 1,002 |
| Overseas | 355 | 431 | 900 | 960 | 726 |
| Sales Volume | 466 | 462 | 1,000 | 1,060 | 1,025 |
| Domestic | 257 | 224 | 525 | 625 | 593 |
| Overseas | 209 | 238 | 475 | 435 | 432 |

Volume Projection for 2000 Fiscal Year (Summary)

(in '000 Units)

| | | 1999 FY Results | | | 2000 FY Projection | | | | | |
|-------------------------------|---------------------|-----------------|-------------|------------|--------------------|----------|------------------------|----------|-----------------------|----------|
| | | First-Half | Second-Half | Year Total | First-Half Results | | Second-Half Projection | | Year Total Projection | |
| Domestic Sales | Passenger Cars | 98 | 140 | 238 | 74 | (75.5%) | 110 | (78.6%) | 184 | (77.3%) |
| | Minicars | 122 | 153 | 275 | 113 | (92.6%) | 148 | (96.7%) | 261 | (94.9%) |
| | Trucks (Under 1.0t) | 7 | 6 | 13 | 7 | (100.0%) | 6 | (100.0%) | 13 | (100.0%) |
| | Trucks (Over 1.5t) | 18 | 23 | 41 | 19 | (105.6%) | 24 | (104.3%) | 43 | (104.9%) |
| | Trucks (Over 4t) | 10 | 12 | 22 | 9 | (90.0%) | 11 | (91.7%) | 20 | (90.9%) |
| | Buses | 2 | 2 | 4 | 2 | (100.0%) | 2 | (100.0%) | 4 | (100.0%) |
| | Domestic Total | 257 | 336 | 593 | 224 | (87.2%) | 301 | (89.6%) | 525 | (88.5%) |
| Export | Passenger Cars | 164 | 183 | 347 | 194 | (118.3%) | 194 | (106.0%) | 388 | (111.8%) |
| | Minicars | 0 | 0 | 0 | 0 | (-) | 0 | (-) | 0 | (-) |
| | Trucks (Under 1.0t) | 30 | 23 | 53 | 25 | (83.3%) | 25 | (108.7%) | 50 | (94.3%) |
| | Trucks (Over 1.5t) | 14 | 16 | 30 | 18 | (128.6%) | 17 | (106.3%) | 35 | (116.7%) |
| | Buses | 1 | 1 | 2 | 1 | (100.0%) | 1 | (100.0%) | 2 | (100.0%) |
| | Export Total | 209 | 223 | 432 | 238 | (113.9%) | 237 | (106.3%) | 475 | (110.0%) |
| Total | | 466 | 559 | 1,025 | 462 | (99.1%) | 538 | (96.2%) | 1,000 | (97.6%) |
| Production Parts & Components | | 356 | 378 | 734 | 483 | (135.7%) | 462 | (122.2%) | 945 | (128.7%) |

() indicates the comparison with previous year

Export Volume Projection for 2000 Fiscal Year

(in '000 Units)

| | 1999 FY Results | | | 2000 FY Projection | | | |
|-------------------------|-----------------|-------------|------------|--------------------|------------------------|-----------------------|----------|
| | First-Half | Second-Half | Year Total | First-Half Results | Second-Half Projection | Year Total Projection | |
| North America | 58 | 68 | 126 | 78 (134.5%) | 70 (102.9%) | 148 | (117.5%) |
| Europe | 57 | 58 | 115 | 56 (98.2%) | 52 (89.7%) | 108 | (93.9%) |
| Oceania | 20 | 21 | 41 | 28 (140.0%) | 20 (95.2%) | 48 | (117.1%) |
| Asia & ASEAN | 16 | 22 | 38 | 29 (181.3%) | 30 (136.4%) | 59 | (155.3%) |
| Middle East & Africa | 26 | 27 | 53 | 18 (69.2%) | 35 (129.6%) | 53 | (100.0%) |
| Central & South America | 32 | 27 | 59 | 29 (90.6%) | 30 (111.1%) | 59 | (100.0%) |
| Total | 209 | 223 | 432 | 238 (113.9%) | 237 (106.3%) | 475 | (110.0%) |

Production Parts & Components Export Volume Projection for 2000 Fiscal Year

(in '000 Units)

| | 1999 FY Results | | | 2000 FY Projection | | | |
|------------------|-----------------|-------------|------------|--------------------|------------------------|-----------------------|----------|
| | First-Half | Second-Half | Year Total | First-Half Results | Second-Half Projection | Year Total Projection | |
| U.S.A. | 83 | 92 | 175 | 127 (153.0%) | 123 (133.7%) | 250 | (142.9%) |
| Netherlands | 53 | 26 | 79 | 38 (71.7%) | 29 (111.5%) | 67 | (84.8%) |
| Portugal | 5 | 7 | 12 | 6 (120.0%) | 6 (85.7%) | 12 | (100.0%) |
| Italy | 7 | 13 | 20 | 8 (114.3%) | 6 (46.2%) | 14 | (70.0%) |
| Thailand | 43 | 41 | 84 | 46 (107.0%) | 54 (131.7%) | 100 | (119.0%) |
| Philippin | 7 | 8 | 15 | 6 (85.7%) | 6 (75.0%) | 12 | (80.0%) |
| Indonesia | 5 | 28 | 33 | 41 (820.0%) | 30 (107.1%) | 71 | (215.2%) |
| Malaysia | 86 | 87 | 173 | 101 (117.4%) | 103 (118.4%) | 204 | (117.9%) |
| Taiwan | 42 | 55 | 97 | 72 (171.4%) | 64 (116.4%) | 136 | (140.2%) |
| Australia | 16 | 14 | 30 | 23 (143.8%) | 23 (164.3%) | 46 | (153.3%) |
| Others | 9 | 7 | 16 | 15 (166.7%) | 18 (257.1%) | 33 | (206.3%) |
| Total | 356 | 378 | 734 | 483 (135.7%) | 462 (122.2%) | 945 | (128.7%) |
| Passenger cars | 348 | 363 | 711 | 459 (131.9%) | 438 (120.7%) | 897 | (126.2%) |
| Trucks and buses | 8 | 15 | 23 | 24 (300.0%) | 24 (160.0%) | 48 | (208.7%) |

() indicates the comparison with previous year

Mitsubishi Motors reports consolidated results for half year ending 30 September 2000

Tokyo, November 13 — Mitsubishi Motors Corporation today announced its consolidated business results for the half year ending 30 September 2000 (1 April 2000 – 30 September 2000).

- Sales for the half year ended 30 September 2000 were ¥1,542,513 million, a decrease of 1.5% on the ¥1,565,505 million for the same period last year.
- Ordinary loss was ¥29,471 million.
- Net loss was ¥75,629 million.

For the full 2000 fiscal year (1 April 2000 – 31 March 2001), Mitsubishi Motors forecasts an ordinary loss of ¥45 billion and net loss of ¥140 billion on sales of ¥3,400,000 million

Consolidated financial highlights (1 April – 30 September 2000)

| | Millions of Yen | | |
|-------------------------------------|-------------------------|-------------------------|----------|
| | 2000FY (4/00 – 9/00) | 1999FY (4/99 – 9/99) | % change |
| Sales | 1,542,513 | 1,565,505 | – 1.5 |
| Operating income | – 23,222 | – 1,583 | — |
| Ordinary income..... | – 29,471 | – 27,241 | — |
| Net income | – 75,629 | – 38,534 | — |
| Earnings per share, basic | – ¥77.94 | – ¥41.80 | — |
| Shareholders' equity | 258,844 | 315,038 | |
| Total assets | 2,914,368 | 2,938,469 | |
| Shareholders' equity ratio..... | 8.9% | 10.7% | |
| Shareholders' equity per share..... | ¥266.77 | ¥341.77 | |

I Management policy

1. Basic management policy

Mitsubishi Motors Corporation's management policy stands on the following three principles:

- (1) To adopt the customer's viewpoint and win and retain long-running customer loyalty through excellence in product and service;
- (2) To be innovative with a global perspective;
- (3) To act with integrity as an open and clean corporation

In view of the situation the Company finds itself in today, certain fundamental changes must be made. To ensure that we supply vehicles and services that inspire full confidence in our customers, and to show that Mitsubishi Motors really has changed for the better, the following three principles will be driven home throughout the whole organization:

- To provide customers with products and service of the highest quality, allowing no room for compromise;
- To ensure that all corporate investments result in higher levels of customer satisfaction, and generate a profit;
- To conduct our business in a fair and rational manner, and always in obedience with laws and regulations.

2. Policy on appropriation of surplus

MMC considers returning profits to shareholders to be a management objective of the first order. The Company makes the maintenance of a stable dividend its first principle, giving due consideration to the need to achieve a balance between this and to securing sufficient funds for the future development of its business. Such monies are required for the development of new products, of environmental technologies and for funding other avenues through which the Company may fortify its operational base, and thereby enable it to maintain and boost its fighting strength in the intensely competitive automotive industry. Company policy is to apportion the fruits of its operations to its shareholders, taking into account developments in the consolidated results.

3. Mid- and long-term management strategy

Through its strategic alliances with DaimlerChrysler and AB Volvo, MMC is working to revolutionize its management and to accelerate its transformation into a profitable organization. The aim is to establish a business foundation that will enable both its passenger car and its commercial vehicle operations to stand alone and to offer, in a timely manner, competitive products that are eagerly sought on global markets.

MMC is firmly committed to increasing corporate value and is doing so by seeking to return profits on a consistent basis, by driving home its Selection and Concentration philosophy through the entire organization, and through the optimal allocation of management resources.

MMC has formed global and strategic alliances with AB Volvo in the commercial vehicle sector and with DaimlerBenz in the passenger car sector. These alliances will enable the company to deal better with the substantial changes seen in the automotive industry today, and including environmental issues, globalization of management and advances in information technology, as well as with global changes in the paradigms governing development, procurement and production.

On the basis of the corporate philosophy and strategies outlined above, the Company will reassess its new Heart-Beat 21 mid-term management plan and will complete a detailed action plan by the spring of 2001. Every company in the MMC group will devote its full energies to achieving the goals to be set out in the new action plan: (1) to move into the black in FY2001 and, (2) to re-engineer the group so that it produces consistent profits from FY2003 onwards.

4. Management structure

MMC has implemented major changes to its management structure recently. These include the smooth introduction of the internal-company system with the setting up of the Truck & Bus Company on 1 April this year, with a view to spinning it off as a separate company by July 2001; and the formation of alliances with DaimlerChrysler and AB Volvo. In order to speed up the management process further and to make the alliances effective and meaningful, the Company has implemented a radical reorganization of the Board of Directors.

In a step designed to revitalize the board, the number of directors on the board have been reduced, with more seats occupied by outside directors. The Company has also introduced a system of Executive Officers.

The member of the Board will retain responsibility for formulation of management strategy, for key management decisions, and for supervision of execution of operations. Executive officers will be responsible for the execution of business. This will help clarify responsibilities and authority in individual areas of operation.

These reforms to the management structure will speed up the decision-making process and bring greater clarity to issues of accountability, and realize a structure that is better able to focus on delivering results faster.

Mr Rolf Eckrodt of DaimlerChrysler is due to assume the Member of the Board at an extraordinary shareholders meeting due to be convened on 19 January 2001.

5. Issues to be addressed

Mitsubishi Motors was disciplined by the relevant authorities over a series of problems relating to its processing of customer claims. The Company deeply regrets that it has betrayed the trust of its customers and of the general public and will implement far-reaching remedial measures to prevent any recurrence and to raise quality levels in all areas, including development, production, and vehicle servicing.

In addition, all members of the Mitsubishi Motors group of companies will devote their combined energies to supplying products and providing services that win genuine customer satisfaction, by taking the customer's standpoint and re-examining the whole vehicle building process giving top priority to quality.

MMC signed a Master Alliance Agreement with DaimlerChrysler in July, and in October made a new issue of 499,856,000 shares to give DaimlerChrysler a 34% equity holding in the Company. This now opens the way for the Company to roll out a number of collaborative projects. These include the Zcar global strategy model to be jointly developed by the two companies, as well as projects involving collaboration in the areas of development, production, sales and purchasing operations in various parts of the world. Ensuring the success of these projects is the second issue to be addressed.

In its alliance with AB Volvo, the challenge for MMC is to spin off its commercial vehicle operations at an early date, and to start benefiting from the various synergies that will stem from the joint development of a medium truck, as well as from collaboration in worldwide production and sales activities.

In this rapidly changing business environment, MMC is purposefully applying its resources to swiftly establish a corporate brand-oriented management, to internal reforms, and to the globalization of its management.

II Consolidated results

1. First half fiscal 2000 results: overview

During the first half of fiscal 2000, the economies of the United States and of the countries of Europe continued to expand, while those of the countries of Southeast Asia showed that they were firmly on the road to recovery.

In Japan, the economy displayed a gentle improvement fueled by increased capital investment in the private sector and by higher exports, to Asia in particular. Record levels of unemployment, however, mean that the overall situation remains difficult.

In the Japanese automotive industry, the launch of a number of new models saw total vehicle sales for the first half grow to 2,820,000 units, an increase of 1% over the same period in fiscal 1999. Sales of domestically produced vehicles were 2,680,000 units, 1% up, while sales of imports were 140,000 units, the same level as in 1999. Buoyant shipments to North America and Asia saw exports grow to 2,260,000 units, a 7% increase over the same period in 1999.

In its consolidated operations for the first half of fiscal 2000, MMC reports total sales volume of 675,000 units, virtually the same figure as for the same period last year. Consolidated sales was ¥1,542.5 billion, a decrease over the same period in 1999 and due principally to the strong Japanese yen.

Looking at profits, group-wide efforts were made to reduce costs and to otherwise improve the financial standing of MMC companies. However, the cost reductions achieved were more than countered by a deterioration in profitability caused by the strong Yen and sluggish sales on the domestic market, and by a one-time charge of pension liabilities. As a result, MMC reports an operating loss of ¥23.2 billion and an ordinary loss of ¥29.5 billion. Net loss for the interim period was ¥75.6 billion, a larger loss than that reported for the same period in fiscal 1999..

Looking at the cash flows for the first half of fiscal 2000: cash flows from operating activities were ¥94.2 billion, while cash flows relating to acquisition or disposal of tangible fixed assets and other investing activities were ¥176.4 billion. After subtracting the repayment of loans and other such disbursements, and issuance of bonds, cash flows relating to financial activities were ¥120.3 billion. The balance of cash and cash equivalents at the end of the first half of fiscal 2000 was ¥129.6 billion, a ¥40 billion increase over the position at the end of fiscal 1999.

2. Segment information

(1) By business

Sales from the automotive business for the interim period were ¥1,502.1 billion, producing an operating loss of ¥20.4 billion.

Revenues from the financial services business were ¥46.1 billion, producing an operating loss of ¥500 million.

(2) By geographical region

Sales in Japan were ¥1,205.2 billion, an increase of ¥51.9 billion, and operating loss was ¥19.3 billion, an improvement of ¥1.5 billion over the same period in fiscal 1999.

Sales in North America were ¥412.2 billion, an increase of ¥76.0 billion, and operating income stood at ¥21.0 billion, an increase of ¥6.3 billion over the same period in fiscal 1999. *(Note: In reality, however, there was a ¥15.6 billion increase in operating income taking into account the ¥9.3 billion decrease in operating profit due to change in classification of expenses at the Company's financial services subsidiary.)*

Sales in Europe were ¥178.4 billion, a decrease of ¥71.0 billion, and operating loss was ¥13.3 billion, a deterioration of ¥16.0 billion over the same period in fiscal 1999.

Sales in Asia were ¥64.3 billion, an increase of ¥4.6 billion, and operating loss was ¥4.8 billion, an deterioration of ¥5.2 billion over the same period in fiscal 1999.

Sales in other regions were ¥102.4 billion, a decrease of ¥21.5 billion, and operating loss was ¥5.6 billion, a deterioration of ¥5.1 billion over the same period in fiscal 1999.

3. Dividend payment

MMC regrets to announce that it intends once again to defer payment of the first half dividend. The Company apologizes sincerely to its shareholders and asks for their continuing understanding and patience.

4. Consolidated forecast for full year in fiscal 2000

Looking ahead to the rest of fiscal 2000, in terms of the global economy there is some concern that the growth in the United States economy will slow. Any recovery in the Japanese economy, meanwhile, is expected to remain mild, as slower exports impact the general tone of recovery fueled mainly by demand in the private sector. In the automotive industry, the Company expects to find itself operating in an increasingly difficult business environment as the launch of new models brings a further intensification in sales competition, and as the nature of issues that need to be addressed by management — the environment and globalization of management included — undergo substantial changes.

While fluctuations in the major currencies, price reductions required by intensifying market competition, the degree to which domestic consumption in Japan will recover and other factors make accurate forecasting difficult, the Company offers the following forecast for its consolidated operations in fiscal 2000.

| Consolidated forecast fiscal 2000 | | | Change from previous year |
|--|----------|-----------------|--------------------------------------|
| Sales | ¥3,400.0 | billions of Yen | 1.9% |
| Ordinary income | - ¥45.0 | billions of Yen | |
| Net income | - ¥140.0 | billions of Yen | |

Cautionary statement:

The fiscal 2000 forecasts are based on management assumptions and predictions made in the light of the information currently available. Undue reliance should not be placed on these forecasts. A number of factors, including, but not limited to, changes in the business environment surrounding MMC operations, market trends and currency fluctuations could cause actual results to differ materially from those discussed in the forecasts.

Consolidated statements of operations

(1 April 2000 – 30 September 2000)

| | Millions of yen | | |
|---|------------------|------------------|----------|
| | 4/1/00 - 9/30/00 | 4/1/99 - 9/30/99 | % Change |
| Sales | 1,542,513 | 1,565,505 | - 1.5 |
| Cost of sales | 1,282,218 | 1,286,051 | - 0.3 |
| Gross profit before provision for unrealized profit on installment sales..... | 260,295 | 279,454 | - 6.9 |
| Provision for unrealized profit on installment | 296 | 560 | |
| Gross profit..... | 260,591 | 280,014 | |
| Selling, general and administrative expenses | 283,813 | 281,598 | |
| Operating income..... | - 23,222 | - 1,583 | — |
| Non-operating income | 20,910 | 17,974 | |
| Interest and dividends income..... | (7,884) | (8,963) | |
| Other income | (13,025) | (9,010) | |
| Non-operating expenses..... | 27,160 | 43,632 | |
| Interest expenses | (19,185) | (33,657) | |
| Other expenses..... | (7,975) | (9,975) | |
| Ordinary income | - 29,471 | - 27,241 | — |
| Extraordinary gain..... | 1,019 | 2,178 | |
| Extraordinary loss | 83,501 | 8,774 | |
| Income before taxes | - 111,953 | - 33,837 | — |
| Income taxes | - 29,977 | 6,939 | |
| Minority interests | * 6,347 | * 2,243 | |
| Net income..... | - 75,629 | - 38,534 | — |

Note: * indicates an addition

Consolidated statements of retained earnings

| | Millions of Yen | | |
|---|------------------|------------------|------------|
| | 4/1/00 - 9/30/00 | 4/1/99 - 9/30/99 | Change |
| Retained earnings at start of year..... | 76,786 | 112,049 | - 35,263 |
| Retained earnings at start of year..... | (76,786) | (112,049) | (- 35,263) |
| Increase in retained earnings..... | — | — | — |
| Decrease in retained earnings..... | 117 | 40 | 77 |
| Due to increase in subsidiaries..... | (117) | (40) | (77) |
| Net income | - 75,629 | - 38,534 | - 37,095 |
| Retained earnings at end of year..... | 1,040 | 73,474 | - 72,434 |

Consolidated balance sheets

Millions of Yen

| Assets | At 9/30/00 | At 3/31/00 | Change |
|---|------------------|------------------|-----------------|
| Current Assets | (1,121,236) | (1,177,781) | (– 56,545) |
| Cash on hand and in banks | 107,795 | 88,762 | 19,033 |
| Notes and accounts receivable | 414,863 | 516,638 | – 101,775 |
| Marketable securities..... | 24,839 | 55,123 | – 30,284 |
| Inventories | 344,239 | 341,443 | 2,796 |
| Short-term loans receivable | 38,003 | 27,713 | 10,290 |
| Deferred tax assets | 34,129 | 19,637 | 14,492 |
| Other current assets | 166,246 | 139,981 | 26,265 |
| Allowance for doubtful accounts..... | – 8,879 | – 11,517 | 2,638 |
| Fixed Assets | (1,793,132) | (1,542,538) | (250,594) |
| Tangible fixed assets..... | 1,216,856 | 1,219,286 | – 2,430 |
| Intangible fixed assets | 23,325 | 26,560 | – 3,235 |
| Investment securities | 178,348 | 61,051 | 117,297 |
| Long-term loans receivable..... | 228,035 | 90,668 | 137,367 |
| Investments and other non-current assets | 167,314 | 160,136 | 7,178 |
| Allowance for doubtful accounts..... | – 20,748 | – 15,165 | – 5,583 |
| Translation adjustments | — | 63,798 | – 63,798 |
| TOTAL ASSETS | 2,914,368 | 2,784,119 | 130,249 |
| Liabilities & shareholders' equity | | | |
| Current liabilities | (1,892,730) | (1,680,749) | (211,981) |
| Notes and accounts payable..... | 494,358 | 483,444 | 10,914 |
| Short-term loans payable..... | 1,046,543 | 872,402 | 174,141 |
| Other accounts payable and accrued expenses | 197,992 | 169,800 | 28,192 |
| Income taxes payable..... | 3,829 | 3,728 | 101 |
| Warranty claims allowance..... | 24,904 | 24,966 | – 62 |
| Other current liabilities | 125,102 | 126,407 | – 1,305 |
| Fixed liabilities | (759,765) | (737,392) | (22,373) |
| Bonds | 312,954 | 309,902 | 3,052 |
| Long-term loans payable | 239,875 | 290,976 | – 51,101 |
| Accrued severance indemnities..... | — | 89,814 | – 89,814 |
| Accrued severance benefit reserve..... | 149,174 | — | 149,174 |
| Deferred tax liabilities | 34,610 | 24,651 | 9,959 |
| Other fixed liabilities | 23,150 | 22,046 | 1,104 |
| TOTAL LIABILITIES | 2,652,495 | 2,418,142 | 234,353 |
| Minority interests | 3,028 | 18,613 | – 15,585 |
| Shareholders' equity | | | |
| Common stock..... | 150,730 | 150,730 | — |
| Capital surplus | 119,846 | 119,846 | — |
| Retained earnings..... | 1,040 | 76,786 | – 75,746 |
| Unrealized gain on securities | 40,221 | — | 40,221 |
| Translation adjustment..... | – 52,993 | — | – 52,993 |
| TOTAL SHAREHOLDERS' EQUITY | 258,844 | 347,363 | – 88,519 |
| TOTAL LIABILITIES, MINORITY INTERESTS & SHAREHOLDERS' EQUITY | 2,914,368 | 2,784,119 | 130,249 |

Consolidated statements of cash flows

Millions of yen

4/1/00 – 9/30/00

| | |
|--|-----------|
| Cash flows from operating activities | |
| Net loss before income taxes | – 111,953 |
| Depreciation | 66,423 |
| Amortization of goodwill | 3,907 |
| Change in allowance for doubtful accounts | 2,873 |
| Change in reserve for retirement benefits | 59,063 |
| Interest and dividends income | – 7,884 |
| Interest expenses | 19,185 |
| Foreign exchange gain | – 1,139 |
| Equity in earnings of affiliates | – 3,100 |
| Loss on sale and disposal of tangible assets | 1,905 |
| Loss on sale of securities | – 6,239 |
| Appraisal loss on investment in securities | 1,258 |
| Change in trade receivables | 93,257 |
| Change in inventory | – 1,914 |
| Change in trade payable | 8,417 |
| Other | – 15,054 |
| Sub Total | 109,005 |
| Interest and dividends received | 7,437 |
| Interest paid | – 18,490 |
| Income tax paid | – 3,728 |
| Cash flows from operating activities | 94,224 |
| Cash flows from investing activities | |
| Change in term deposits | 734 |
| Acquisition of securities | – 633 |
| Sale of securities | 612 |
| Acquisition of tangible fixed assets | – 91,854 |
| Disposition of tangible fixed assets | 47,470 |
| Acquisition of investment securities | – 739 |
| Sale of investment securities | 10,650 |
| Acquisition of subsidiaries accompanying changes in scope of consolidation | 268 |
| Loans made | – 287,007 |
| Loans recovered | 146,360 |
| Others | – 2,257 |
| Cash flows from investing activities | – 176,395 |
| Cash flows from financing activities | |
| Change in short-term borrowings and commercial paper | 108,542 |
| Long-term loans made | 10,413 |
| Repayment of long-term borrowings | – 38,888 |
| Issuance of bonds | 56,918 |
| Redemption of bonds | – 16,573 |
| Others | – 78 |
| Cash flows from financing activities | 120,333 |
| Effect of exchange rate changes on cash and cash equivalents | 750 |
| Net decrease in cash and cash equivalents | 38,912 |
| Cash and cash equivalents at beginning of year | 89,590 |
| Change in cash and cash equivalents due to changes in scope of consolidation | 1,111 |
| Cash and cash equivalents at end of year | 129,613 |

Notes to consolidated financial statements

1. Scope of consolidation

The consolidated financial statements include the accounts of Mitsubishi Motors Corporation and 184 of its subsidiaries, of which 129 are located in Japan and 55 outside Japan.

Subsidiaries located in Japan include:

- Tokyo Mitsubishi Motor Sales Co., Ltd.
- Tokyo Mitsubishi FUSO Motor Sales Co., Ltd.
- Tokyo Mitsubishi Motor Parts Sales Co., Ltd.
- Pajero Manufacturing Co., Ltd.

Subsidiaries located outside Japan include:

- Mitsubishi Motor Sales of America, Inc.
- Mitsubishi Motor Manufacturing of America, Inc.
- Mitsubishi Motors Australia Ltd.

Included for this closing: 5 companies, including:

- Okayama Mitsubishi Motor Sales Co., Ltd.

Excluded for this closing: 10 companies, including:

- Toyama Mitsubishi FUSO Motor Sales Co., Ltd.

2. Application of equity method

The consolidated financial statements include the accounts of 36 companies to which the equity method applies. They include:

- Mitsubishi Auto Credit & Lease Co., Ltd.
- Netherlands Car B.V.

Excluded for this closing: 2 companies, including:

- Okayama Mitsubishi Motor Sales Co., Ltd.

3. Segment information

(1) Business segment

Millions of yen

| Interim 2000FY | Automotive | Financial services | Total | Eliminations or Corporate | Consolidated |
|------------------------------|------------|--------------------|-----------|---------------------------|--------------|
| I Sales & operating income | | | | | |
| Sales | | | | | |
| (1) External customers | 1,501,060 | 41,453 | 1,542,513 | — | 1,542,513 |
| (2) Intersegment & transfers | 1,004 | 4,641 | 5,646 | - 5,646 | — |
| Total sales | 1,502,064 | 46,095 | 1,548,159 | - 5,646 | 1,542,513 |
| Operating expenses | 1,522,464 | 46,623 | 1,569,087 | - 3,352 | 1,565,735 |
| Operating income | - 20,399 | - 528 | - 20,928 | - 2,293 | - 23,222 |

| 1999FY | Automotive | Financial services | Total | Eliminations or Corporate | Consolidated |
|------------------------------|------------|--------------------|-----------|---------------------------|--------------|
| I Sales & operating income | | | | | |
| Sales | | | | | |
| (1) External customers | 3,260,450 | 74,524 | 3,334,974 | — | 3,334,974 |
| (2) Intersegment & transfers | 1,953 | 10,420 | 12,373 | - 12,373 | — |
| Total sales | 3,262,403 | 84,944 | 3,347,348 | - 12,373 | 3,334,974 |
| Operating expenses | 3,239,044 | 84,468 | 3,323,512 | - 11,011 | 3,312,501 |
| Operating income | 23,359 | 476 | 23,835 | - 1,362 | 22,473 |

Note: 1. Operations are divided by sector and by market

2. Major products by operation

(1) Automotive: Passenger cars, trucks and buses

(2) Financing: Sales financing

(2) Geographical segment

Millions of Yen

| Interim 2000FY | Japan | North America | Europe | Asia | Others | Total | Eliminations or Corporate | Consolidated |
|--------------------------|-----------|---------------|----------|---------|---------|-----------|---------------------------|--------------|
| Sales & operating income | | | | | | | | |
| Sales | | | | | | | | |
| (1) External customers | 833,162 | 407,985 | 177,616 | 29,311 | 94,438 | 1,542,513 | — | 1,542,513 |
| (2) Intersegment | 372,041 | 4,193 | 822 | 35,017 | 7,948 | 420,023 | - 420,023 | — |
| Total sales | 1,205,204 | 412,179 | 178,438 | 64,328 | 102,386 | 1,962,537 | - 420,023 | 1,542,513 |
| Operating expenses | 1,224,495 | 391,191 | 191,770 | 69,097 | 108,034 | 1,984,589 | - 418,853 | 1,565,735 |
| Operating income | - 19,290 | 20,987 | - 13,331 | - 4,769 | - 5,648 | - 22,052 | - 1,169 | - 23,222 |

| Interim 1999FY | Japan | North America | Europe | Asia | Others | Total | Eliminations or Corporate | Consolidated |
|--------------------------|-----------|---------------|---------|--------|---------|-----------|---------------------------|--------------|
| Sales & operating income | | | | | | | | |
| Sales | | | | | | | | |
| (1) External customers | 844,035 | 330,581 | 249,381 | 25,558 | 115,949 | 1,565,505 | — | 1,565,505 |
| (2) Intersegment | 309,263 | 5,597 | 42 | 34,210 | 7,891 | 357,005 | - 357,005 | — |
| Total sales | 1,153,299 | 336,178 | 249,423 | 59,769 | 123,840 | 1,922,510 | - 357,005 | 1,565,505 |
| Operating expenses | 1,174,121 | 321,477 | 246,767 | 59,368 | 124,421 | 1,926,156 | - 359,067 | 1,567,089 |
| Operating income | - 20,822 | 14,700 | 2,656 | 400 | - 580 | - 3,645 | 2,062 | - 1,583 |

| 1999FY | Japan | North America | Europe | Asia | Others | Total | Eliminations or Corporate | Consolidated |
|--------------------------|-----------|---------------|---------|---------|---------|-----------|---------------------------|--------------|
| Sales & operating income | | | | | | | | |
| Sales | | | | | | | | |
| (1) External customers | 1,816,456 | 727,230 | 502,217 | 64,790 | 224,280 | 3,334,974 | — | 3,334,974 |
| (2) Intersegment | 642,907 | 8,905 | 1,851 | 74,914 | 21,297 | 749,875 | - 749,875 | — |
| Total sales | 2,459,363 | 736,136 | 504,068 | 139,704 | 245,577 | 4,084,850 | - 749,875 | 3,334,974 |
| Operating expenses | 2,456,602 | 718,625 | 505,832 | 135,907 | 250,519 | 4,067,488 | - 754,986 | 3,312,501 |
| Operating income | 2,760 | 17,510 | - 1,763 | 3,796 | - 4,941 | 17,361 | 5,111 | 22,473 |

- Note: 1. National and regional groupings are by geographical proximity
2. Main countries and regions outside Japan are grouped as follows:
(3) North America: United States of America
(4) Europe: Holland
(5) Asia: Thailand, Philippines
(6) Other: Australia, New Zealand, Puerto Rico, U.A.E.

(3) Overseas sales

Millions of Yen

| Interim 2000FY | North America | Europe | Asia | Other | Total |
|---------------------------|---------------|---------|---------|---------|-----------|
| Overseas sales | 413,017 | 192,711 | 150,290 | 158,420 | 914,440 |
| Consolidated sales | | | | | 1,542,513 |
| Percentage in total sales | 26.8% | 12.5% | 9.7% | 10.3% | 59.3% |

| Interim 1999FY | North America | Europe | Asia | Other | Total |
|---------------------------|---------------|---------|---------|---------|-----------|
| Overseas sales | 351,005 | 264,463 | 108,483 | 181,196 | 905,148 |
| Consolidated sales | | | | | 1,565,505 |
| Percentage in total sales | 22.4% | 16.9% | 6.9% | 11.6% | 57.8% |

| 1999FY | North America | Europe | Asia | Other | Total |
|---------------------------|---------------|---------|---------|---------|-----------|
| Overseas sales | 765,327 | 518,306 | 238,975 | 371,322 | 1,893,931 |
| Consolidated sales | | | | | 3,334,974 |
| Percentage in total sales | 22.9% | 15.5% | 7.2% | 11.1% | 56.8% |

- Note: 1. National and regional groupings are by geographical proximity
2. Main countries and regions outside Japan grouped as follows:
(1) North America: United States of America
(2) Europe: Holland, Italy, Spain
(3) Asia: Thailand, Malaysia, Taiwan
(4) Other: Australia, New Zealand, Puerto Rico,
3. Overseas sales include export sales of MMC and its consolidated subsidiaries and sales (other than exports to

Japan) of its foreign consolidated subsidiaries

Mitsubishi Motors reports nonconsolidated business results for half year ending 30 September 2000

Tokyo, November 13: Mitsubishi Motors Corporation today announced sales for the half year that ended 30 September 2000 of ¥986,471 million, an increase of 2.5% on the ¥962,665 million of the previous fiscal year. Ordinary loss was ¥24,559 million, and net loss was ¥64,136 million.

Domestic sales of passenger cars, trucks and buses in the half year period were 223,763 units, compared with 257,329 units for the same period in fiscal 1999. Vehicle export shipments were 238,553 units, compared with 209,039 units. Domestic market sales and export shipments totaled 462,316 units, compared with 466,368 units for the same period in fiscal 1999.

For the full 2000 fiscal year (1 April 2000- 31 March 2001), Mitsubishi Motors forecasts an ordinary loss of ¥40 billion and net loss of ¥130 billion on sales of ¥2,100 billion.

Nonconsolidated financial highlights (1 April 2000 - 30 September 2000)

| | Millions of Yen | | |
|-----------------------------|-----------------|----------|----------|
| | 2000FY | 1999FY | % change |
| Sales | 986,471 | 962,665 | 2.5 |
| Operating income | - 25,003 | - 13,335 | — |
| Ordinary income | - 24,559 | - 20,324 | — |
| Net income | - 64,136 | - 22,506 | — |
| Earnings per share | - ¥ 66.10 | - ¥24.42 | — |
| Dividends (per share) | ¥0.00 | ¥0.00 | — |

Sales figures

| | April 2000 - September 2000 | | | April 1999 - September 1999 | | | Units |
|---------------------------------------|-----------------------------|---------|---------|-----------------------------|---------|---------|-----------------|
| | Domestic | Export | Total | Domestic | Export | Total | Change in total |
| 1. Sales volume | | | | | | | |
| Passenger cars (regular & small-size) | 74,371 | 194,570 | 268,941 | 98,619 | 163,278 | 261,897 | 7,044 |
| Mini vehicles | 112,909 | 2 | 112,911 | 122,251 | 34 | 122,285 | - 9,374 |
| Trucks (up to 1 ton) | 6,480 | 24,756 | 31,236 | 6,730 | 30,252 | 36,982 | - 5,746 |
| Trucks (1.5 ton and up) | 28,132 | 18,170 | 46,302 | 27,759 | 14,258 | 42,017 | 4,285 |
| Buses | 1,871 | 1,055 | 2,926 | 1,970 | 1,217 | 3,187 | - 261 |
| TOTAL | 223,763 | 238,553 | 462,316 | 257,329 | 209,039 | 466,368 | - 4,052 |

| | Millions of Yen | | | | | | |
|-------------------------------|-----------------|---------|---------|---------|---------|---------|---------|
| 2. Sales | | | | | | | |
| Vehicle sales | 339,585 | 354,573 | 694,158 | 399,944 | 302,047 | 701,991 | - 7,833 |
| Parts for overseas production | - | 147,150 | 147,150 | - | 109,978 | 109,978 | 37,172 |
| Parts, accessories & others | 71,895 | 73,268 | 145,163 | 71,708 | 78,988 | 150,696 | - 5,533 |
| TOTAL | 411,480 | 574,991 | 986,471 | 471,652 | 491,013 | 962,665 | 23,806 |

Profit and loss statements
(1 April – 30 September 2000)

Millions of Yen

| | 2000FY | 1999FY | Change |
|--|-----------|----------|-----------|
| Ordinary income and expenses | | | |
| Sales | 986,471 | 962,665 | 23,806 |
| Cost of sales | 894,972 | 865,264 | 29,708 |
| Selling, general and administrative expenses | 116,502 | 110,736 | 5,766 |
| <i>Operating income</i> | – 25,003 | – 13,335 | – 11,668 |
| Non-operating income | (11,134) | (10,171) | (963) |
| Interest and dividends income | 4,804 | 4,776 | 28 |
| Gain on sale of securities | 6,239 | — | 6,239 |
| Other Income | 90 | 5,395 | – 5,305 |
| Non-operating expenses | (10,690) | (17,160) | (– 6,470) |
| Interest expenses | 4,689 | 6,965 | – 2,276 |
| Other expenses | 6,000 | 10,194 | – 4,194 |
| <i>Ordinary income</i> | – 24,559 | – 20,324 | – 4,235 |
| Extraordinary gain and loss | | | |
| Extraordinary gain | (531) | (–) | (531) |
| Gain on sale of fixed assets | 531 | — | 531 |
| Extraordinary loss | (76,926) | (2,182) | (74,744) |
| Loss on disposal of fixed assets | 1,935 | 2,135 | – 200 |
| Loss on sale of fixed assets | — | 46 | – 46 |
| Provision for retirement benefits | 51,487 | — | 51,487 |
| Provision for guarantees liability | 9,787 | — | 9,787 |
| Extraordinary measure expenses | 10,521 | — | 10,521 |
| Loss on appraisal of investments in subsidiaries | — | — | — |
| Other losses | 3,194 | — | 3,194 |
| <i>Half year Income before income taxes</i> | – 100,953 | – 22,506 | – 78,447 |
| Income tax, current | – 36,817 | — | – 36,817 |
| Income tax, deferred | — | — | — |
| <i>Net income</i> | – 64,136 | – 22,506 | – 41,630 |
| Retained earnings brought forward from previous period | 20,030 | – 3,538 | 23,568 |
| Priori adjustment of deferred tax | — | — | — |
| Reversal of reserves for special depreciation* | — | — | — |
| Reversal of reserves for overseas investment losses* | — | — | — |
| Reversal of reserves for deferred gains on fixed assets* | — | — | — |
| <i>Unappropriated retained earnings at end of period</i> | – 44,105 | – 26,045 | – 18,060 |

*Consequent to adoption of interperiod income tax allocation

Balance sheets

Millions of Yen

| Assets | 9/30/2000 | 3/31/2000 | Change |
|---|------------------|------------------|---------------|
| Current assets | 612,332 | 699,649 | – 87,317 |
| Cash on hand and in banks | 25,034 | 23,814 | 1,220 |
| Notes receivable..... | 5,465 | 3,063 | 2,402 |
| Accounts receivable | 309,147 | 373,308 | – 64,161 |
| Marketable securities | — | 51,015 | – 51,015 |
| Finished products..... | 64,659 | 46,992 | 17,667 |
| Raw materials and supplies | 11,907 | 10,644 | 1,263 |
| Work in process..... | 74,021 | 72,250 | 1,771 |
| Advanced payments..... | 1,302 | 170 | 1,132 |
| Prepaid expenses..... | 1,758 | 1,000 | 758 |
| Deferred tax assets | 28,121 | 15,540 | 12,581 |
| Short-term loans receivable..... | 2,096 | 2,887 | – 791 |
| Accounts receivable | 74,398 | — | 74,398 |
| Other current assets..... | 16,021 | 100,981 | – 84,960 |
| Allowance for doubtful accounts..... | – 1,601 | – 2,019 | 418 |
| Fixed assets | 1,010,925 | 899,723 | 111,202 |
| Tangible fixed assets | (480,960) | (489,051) | (– 8,091) |
| Buildings..... | 78,171 | 80,148 | – 1,977 |
| Structures..... | 18,999 | 19,315 | – 316 |
| Machinery and equipment..... | 135,847 | 147,090 | – 11,243 |
| Transportation equipment..... | 3,264 | 3,109 | 155 |
| Tools, furniture and fixtures land | 18,238 | 18,893 | – 655 |
| Land | 211,738 | 211,833 | – 95 |
| Construction in progress | 14,701 | 8,661 | 6,040 |
| Intangible fixed assets | (5,810) | (5,424) | (386) |
| Intangible fixed assets..... | 5,810 | 5,424 | 386 |
| Investments | (524,154) | (405,248) | (118,906) |
| Investment securities..... | 161,949 | 47,475 | 114,474 |
| Investments in subsidiaries | 314,167 | 308,923 | 5,244 |
| Long-term loans receivable | 4,915 | 5,469 | – 554 |
| Miscellaneous investments and guaranty money..... | 35,899 | 35,512 | 387 |
| Long-term prepaid expenses..... | 8,081 | 8,533 | – 452 |
| Other investments | 10,065 | 9,377 | 688 |
| Allowance for doubtful accounts..... | – 10,923 | – 10,043 | – 880 |
| TOTAL ASSETS | 1,623,258 | 1,599,373 | 23,885 |

Balance sheets

Millions of Yen

| Liabilities & shareholders' equity | 9/30/2000 | 3/31/2000 | Change |
|---|------------|-----------|------------|
| Current liabilities | 678,602 | 669,816 | 8,786 |
| Notes payable | 22,737 | 17,016 | 5,721 |
| Accounts payable | 347,382 | 347,430 | - 48 |
| Short-term loans payable | 113,822 | 138,740 | - 24,918 |
| Other accounts payable | 72,579 | 65,482 | 7,097 |
| Corporation taxes payable | 203 | 261 | - 58 |
| Accrued expenses | 30,481 | 23,395 | 7,086 |
| Advance received | 1,098 | 759 | 339 |
| Deposits received | 42,289 | 23,815 | 18,474 |
| Employees savings deposits | 19,202 | 22,114 | - 2,912 |
| Warranty claims allowance | 24,485 | 24,673 | - 188 |
| Other current liabilities | 4,319 | 6,127 | - 1,808 |
| Fixed liabilities | 466,052 | 426,103 | 39,949 |
| Bonds | 239,875 | 241,275 | - 1,400 |
| Long-term loans payable | 77,524 | 97,005 | - 19,481 |
| Deposit received for guarantee | 17,001 | 17,149 | - 148 |
| Deferred tax liabilities | 5,123 | 1,144 | 3,979 |
| Accrued severance indemnities | — | 69,529 | - 69,529 |
| Retirement benefit reserve | 116,740 | — | 116,740 |
| Guarantee liability reserve | 9,787 | — | 9,787 |
| TOTAL LIABILITIES | 1,144,655 | 1,095,919 | 48,736 |
| Common stock | 150,730 | 150,730 | — |
| Statutory reserves | 128,875 | 128,875 | — |
| Capital surplus | 119,846 | 119,846 | — |
| Legal reserve | 9,029 | 9,029 | — |
| Earned surplus | 159,710 | 223,847 | - 64,137 |
| Special depreciation reserve | 53 | 69 | - 16 |
| Overseas investments loss reserve | 1,927 | 2,017 | - 90 |
| Reserve for deferred gains of fixed assets | 23,836 | 22,425 | 1,411 |
| Special reserve | 178,000 | 178,000 | — |
| Unappropriated retained earnings at end of half year period | - 44,105 | 21,335 | - 65,440 |
| (Half year net income) | (- 64,136) | (515) | (- 64,651) |
| Profits on securities | 39,285 | — | 39,285 |
| TOTAL SHAREHOLDER'S EQUITY | 478,602 | 503,453 | - 24,851 |
| TOTAL LIABILITIES & SHAREHOLDER'S EQUITY | 1,623,258 | 1,599,373 | 23,885 |