

"Summary"  
FY2003 Half Year Results  
for  
(April 1,2003 through September 30,2003)  
(consolidated)

(in billion yen)

	2002FY Interim Term ACTUAL Apr.2002 to Sep.2002 (A)	2003FY Interim Term ACTUAL Apr.2003 to Sep.2003 (B) Forecast (03/7)	2003FY FORECAST Apr.2003 to Mar.2004 (C)	2003FY FORECAST (July 2003) Apr.2003 to Mar.2004 (D)	2002FY ACTUAL Apr. 2002 to Mar. 2003 (E)
Net Sales	1,618.9	1,206.8 <span style="border: 1px solid black; padding: 0 2px;">12,500</span>	2,600.0	2,720.0	3,884.9
Operating Profit <small>[operating profit margin]</small>	23.5 < 1.5% >	76.4 <span style="border: 1px solid black; padding: 0 2px;">-150</span> < 6.3% >	45.0 < 1.7% >	60.0 < 2.2% >	82.8 < 2.1% >
Causes of Change	/	<i>(Positive causes)</i> Cost reduction 48.7 Foreign exchange 15.4  <i>(Adverse causes)</i> Volume change 79.6 Credit loss in NA 38.1 Selling expenses 27.4 Truck & bus 2.0 R&D 9.8 Other expenses 7.1 Total change (B-A) 99.9	<i>(Positive causes)</i> Cost reduction 95.0 Foreign exchange Credit loss in NA  <i>(Adverse causes)</i> Foreign exchange 7.0 Volume change 100.0 Credit loss in NA 10.0 Selling expenses 70.0 Truck & bus 8.6 R&D 15.0 Other expenses 12.2 Total change (C-E) 127.8	/	/
Ordinary Income <small>[ordinary income margin]</small>	18.9 < 1.2% >	85.8 <span style="border: 1px solid black; padding: 0 2px;">-35.0</span> < 7.1% >	62.0 < 2.4% >	35.0 < 1.3% >	54.3 < 1.4% >
Net Income <small>[net income margin]</small>	6.6 < 0.4% >	80.2 <span style="border: 1px solid black; padding: 0 2px;">-80.0</span> < 6.6% >	11.0 < 0.4% >	10.0 < 0.4% >	37.4 < 1.0% >
Capital Expenditure (accrual base)	37.3	51.0	140.0	150.0	121.1
Depreciation	50.6	45.8	92.0	105.0	122.8
Balance of interest bearing debt	1,260.9	1,141.3	/	/	1,008.6
Total assets	2,772.0	2,310.4	/	/	2,425.4
Comments	Increase in revenue and income Operating profit - profitable Ordinary income - profitable Net income - profitable	Decrease in revenue and income	Decrease in revenue and income	/	Increase in revenue and income Record high net income Impact of the change of accounting period of overseas subsidiaries Sales 433.4 Operating profit 10.0 Ordinary income 13.1 Net income 6.5
(in '000 units)					
Sales Volume	850	744	1,536	1,618	1,962
Domestic	179	175	350	406	407
Overseas	671	569	1,186	1,212	1,555

"Summary"  
FY2003 Half Year Results  
(April 1.2003 through September 30.2003)  
(non-consolidated)

(in billion yen)

	2002FY Half Year Results ACTUAL Apr 2002 to Sep 2002 (A)	2003FY Half Year Results ACTUAL April 2003 to Sep 2003 (B)	2003FY FORECAST April 2003 to Mar 2004 (C)	2003FY FORECAST (July 2003) April 2003 to Mar 2004 (D)	2002FY ACTUAL Apr 2002 to Mar 2003 (E)
Net Sales	950.2	671.8 700.0	1,440.0	1,550.0	1,877.3
Domestic	345.8	229.1	490.0	540.0	669.3
Export	604.4	442.7	950.0	1,010.0	1,208.0
Operating Income	0.5	-1.9 9.0	10.0	40.0	50.1
[operating income margin]	[0.1%]	[-0.3%]	[0.7%]	[2.6%]	[2.7%]
Causes of Change		(Positive causes)	(Positive causes)		
		Cost reduction 20.7	Cost reduction 43.0	39.0	
		Foreign exchange 12.1	Truck & Bus 3.5	3.5	
		Depreciation 1.0	(Adverse causes)		
		Truck & Bus 2.2	Volume change -64.0	-20.0	
		(Adverse causes)	Foreign exchange -7.0	-	
		Volume change -31.2	R&D expenses -1.0	-5.0	
		Sales expense -1.6	Sales expense -4.0	-6.0	
		Other expenses -5.6	Other expenses -10.6	-21.6	
		Total change(B-A) -2.4	Total change(C-E) -40.1	-10.1	
Ordinary Income	2.1	-10.5 6.0	0.0	30.0	47.8
[ordinary income margin]	[0.2%]	[-1.6%]		[1.9%]	[2.5%]
Net Income	-15.0	-6.1 3.0	10.0	10.0	-2.6
[net income margin]	[-1.6%]	[-0.9%]	[0.7%]	[0.6%]	[-0.1%]
Weighted Average Rate	¥123 /US\$ ¥117 /EUR	¥119 /US\$ ¥135 /EURO	¥113 /US\$ ¥130 /EURO	¥120 /US\$ ¥125 /EURO	¥122 /US\$ ¥120 /EUR
Transaction Rate	¥127 /US\$ ¥117 /EUR	¥121 /US\$ ¥128 /EURO	¥115 /US\$ ¥127 /EURO	¥120 /US\$ ¥125 /EURO	¥123 /US\$ ¥117 /EUR
Capital Expenditure (Accrual Base)	20.5	15.7	60.0	60.0	58.2
Depreciation	20.6	14.8	32.0	41.0	41.2
R&D Expenses	54.9	35.2	77.0	81.0	105.0
<per sales ratio>	<5.8%>	<5.2%>	<5.3%>	<5.2%>	<5.6%>
Balance of interest bearing debt	477.1	571.7			437.8
Comments		- Decrease in Operating Income & Ordinary income - Loss in Net income	- Profit in Net Income		- Increase in Operating income & Ordinary income - Loss in Net income
(in '000 units)					
Production Volume	915	779	1,565	1,619	1,810
Domestic	402	358	745	789	840
Overseas	513	421	820	830	970
Sales Volume	419	367	780	820	874
Domestic	181	176	365	400	387
Overseas	238	191	415	420	487

2003年度 売上台数計画 総括表 (国内販売 輸出出荷 海外生産用部品出荷計画)

Volume Projection for Fiscal Year 2003(Summary)

(単位 :千台)  
(Unit:1000)

		2002年度 (実績) FY 2002 Results			2003年度 (計画) FY 2003 Projection		
		上期 First-Half	下期 Second-Half	年度 Fiscal Year	上期(実績) First-Half Results	下期 (計画) Second-Half Projection	年度 (計画) Fiscal Year Projection
		国内販売 Domestic Sales	普通 小型乗用車 Passenger Cars	44	79	123	63 (143.2%)
軽自動車 Minicars	105		114	219	113 (107.6%)	116 (101.8%)	229 (104.6%)
乗用車計 Passenger Cars Total	149		193	342	176 (118.1%)	189 (97.9%)	365 (106.7%)
トラック 1.5 以上 Trucks (Over 1.5t)	20		7	27	/	/	/
トラック 4 以上 Trucks (Over 4t)	10		5	15	/	/	/
バス Buses	2		1	3	/	/	/
トラック・バス計 Trucks and Buses Total	32		13	45	/	/	/
国内販売計 Domestic Total	181		206	387	176 (97.2%)	189 (91.7%)	365 (94.3%)
輸出出荷 Export	普通 小型乗用車 Passenger Cars	219	239	458	191 (87.2%)	224 (93.7%)	415 (90.6%)
	軽自動車 Minicars	0	0	0	0 ( - )	0 ( - )	0 ( - )
	乗用車計 Passenger Cars Total	219	239	458	191 (87.2%)	224 (93.7%)	415 (90.6%)
	トラック 1.5 以上 Trucks (Over 1.5t)	17	9	26	/	/	/
	バス Buses	2	1	3	/	/	/
	トラック・バス計 Trucks and Buses Total	19	10	29	/	/	/
輸出出荷計 Export Total	238	249	487	191 (80.3%)	224 (90.0%)	415 (85.2%)	
合計 Total	乗用車 Passenger Cars	368	432	800	367 (99.7%)	413 (95.6%)	780 (97.5%)
	トラック・バス Trucks and Buses	51	23	74	/	/	/
計 Total	合計 Total	419	455	874	367 (87.6%)	413 (90.8%)	780 (89.2%)
海外生産用 部品出荷 PPC	乗用車 Passenger Cars	472	451	923	413 (87.5%)	407 (90.2%)	820 (88.8%)
	トラック・バス Trucks and Buses	27	10	37	/	/	/
	海外生産用部品計 PPC Total	499	461	960	413 (82.8%)	407 (88.3%)	820 (85.4%)
総 合計 Grand Total	乗用車 Passenger Cars	840	883	1,723	780 (92.9%)	820 (92.9%)	1,600 (92.9%)
	トラック・バス Trucks and Buses	78	33	111	/	/	/
	総合計 Grand Total	918	916	1,834	780 (85.0%)	820 (89.5%)	1,600 (87.2%)

\* ( )内は前年比 / ( ) indicates the comparison with previous year

\* PPC : Production Parts & Components

\* 2002年度実績台数にはトラック・バス事業分社後の台数(2003年1月～3月分)を含んでおりません。  
Volume after T&B spin-off(Jan-Mar'03)not included in the FY2002 Results

**2003年度 輸出出荷計画**  
Export Volume Projection for Fiscal Year 2003

(単位 :千台)  
(Unit:1000)

	2002年度 (実績) FY 2002 Results									2003年度 (計画) FY 2003 Projection										
	上期 First-Half			下期 Second-Half			年度 Fiscal Year			上期(実績) First-Half Results	下期 (計画) Second-Half Projection	年度 (計画) Fiscal Year Projection								
	PC	T&B	Total	PC	T&B	Total	PC	T&B	Total											
PC = Passenger Car T&B = Truck & Bus																				
北米 NAFTA	93	2	95	104	1	105	197	3	200	47 (50.5%)	88 (84.6%)	135 (68.5%)								
欧州 Europe	37		37	34		34	71		71	53 (143.2%)	47 (138.2%)	100 (140.8%)								
大洋州 Oceania	23	2	25	25	1	26	48	3	51	23 (100.0%)	17 (68.0%)	40 (83.3%)								
アジア・アセアン Asia & ASEAN	18	5	23	24	2	26	42	7	49	29 (161.1%)	28 (116.7%)	57 (135.7%)								
中東・アフリカ Middle East & Africa	32	8	40	38	5	43	70	13	83	27 (84.4%)	29 (76.3%)	56 (80.0%)								
中南米 他 Central & South America	16	2	18	14	1	15	30	3	33	12 (75.0%)	15 (107.1%)	27 (90.0%)								
合計 Total	219	19	238	239	10	249	458	29	487	191 (87.2%)	224 (93.7%)	415 (90.6%)								

**2003年度 海外生産用部品出荷計画**  
Production Parts and Components Export Volume Projection for Fiscal Year 2003

(単位 :千台)  
(Unit:1000)

	2002年度 (実績) FY 2002 Results									2003年度 (計画) FY 2003 Projection					
	上期 First-Half			下期 Second-Half			年度 Fiscal Year			上期(実績) First-Half Results	下期 (計画) Second-Half Projection	年度 (計画) Fiscal Year Projection			
	PC	T&B	Total	PC	T&B	Total	PC	T&B	Total						
アメリカ U.S.A.	104		104	108		108	212		212	75 (72.1%)	112 (103.7%)	187 (88.2%)			
オランダ Netherlands	40		40	34		34	74		74	39 (97.5%)	25 (73.5%)	64 (86.5%)			
イタリア Italy	6		6	5		5	11		11	4 (66.7%)	4 (80.0%)	8 (72.7%)			
タイ Thailand	57		57	51		51	108		108	49 (86.0%)	46 (90.2%)	95 (88.0%)			
フィリピン Philippines	7		7	5		5	12		12	4 (57.1%)	4 (80.0%)	8 (66.7%)			
インドネシア Indonesia	21	18	39	18	7	25	39	25	64	20 (95.2%)	16 (88.9%)	36 (92.3%)			
マレーシア Malaysia	122		122	95		95	217		217	83 (68.0%)	66 (69.5%)	149 (68.7%)			
中国 China	6		6	17		17	23		23	19 (316.7%)	14 (82.4%)	33 (143.5%)			
台湾 Taiwan	70	4	74	88	2	90	158	6	164	89 (127.1%)	93 (105.7%)	182 (115.2%)			
オーストラリア Australia	27		27	19		19	46		46	21 (77.8%)	15 (78.9%)	36 (78.3%)			
その他 Others	12	5	17	11	1	12	23	6	29	10 (83.3%)	12 (109.1%)	22 (95.7%)			
合計 Total	472	27	499	451	10	461	923	37	960	413 (87.5%)	407 (90.2%)	820 (88.8%)			

\* ( )内は前年比 / ( ) indicates the comparison with previous year

\* 2002年度実績台数にはトラック・バス事業分社後の台数(2003年1月～3月分)を含んでおりません。  
Volume after T&B spin-off(Jan-Mar '03)not included in the FY2002 Results

## FY2003 Half Year Results: Consolidated Financial Statements

11 Nov 2003

(1 April 2003 through 30 September 2003)

## Mitsubishi Motors Corporation

Code No.: 7211 Listed on: Tokyo, Osaka, Nagoya, Fukuoka and Sapporo stock exchanges  
 Head office: Tokyo URL <http://www.mitsubishi-motors.com/>  
 Representative: Rolf Eckrodt, President & CEO  
 Contact: Yoichi Yokozawa, Head of IR Office Tel: 03 - 6719 - 4206  
 Meeting of Board of Directors for FY2003 half year results: 11 Nov 2003  
 Parent company name: Code No.: Parent company holding: %  
 United States accounting standards applied: No

## 1. Financial highlights (1 April 2003 through 30 September 2003)

## (1) Consolidated financial results

	Sales		Operating Profit		Ordinary Income	
	Million yen	%	Million yen	%	Million yen	%
FY2003 half year	1,206,832	-25.5	-76,350	-	-85,789	-
FY2002 half year	1,618,944	5.6	23,479	-	18,935	-
FY2002 full year	3,884,874		82,761		54,344	

	Net income		Net income per share - basic		Net income per share - diluted	
	Million yen	%	Yen		Yen	
FY2003 half year	-80,215	-	-54.07		-	
FY2002 half year	6,638	-	4.52		4.25	
FY2002 full year	37,361		25.35		23.43	

Note 1: Income from equity company:

FY2003 half year ¥2,956 Million

FY2002 half year ¥1,304 Million

FY2002 full year ¥2,373 Million

Note2: Average number of shares issued and outstanding during term(consolidated): FY2003 half year 1,483,431,916

FY2002 half year 1,470,163,031

FY2002 full year 1,473,719,843

Note3: Accounting policy changes: No

Note4: Sales, operating income, ordinary income and net income percentages indicate changes over same half-year period in previous fiscal year.

## (2) Consolidated financial position

	Total assets	Shareholders' equity	Ratio of shareholders' equity	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY2003 half year	2,310,358	180,948	7.8	121.98
FY2002 half year	2,772,034	253,445	9.1	172.39
FY2002 full year	2,425,352	280,294	11.6	188.95

Note: Number of shares issued and outstanding at term end (consolidated):

FY2003 half year 1,483,429,570

FY2002 half year 1,470,162,763

FY2002 full year 1,483,434,189

## (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 term
	Million yen	Million yen	Million yen	Million yen
FY2003 half year	-8,843	-5,285	95,594	162,487
FY2002 half year	64,872	-43,019	-4,983	107,568
FY2002 full year	17,596	17,546	-32,042	84,544

## (4) Scope of consolidation and equity method

Consolidated subsidiaries: 111 Equity method subsidiaries: - Equity method affiliates: 22

## (5) Changes in scope of consolidation and equity method

Consolidation:	Include	2	Equity method:	Include	1
	Exclude	15		Exclude	4

## 2. FY2003 full year consolidated forecast (1 April 2003 through 31 March 2004)

	Sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
FY2003 full year	2,600,000	62,000	11,000

Note: Forecast net income per share for full term: ¥-7.41

CAUTION: 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 the company's business environment, in market trends and in exchange rates may cause actual results to differ materially from these forecasts.

## Consolidated financial statements

### (1) Consolidated statements of income / loss

in millions of yen

	4/1/03 -9/30/03	4/1/02 -9/30/02	Change
<b>Sales</b>	<b>1,206,832</b>	<b>1,618,944</b>	<b>-412,112</b>
Cost of sales	1,061,190	1,323,440	-262,250
Gross profit before provision for unrealized profit on installment sales	145,641	295,503	-149,862
Provision for unrealized profit on installment sales	28	131	-103
<b>Gross profit</b>	<b>145,670</b>	<b>295,635</b>	<b>-149,965</b>
Selling, general and administrative expenses	222,021	272,156	-50,135
<b>Operating profit / loss</b>	<b>-76,350</b>	<b>23,479</b>	<b>-99,829</b>
Non-operating income	12,751	12,629	122
( Interest and dividend income )	( 5,942 )	( 4,727 )	( 1,215 )
( Other income )	( 6,809 )	( 7,901 )	( -1,092 )
Non-operating expenses	22,190	17,173	5,017
( Interest expense )	( 14,356 )	( 13,370 )	( 986 )
( Other expenses )	( 7,833 )	( 3,803 )	( 4,030 )
<b>Ordinary income / loss</b>	<b>-85,789</b>	<b>18,935</b>	<b>-104,724</b>
Extraordinary gain	17,728	3,834	13,894
Extraordinary loss	3,415	5,372	-1,957
<b>Net income / loss before taxes</b>	<b>-71,476</b>	<b>17,396</b>	<b>-88,872</b>
Income taxes	8,646	9,957	-1,311
Minority interests	92	801	-709
<b>Net income / loss</b>	<b>-80,215</b>	<b>6,638</b>	<b>-86,853</b>

### (2) Consolidated surplus statements

in millions of yen

	4/1/03 -9/30/03	4/1/02 -9/30/02	Change
<b>Capital surplus</b>			
<b>Capital surplus at beginning of term</b>	<b>224,481</b>	<b>220,816</b>	<b>3,665</b>
<b>Increase in capital surplus</b>	<b>210</b>	<b>-</b>	<b>210</b>
( Increase due to change in scope of consolidation )	( 210 )	( - )	( 210 )
<b>Decrease in capital surplus</b>	<b>197,179</b>	<b>-</b>	<b>197,179</b>
( Transfer to retained earnings )	( 197,179 )	( - )	( 197,179 )
<b>Capital surplus at end fo term</b>	<b>27,513</b>	<b>220,816</b>	<b>-193,303</b>
<b>Retained earnings</b>			
<b>Retained earnings at beginning of term</b>	<b>-155,847</b>	<b>-188,756</b>	<b>32,909</b>
<b>Increase in retained earnings</b>	<b>197,307</b>	<b>6,638</b>	<b>190,669</b>
( Net income for term )	( - )	( 6,638 )	( -6,638 )
( Merger of non-consolidated subsidiaries with consolidated subsidiaries )	( 127 )	( - )	( 127 )
( Transfer from capital surplus )	( 197,179 )	( - )	( 197,179 )
<b>Decrease in retained earnings</b>	<b>86,277</b>	<b>-</b>	<b>86,277</b>
( Net loss for term )	( 80,215 )	( - )	( 80,215 )
( Inclusion of new consolidated subsidiaries )	( 12 )	( - )	( 12 )
( Decrease due to change in scope of consolidation )	( 6,049 )	( - )	( 6,049 )
<b>Retained earnings at end of term</b>	<b>-44,817</b>	<b>-182,117</b>	<b>137,300</b>

## (3) Consolidated balance sheets

in millions of yen

<b>Assets</b>	At 9/30/03	At 3/31/03	Change
<b>Current assets</b>	( 1,000,745)	( 960,717)	( 40,028)
Cash on hand and in banks	160,678	81,728	78,950
Trade notes and accounts receivable	161,189	208,150	-46,961
Finance receivables	81,096	34,257	46,839
Marketable securities	2,346	3,737	-1,391
Inventories	265,775	272,682	-6,907
Short-term loans receivable	7,065	6,708	357
Residual interest on sold receivables	4,590	4,860	-270
Deferred tax assets	63,981	54,955	9,026
Other current assets	260,851	312,053	-51,202
Allowance for doubtful accounts	-6,830	-18,416	11,586
<b>Fixed assets</b>	( 1,309,612)	( 1,464,635)	( -155,023)
Tangible fixed assets	763,228	832,371	-69,143
Intangible fixed assets	34,343	42,409	-8,066
Long-term Finance receivables	92,561	87,385	5,176
Investments	206,962	213,705	-6,743
Long-term loans receivable	13,323	1,258	12,065
Residual interest on sold receivables	154,478	210,784	-56,306
Deferred tax assets	70,160	77,644	-7,484
Other non-current assets	84,241	45,265	38,976
Allowance for doubtful accounts	-109,688	-46,190	-63,498
<b>Total assets</b>	2,310,358	2,425,352	-114,994
<b>Liabilities, minority interests &amp; shareholders' equity</b>			
<b>Current liabilities</b>	( 1,642,397)	( 1,645,671)	( -3,274)
Trade notes and accounts payable	355,051	411,018	-55,967
Short-term loans payable	661,021	663,377	-2,356
Non-interest bearing short-term loans payable	30,769	14,433	16,336
Commercial papers	171,724	76,333	95,391
Accrued expenses and other payables	152,645	165,057	-12,412
Accrued income taxes	2,770	3,042	-272
Allowance for warranty claims	37,478	37,476	2
Other current liabilities	230,935	274,930	-43,995
<b>Non-current liabilities</b>	( 471,553)	( 482,010)	( -10,457)
Bonds	40,674	55,045	-14,371
Long-term loans payable	267,859	213,862	53,997
Non-interest bearing long-term loans payable	8,207	24,736	-16,529
Deferred tax liabilities	8,557	10,532	-1,975
Accrued retirement benefits	117,450	119,778	-2,328
Other non-current liabilities	28,804	58,055	-29,251
<b>Total liabilities</b>	2,113,951	2,127,681	-13,730
<b>Minority interests</b>	15,457	17,376	-1,919
<b>Shareholders' equity</b>			
Common stock	252,201	252,201	-
Capital surplus	27,513	224,481	-196,968
Retained earnings	-44,817	-155,847	111,030
Unrealized gain on securities	28,239	33,854	-5,615
Translation adjustment	-82,185	-74,394	-7,791
Treasury stock	-2	-1	-1
<b>Total shareholders' equity</b>	180,948	280,294	-99,346
<b>Total liabilities, minority interests &amp; shareholders' equity</b>	2,310,358	2,425,352	-114,994

## (4) Consolidated statements of cash flows

in millions of yen

	4/1/03 -9/30/03	4/1/02 -9/30/02	Change
<b>Cash flows from operating activities</b>			
Net income / loss before income taxes	-71,476	17,396	-88,872
Depreciation	69,529	71,781	-2,252
Amortization of goodwill	-723	-335	-388
Change in allowance for doubtful accounts	52,107	5,018	47,089
Change in accrued retirement benefits	-1,598	-2,320	722
Interest and dividend income	-5,942	-4,727	-1,215
Interest expenses	14,356	13,370	986
Foreign exchange gain / loss	257	-486	743
Equity income / loss of affiliates	-2,956	-1,304	-1,652
Gain / loss on sale and disposal of tangible assets	2,701	818	1,883
Gain / loss on sale of investments	-14,679	-395	-14,284
Loss on devaluation of investments	25	1,044	-1,019
Loss on exchange of shares	-	-1,399	1,399
Change in trade notes and accounts receivable	46,152	39,872	6,280
Change in inventories	-741	1,901	-2,642
Change in finance receivables	-62,677	-	-62,677
Change in residual interest on sold receivables	43,373	-	43,373
Change in trade notes and accounts payable	-53,333	31,919	-85,252
Others	-13,206	-94,042	80,836
	<b>Sub total</b>	<b>1,168</b>	<b>-76,944</b>
Interest and dividend received	5,975	5,001	974
Interest paid	-12,673	-13,358	685
Income tax paid	-3,314	-4,882	1,568
	<b>Cash flows from operating activities</b>	<b>-8,843</b>	<b>-73,715</b>
<b>Cash flows from investing activities</b>			
Change in term deposits	199	-3,429	3,628
Change in short-term investments	-15	-	-15
Acquisition of short-term investments	-	-59	59
Proceeds from sales of short-term investments	-	292	-292
Acquisition of tangible fixed assets	-60,217	-80,031	19,814
Proceeds from sales of tangible fixed assets	42,938	42,745	193
Acquisition of investments	-718	-413	-305
Proceeds from sales of investments	15,536	483	15,053
Acquisition of subsidiaries accompanying change in scope of consolidation	-65	-	-65
Loans made	-3,540	-516,402	512,862
Collection of loans receivable	670	518,867	-518,197
Purchase of minority interests	-	-1,993	1,993
Others	-72	-3,077	3,005
	<b>Cash flows from investing activities</b>	<b>-5,285</b>	<b>37,734</b>
<b>Cash flows from financing activities</b>			
Change in short-term borrowings and commercial papers	16,967	95,009	-78,042
Proceeds from long-term loans payable	146,320	43,832	102,488
Repayment of long-term loans payable	-75,765	-79,642	3,877
Issuance of bonds	61,774	13,174	48,600
Redemption of bonds	-53,638	-77,034	23,396
Others	-64	-322	258
	<b>Cash flows from financing activities</b>	<b>95,594</b>	<b>100,577</b>
Effect of exchange rate changes on cash and cash equivalents	-1,079	-4,490	3,411
Net change in cash and cash equivalents	80,386	12,378	68,008
Cash and cash equivalents at beginning of term	84,544	95,189	-10,645
Change in cash and cash equivalents due to changes in scope of consolidation	-2,443	-	-2,443
Cash and cash equivalents at end of term	162,487	107,568	54,919

## I The MMC group of companies

The Mitsubishi Motors Corporation group of companies comprises 111 subsidiaries, 22 affiliates and one other associate (as at 30 September 2003).

MMC spun-off its truck and bus operations and formed the Mitsubishi Fuso Truck and Bus Corporation, a fully-owned subsidiary, on 1 January 2003. Mitsubishi Fuso Truck and Bus Corporation became an equity method company of the MMC group on 14 March 2003, during FY2002, when MMC sold 58% of its shareholding.

The MMC group is engaged in the development, production and sales of cars and parts for those cars. MMC is responsible for most of the development work.

In Japan, Mitsubishi regular and small passenger cars and minicars are produced by MMC, with some recreation vehicle models (the Pajero, among others) also being produced by the Pajero Manufacturing Co., Ltd. These automobiles are sold in Japan by Tokyo Mitsubishi Motor Sales Co. and other Mitsubishi Motors sales companies.

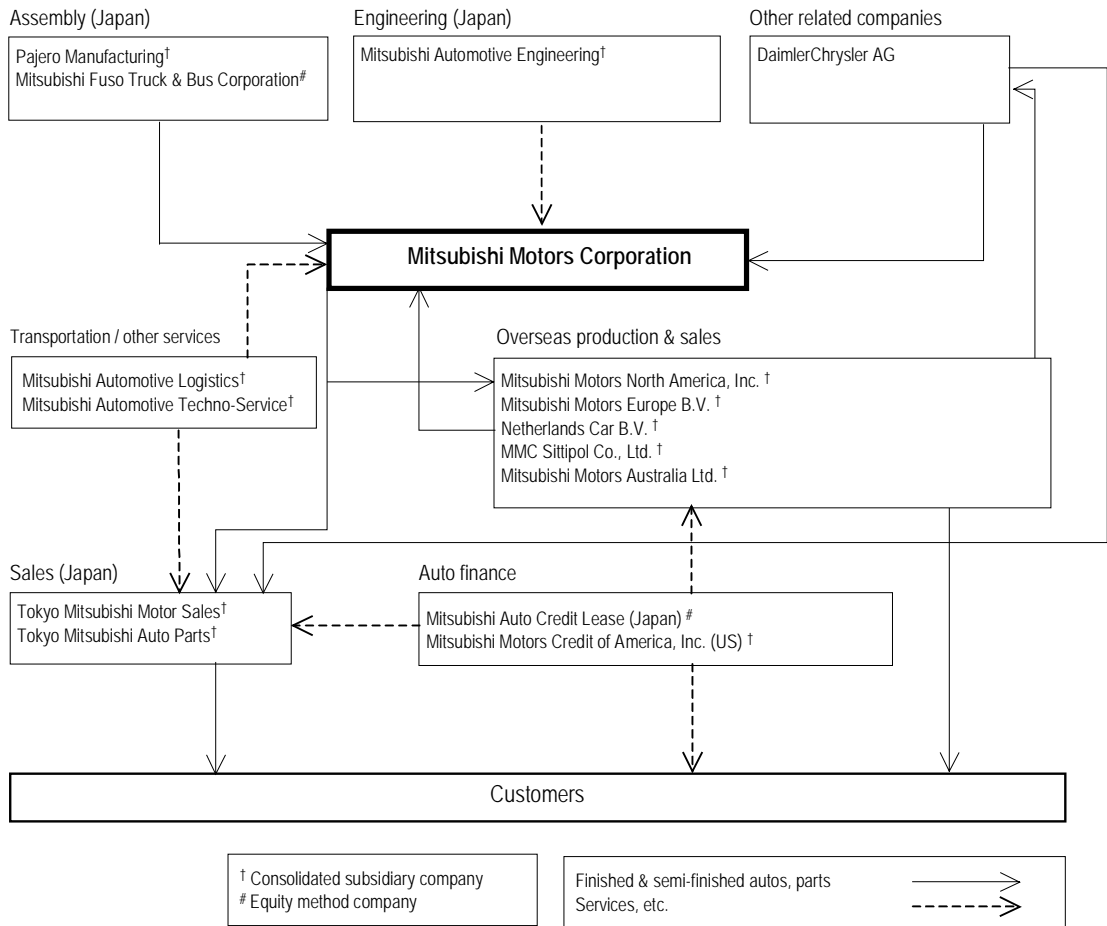
Mitsubishi Automotive Engineering Co., Ltd. undertakes some of the development of MMC automotive products, Mitsubishi Automotive Logistics Co., Ltd. undertakes the transport of Mitsubishi auto products in Japan, and Mitsubishi Automotive Techno-Service Co., Ltd. is responsible for inspection and servicing of certain new Mitsubishi vehicles.

Replacement and accessory parts for the Japanese market are manufactured by MMC and are sold by the abovementioned sales companies, by Tokyo Mitsubishi Automotive Parts Sales Co., Ltd. and other parts sales companies.

Overseas, in the United States Mitsubishi vehicles are produced and sold by Mitsubishi Motors North America, Inc.. In Europe, Mitsubishi vehicles are produced by Netherlands Car B.V. and sold by Mitsubishi Motors Europe B.V.. Mitsubishi Motors Australia Ltd. and MMC Sittipol Co., Ltd. (Thailand) are two of the many facilities that produce and sell Mitsubishi vehicles in local markets in other regions around the world.

Auto lease and financing services are provided by Mitsubishi Auto Credit-Lease Corporation in Japan 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 following diagram:



## II Management policy

### 1. Basic management policy

MMC newly creates our Company Vision as follows:

“We anticipate the automotive lifestyle of a new generation, based on:

- Concept leadership & driving fun
- Japanese craftsmanship, engineering & design
- Environment technologies.”

Under this vision, MMC promises to carry out the following missions for the benefit of customers, society, investors and employees.

- Deliver exciting vehicles and heartfelt services to delight our customers based on future trends
- Feature highly profitable business systems with presence in key markets
- Establish a globally distinctive “Mitsubishi Motors” brand
- Achieve highest quality across whole value chain
- Support social & environmental progress by good corporate citizenship

### 2. Our policy on dividends

Our company considers that providing appropriate dividend payment to our shareholders is an important management objective.

Our company set maintaining stable dividend payments to shareholders as our first principle, however, we need to secure sufficient retained earnings for preparing future financial needs for our development. This is because demand for cash is greater than before in current auto industry which requires stronger sales competitiveness in global market and the developments of environmentally friendly technologies.

### 3. Stock options

Our company started stock options system in 2002 with the aim of implementing the Turnaround Plan and further enhancing the morale of directors, executive officers and employees of MMC and its subsidiaries, and their desire to improve MMC's consolidated results and also further accelerating the management with emphasis on shareholders.

### 4. Mid-and long-term management strategy

Our future success lies on the 4Ps that stand for People, Process, Product, and Profit. We will focus our resources on our core business and technology development that are vital for our company's further development. And at the same time, our whole company will work hard towards reform of personnel system, business and processes, and aggressive product launching. These will be attained through synergy effects with our strategic alliance partner Daimler Chrysler (DC).

## 5. Issues to be addressed

Our company has achieved our profit target in FY 2002 as the second year of our Turnaround Plan. We will work harder to accomplish goals of Turnaround Plan.

FY2003 has proven to be extraordinarily challenging due to fierce sales competition in U.S. and affection by credit loss provisions we incurred as a one time loss at our sales finance subsidiary in U.S.. However , we are aggressively implementing countermeasures to achieve our profit targets as early as possible through further cost reduction, restructuring, strengthening of product lineup and accelerated development of the non-triad markets.

The following are the major issues to be solved.

### a. Products

- To introduce high standard products for our customers at appropriate timing
- Maintenance to produce high-quality vehicles by Quality Gate System.
- To reduce our current platforms and to promote co-sharing platforms with DC
- To improve MMC product qualities in terms of environmental friendliness; fuel efficiency, lower emission and recycling.

### b. Sales organization

- To realize the highest quality of customer service leveraged by re-construction of sales organization , and by dealer companies which more closely tied with our company.
- To enter new growing markets utilizing the cooperative relationship with DC.

### c. Management efficiencies

- To improve efficiency by reforming business structure/processes and further reducing material cost.
- To clarify business focus on our core business by utilizing outsourced business forces in non-core operations.
- To enhance efficient business operations, information sharing about customer and management, internal communication, and supply chain management (SCM) by establishing IT infrastructure.

6. Basic concept of corporate governance

- a Our basic concept of corporate governance is to ensure constant improvement of management system for translating our corporate philosophy into reality, such as pursuit for sound profitability, substantial management audit, increased speed of decision making, pursuit for our own originality, and development of employees with strong characteristics.
- b We intend to determine whether to change our company system to the one with committees or not, after careful evaluation of existing system. Currently, four among ten Board Members are "outside" ( non- executive ) Board Members, and two among four Statutory Auditors are "outside" Auditors. In order for us to make the decision on changing our management system/structure, thorough discussion among us and with "outside" Board Members will be necessary.

Further, led by our Internal Audit Team established in June 2002, we have been engaged in compliance and efficiency improvement.

- c Dr. Manfred Bischoff and Dr. Rüdiger Grube, each our "outside" Board Member, are Management Board Members of DaimlerChrysler AG, MMC's major shareholder.

Mr. Takashi Nishioka, our "outside" Board Member, is Chairman of Mitsubishi Heavy Industries, Ltd.(MHI), MMC's major shareholder as well as a major business partner.

Mr. Motoo Makita, our "outside" Statutory Auditor, is Managing Director of MHI.

Mr. Mikio Sasaki, our "outside" Board Member, is President & CEO of Mitsubishi Corporation, a major business partner of MMC.

Mr. Nobuo Kuroyanagi, our "outside" Statutory Auditor, is Deputy President of Bank of Tokyo-Mitsubishi, MMC's major financial bank.

Transactions with each of the above companies are routine business, in which our "outside" Board Members and Statutory Auditors do not have any direct interest.

### III Consolidated results and financial position

#### 1. Consolidated results

##### Overview of FY2003 half-year consolidated results

During the current term, the global economy saw some sign of recovery of the U.S. economy, however, remained obscure under unstable currency movement.

The Japanese economy, meanwhile, continued to struggle against a deflationary keynote, compounded by depressed levels of personal spending and appreciation of yen, even though there was a sign of recovery in corporate income and capital investment.

In this market environment, MMC achieved most of its Turnaround Plan one year ahead of the schedule in fiscal 2002, and during first half of fiscal 2003 the company has worked to further strengthen its competitiveness.

MMC spun-off its truck and bus operations and formed the Mitsubishi Fuso Truck and Bus Corporation, a fully-owned subsidiary, on 6 January 2003. Mitsubishi Fuso Truck and Bus Corporation became an equity method company of the MMC group on 14 March 2003, during FY2002, when MMC sold 58% of its shareholding.

For the first half of fiscal 2003, the Company reports consolidated sales of JPY 1,206.8 billion, a decrease of 25.5% over the same period in fiscal 2002, and 5.5% decrease over the same period in fiscal 2002 excluding an impact by Truck & Bus Spin-off.

MMC saw its operating loss of JPY 76.4 billion for the first half of fiscal 2003, a decrease of JPY 99.8 billion over the same period in fiscal 2002, mainly due to sales slowdown by fierce sales competition and affection by tightened credit assessment, cost increase of sales promotion, and an increase loss provision in financial services business as a one time loss in North America despite some improvements by cost reduction efficiency and currency impact. It was JPY 97.9 billion of decrease excluding an impact by Truck & Bus Spin-off. Ordinary loss posted JPY 85.8 billion, a decrease of JPY 104.7 billion over the same period in fiscal 2002. Net loss was JPY 80.2 billion, a decrease of JPY 86.9 billion over the same period in fiscal 2002 resulting from reversal of deferred tax asset of US subsidiary even the company saw gain on sales of securities.

## Segment information

### By business

Sales from the automotive business for the first half of fiscal 2003 were JPY 1,163.3 billion, a decrease of 26.2% over the same period in fiscal 2002, posting an operating loss of JPY 35.1 billion which is a decrease of JPY 66.5 billion over the same period in fiscal 2002.

Revenues from financial services business were JPY 40.3 billion, a decrease of 4.9% over the same period in fiscal 2002, producing an operating loss of JPY 44.9 billion, a decrease of JPY 36.8 billion over the same period in fiscal 2002.

### By geographical region

Sales in Japan were JPY 735.8 billion, a decrease of JPY 376.6 billion over the same period in fiscal 2002 effected mainly by Truck & Bus Spin-off and volume decline of export to North America. Operating loss was JPY 8.4 billion, a decrease of JPY 10.2 billion over the same period in fiscal 2002.

Sales in North America were JPY 278.5 billion, a decrease of JPY 202.5 billion over the same period in fiscal 2002 due to decline of sales volume. Operating loss stood at JPY 74.1 billion, a decrease of JPY 101.8 billion over the same period in fiscal 2002 resulting from such increase loss provision in financial services business as a temporary loss.

Sales in Europe were JPY 319 billion, an increase of JPY 27.4 billion over the same period in fiscal 2002 due to an increase of sales volume. Operating profit was JPY 7.5 billion, an improvement of JPY 13.6 billion.

Sales in Asia were JPY 96 billion, an increase of JPY 5.9 billion over the same period in fiscal 2002 due to sales volume increase. Operating profit was JPY 8.3 billion, an increase of JPY 6.3 billion over the same period in fiscal 2002.

Sales in other regions were JPY 89.6 billion, a decrease of JPY 29.4 billion over the same period in fiscal 2002 due to decline of sales volume. Operating loss was JPY 7.8 billion, a decrease of JPY 7.4 billion over the same period in fiscal 2002.

## Dividend payment

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

## 2. Financial position

Net cash used by operating activities in the first half of fiscal 2003 was JPY 8.8 billion, a decrease of JPY 73.7 billion over the same period in fiscal 2002. This results from pre-tax net loss and an increase loss provision in financial services business.

Net cash used by investment activities was JPY 5.3 billion, an increase of JPY 37.7 billion over the same period in fiscal 2002. This results from increase loans and, the expenditure on the acquisition of tangible fixed assets exceeded the revenue on the sale of tangible fixed assets and on the sales of investment securities.

Net cash provided in financing activities was JPY 95.6 billion, an increase of JPY 100.6 billion over the same period in fiscal 2002 as a result of revenue of long-term loans. At the end of first half of fiscal 2003, the balance of cash and cash equivalents was JPY 162.5 billion, an increase of JPY 77.9

billion compared at the beginning of fiscal 2003 which was also an increase of JPY 54.9 billion compared to the previous term.

### 3. Trends in cash flow indices

	Year-end fiscal 2001	Half-year fiscal 2002	Year-end fiscal 2002	Half-year fiscal 2003
Ratio of shareholders' equity(%)	9.4	9.1	11.6	7.8
Ratio of shareholders' equity at market value(%)	16.8	13.0	16.7	16.8
Debt redemption term (years)	14.2	19.4	57.3 *7.7	-
Interest coverage ratio	2.8	4.9	0.5 *3.8	-

*Note: Starting in fiscal 2002, changes in sales finance receivables for North America are now included in the Operating cash flow. The indices above are calculated according to classifications used before fiscal 2002.*

#### Definitions:

Ratio of shareholders' equity:	Shareholders' equity divided by total assets
Ratio of shareholders' equity at market value	Market value of stock divided by total assets
Debt redemption term (years):	Interest-bearing liabilities divided by operating cash flow
Interest coverage ratio:	Operating cash flow divided by interest payments

#### Notes

1. The indices are computed from data in the consolidated statements.
2. The total market value of stock is computed by multiplying the stock closing price at book closing by the number of issued shares (treasury stock excluded).
3. Operating cash flow refers to the Cash flow by operating activities in the Consolidated Statements of Cash Flows. Interest-bearing liabilities, refers to all liabilities stated in the Consolidated Balance Sheet on which interest is paid. Interest payments refers to the sum of interest payments as recorded in the Consolidated Statement of Cash Flows.

#### 4. Consolidated forecast FY2003

Prospects for the global economy remain obscure under such unstable currency movement despite some sign of recovery of the U.S. economy. In Japan, personal consumption is expected to remain sluggish, making a further intensification in market competition unavoidable. Accordingly, MMC expects the business environment in which it operates to become increasingly severe.

While these and other factors make accurate forecasting difficult, the Company offers the following forecast for its consolidated operations in fiscal 2002, based on data and information currently available.

millions of yen

	2003FY Consolidated	2003FY Non-consolidated
Sales	2,600,000	1,440,000
Ordinary income	62,000	0
Net income	11,000	10,000

*CAUTION. 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 the company's business environment, in market trends and in exchange rates may cause actual results to differ materially from these forecasts.*

## **Basis of preparation of consolidated financial statements**

### **1. Scope of consolidation**

The consolidated financial statements include the accounts of Mitsubishi Motors Corporation and 111 of its subsidiaries, of which 53 are located in Japan and 58 outside Japan.

Consolidated subsidiaries in Japan include:

Tokyo Mitsubishi Motor Sales Co., Ltd., Tokyo Mitsubishi Motor Parts Sales Co., Ltd., Pajero Manufacturing Co., Ltd. and others.

Consolidated subsidiaries outside Japan include:

Mitsubishi Motors North America, Inc., Mitsubishi Motors Europe B.V., Mitsubishi Motors Australia Ltd, and others.

Included for this closing: \_\_\_\_\_ 2 companies  
(Acquisition of subsidiary) Koriyama Mitsubishi Motor Sales Co., Ltd.  
(Newly established) MME Purchasing

Excluded for this closing: \_\_\_\_\_ 15 companies  
(Merger) Kanagawa Chuo Mitsubishi Motor Sales Co., Ltd. and 4 other companies  
(Sales of stock) Ralliart France  
(Revision of scope of consolidation)  
MMC Estec Co., Ltd. and 8 other companies (Their impact is not material to the overall consolidation).

### **2. Application of equity method**

Affiliates: \_\_\_\_\_ 22 companies  
Mitsubishi Fuso Truck and Bus Corporation, Mitsubishi Auto Credit-Lease Corporation, P.T. Mitsubishi Krama Yjdha Motors & others.

Included for this closing: \_\_\_\_\_ 1 company  
(Transferred from cost method) Nationwide Distribution Service Co., Ltd

Excluded for this closing: \_\_\_\_\_ 4 companies  
(Revision of scope of consolidation)  
Ryoin Co., Ltd. and 3 other companies (Their impact is not material to the overall consolidation).

### **3. Accounting Policies**

(1) Accounting standard for valuation of major assets

?Marketable securities

Held-to-maturity bonds..... At cost using the moving-average method.

Other marketable securities

With market value..... At market, based on market value on date of book-closing. (Net unrealized gain/loss booked directly to Shareholders' equity. Selling cost is computed by the moving-average method.).

Without market value..... At cost using the moving-average method.

?Derivative instruments..... Valued at market (excluding swaps meeting the special provisions of the accounting standard)

?Inventories: basis and method of valuation

Companies preparing consolidated financial statements and consolidated subsidiaries in Japan.

..... Primarily on first-in first-out basis.

Overseas consolidated subsidiaries..... Cost or market, whichever is lower, using the specific identification cost method.

(2) Depreciation of fixed assets

?Tangible fixed assets

Companies preparing consolidated financial statements and consolidated subsidiaries in Japan

..... Declining balance method. Buildings (excluding related fixtures and facilities) acquired after 1 April 1998 are computed by the straight-line method.

Overseas consolidated subsidiaries..... Straight-line method.

?Intangible fixed assets..... Straight-line method.

(3) Allowances: accounting standards

?Doubtful accounts

To provide against possible losses arising from accounts and loans receivable, a doubtful account allowance is included in the Balance sheet calculated on the basis of historical data for general receivables, and on the basis of individual estimates of specific receivables considered to be uncollectible.

?Warranty claims

To provide for future after-sales service costs and expenses, a warranty claims allowance is included in the Balance sheet calculated on the basis of past experience in line with the terms of warranty agreements.

?Accrued severance indemnities

Accrued retirement benefits for employees at September 30 2003 have been provided mainly at an amount calculated from the retirement benefit obligation and the fair value of the pension plan assets. The full amount of the transition difference arising from the adoption of the new accounting standard for retirement benefits was charged to expenses in the first year the new accounting standard was adopted.

Prior service cost is being amortized using the straight-line method over a 10-year period that is within the estimated average remaining service years of the employees.

Actuarial gains and losses that arise are amortized commencing the following fiscal year using the straight-line method over a 10-year period that is within the estimated average remaining service years of the employees.

Directors and statutory auditors severance benefits are provided at the amount estimated necessary at book-closing based on the regulations of the Company.

(4) Significant foreign currency transactions

Foreign currency cash claims and obligations are translated into yen at the exchange rate on the day of book-closing; translation differences included in the statement of income / loss. Foreign currency assets and liabilities of overseas consolidated subsidiaries are translated into yen at the exchange rate on the day of book-closing, and the foreign currency revenues and expenses of these companies are translated into yen at the average exchange rate for the period. Differences arising on consolidation of overseas subsidiaries are booked as Translation Adjustments in the "Stockholders' equity and Minority interests" section of Balance sheet.

(5) Significant lease transactions

Companies preparing consolidated financial statements and consolidated subsidiaries in Japan, finance leases, excluding leases in which ownership is recognized to have transferred to the lessee, are accounted for as ordinary rental transactions.

For overseas consolidated subsidiaries, finance leases are accounted for as ordinary purchase transactions.

(6) Major hedge accounting basis

?Forward exchange contracts..... Scheduled transactions are booked using deferral hedge accounting.

?Interest swaps.....Booked using deferral hedge accounting or in accordance with the special provisions of the accounting standard.

(7) Other significant accounting standards

?Consumption tax.....Transactions are recorded net of consumption tax and regional consumption taxes.

?Installment sales profit..... A number of consolidated subsidiaries apply the installment receivables standard.

(8)Consolidated tax return

The company has adopted the consolidated tax return procedure.

**4. Assets included in consolidated statements of cash flows**

The cash and cash equivalents included in the consolidated statements of cash flows include cash in hand, deposits repayable on demand, and short-term investments that are easily convertible into cash, that are exposed to low price fluctuation risks and that have original maturities of three months or less when purchased.

**5. Supplementary information**

Following the recent weakness in the North American economy, a higher probability was assigned to the higher end of the range of future credit losses estimated in the finance company, Mitsubishi Motors Credit of America, Inc. An allowance for doubtful accounts of 41,682 millions of yen, including an one time unusual amount to bring the valuation to a more conservative estimate of value as compared to prior estimates, was recorded in cost of sales during this term.

## Notes to consolidated financial statements

1. Consolidated balance sheet		in millions of yen
(1) Accumulated depreciation of tangible fixed assets		1,268,440
(2) Assets pledged as collateral	Account & Notes receivable	2,329
(excluding asset groups pledged subject to floating charge)	Short-term & long-term sales finance receivables	117,357
	Investments	22,245
	Tangible assets	55,610
	Other	5,890
Asset groups pledged subject to floating charge	Tangible assets	61,496
Secured liabilities	Short-term & long-term loans payable	261,287
(3) Non-consolidated subsidiaries and affiliates included in "Investments" and "other non-current assets"	Investments	114,100
	Other non-current assets	5,440
(3) Guarantee liabilities	Guarantee liabilities	7,753
	Other guarantee liabilities	4,675
(4) Outstanding balance of securitized assets	Notes and account receivable	27,447
	Finance receivables	600,750
(5) Commitment lines	Commitment lines	105,900
	Used lines of credit	-
	Unused lines of credit	105,900
(6) Goodwill Including "Other non-current liabilities"		3,063
2. Consolidated statement of income / loss		in millions of yen
(1) Extraordinary gains	Gain on sales of fixed assets	14,705
	Reversal of Restructuring costs	2,193
	Other gains	#REF!
(2) Extraordinary losses	Loss on disposal of fixed assets	3,043
	Other losses	371
(3) R&D expenditure included in sales and general administration costs		40,197
(4) Accounting treatment of income taxes		
Included in income taxes is the adjustment to income taxes arising from the simplified method use to calculate the income tax charge for the half year.		

### 3. Consolidated statement of cash flows

The relationship between cash and cash equivalents and the amounts reported in the consolidated balance sheet is as follows:

	in millions of yen
Cash deposits	160,678
Term deposits of three months or more	-535
Trading securities with original maturities of three months or less	2,344
Cash and cash equivalents	162,487

## Segment information

(1) Business segment

in millions of yen

FY2003 half year	Automotive	Financial services	Total	Eliminations or Corporate	Consolidated
Sales & operating profit					
Sales					
(1) External customers	1,166,707	40,125	1,206,832	-	1,206,832
(2) Intersegment & transfers	(3,410)	205	(3,205)	3,205	-
Total	1,163,296	40,330	1,203,627	3,205	1,206,832
Operating expenses	1,198,358	85,253	1,283,612	(429)	1,283,182
Operating profit or loss	(35,061)	(44,923)	(79,985)	3,634	(76,350)

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

2. Major products by operation

(1) Automotive..... Passenger cars

(2) Financing..... Sales financing

in millions of yen

FY2002 half year	Automotive	Financial services	Total	Eliminations or Corporate	Consolidated
Sales & operating profit					
Sales					
(1) External customers	1,576,648	42,296	1,618,944	-	1,618,944
(2) Intersegment & transfers	370	101	472	(472)	-
Total	1,577,018	42,398	1,619,416	(472)	1,618,944
Operating expenses	1,545,582	50,569	1,596,151	(685)	1,595,465
Operating profit or loss	31,436	(8,170)	23,265	213	23,479

in millions of yen

FY2002 full year	Automotive	Financial services	Total	Eliminations or Corporate	Consolidated
1. Sales & operating profit					
Sales					
(1) External customers	3,809,474	75,399	3,884,874	-	3,884,874
(2) Intersegment & transfers	288	2,746	3,035	(3,035)	-
Total	3,809,762	78,146	3,887,909	(3,035)	3,884,874
Operating expenses	3,685,399	118,284	3,803,684	(1,571)	3,802,112
Operating profit or loss	124,363	(40,137)	84,225	(1,463)	82,761
2. Assets, depreciation & capital expenditure					
Assets	2,948,982	530,398	2,579,380	(154,027)	2,425,352
Depreciation	139,744	53,521	193,265		193,265
Capital expenditure	128,676	72,860	201,537		201,537

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

in millions of yen

FY2003 half year	Japan	North America	Europe	Asia	Other	Total	Eliminations or Corporate	Consolidated
Sales & operating profit								
Sales								
(1) External customers	481,807	274,420	319,005	46,634	84,964	1,206,832	-	1,206,832
(2) Intersegment & transfers	253,943	4,067	-	49,388	4,603	312,002	( 312,002)	-
Total	735,750	278,487	319,005	96,023	89,568	1,518,835	( 312,002)	1,206,832
Operating expenses	744,147	352,553	311,459	87,768	97,411	1,593,340	( 310,157)	1,283,182
Operating profit or loss	( 8,396)	( 74,066)	7,546	8,254	( 7,842)	( 74,505)	( 1,845)	( 76,350)

Note: 1. National and regional groupings are by geographical proximity.

2. Main countries and regions outside Japan are grouped as follows:

(1) North America..... United States of America, Puerto Rico

(2) Europe..... The Netherlands

(3) Asia..... Thailand, Philippines

(4) Other..... Australia, New Zealand, U.A.E

in millions of yen

FY2002 half year	Japan	North America	Europe	Asia	Other	Total	Eliminations or Corporate	Consolidated
Sales & operating profit								
Sales								
(1) External customers	716,907	477,212	289,355	39,271	96,197	1,618,944	-	1,618,944
(2) Intersegment & transfers	395,479	3,741	2,289	50,869	22,806	475,187	( 475,187)	-
Total	1,112,387	480,954	291,645	90,141	119,004	2,094,131	( 475,187)	1,618,944
Operating expenses	1,110,618	453,253	297,743	88,192	119,430	2,069,238	( 473,773)	1,595,465
Operating profit or loss	1,769	27,700	( 6,098)	1,948	( 426)	24,893	( 1,414)	23,479

in millions of yen

FY2002 full year	Japan	North America	Europe	Asia	Other	Total	Eliminations or Corporate	Consolidated
1. Sales & operating profit								
Sales								
(1) External customers	1,582,978	1,196,050	758,111	107,343	240,390	3,884,874	-	3,884,874
(2) Intersegment & transfers	771,230	8,999	3,649	131,387	57,002	972,270	( 972,270)	-
Total	2,354,208	1,205,049	761,760	238,731	297,393	4,857,144	( 972,270)	3,884,874
Operating expenses	2,307,953	1,171,274	772,308	226,763	291,319	4,769,618	( 967,506)	3,802,112
Operating profit or loss	46,225	33,775	( 10,547)	11,968	6,073	87,525	( 4,763)	82,761
2. Assets	1,424,496	970,459	297,037	87,934	104,624	2,884,552	( 459,199)	2,425,352

Note: 1. National and regional groupings are by geographical proximity.

2. Main countries and regions outside Japan are grouped as follows:

(1) North America..... United States of America

(2) Europe..... The Netherlands

(3) Asia..... Thailand, Philippines

(4) Other..... Australia, New Zealand, Puerto Rico, U.A.E

(3) Overseas sales in millions of yen

FY2003 half year	North America	Europe	Asia	Other	Total
1. Overseas sales	281,230	318,790	154,364	159,913	914,298
2. Consolidated sales					1,206,832
3. Percentage of total sales	23.3%	26.4%	12.8%	13.3%	75.8%

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

in millions of yen

FY2002 half year	North America	Europe	Asia	Other	Total
1. Overseas sales	485,238	284,078	155,170	192,470	1,116,957
2. Consolidated sales					1,618,944
3. Percentage of total sales	30.0%	17.5%	9.6%	11.9%	69.0%

in millions of yen

FY2002 full year	North America	Europe	Asia	Other	Total
1. Overseas sales	1,217,176	752,462	355,508	450,810	2,775,958
2. Consolidated sales					3,884,874
3. Percentage of total sales	31.3%	19.4%	9.2%	11.6%	71.5%

- Note: 1. National and regional grouping are by geographical proximity.  
2. Main countries and regions outside Japan are grouped as follows:  
(1) North America..... United states of America  
(2) Europe..... The Netherlands, Italy, Germany  
(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 export to Japan) of its foreign consolidated subsidiaries.

**Marketable securities**(1) Held-to-maturity securities with market value in millions of yen

	At 9/30/2003			At 9/30/2002			At 3/31/2003		
	Balance sheet amount	Market value	Valuation gain / loss	Balance sheet amount	Market value	Valuation gain / loss	Balance sheet amount	Market value	Valuation gain / loss
National and local Government bonds	-	-	-	665	665	0	-	-	-
Total	-	-	-	665	665	0	-	-	-

(2) Other securities with market value in millions of yen

	At 9/30/2003			At 9/30/2002			At 3/31/2003		
	Balance sheet amount	Market value	Valuation gain / loss	Balance sheet amount	Market value	Valuation gain / loss	Balance sheet amount	Market value	Valuation gain / loss
Shares	29,385	72,865	43,479	55,410	106,030	50,620	29,850	84,163	54,312
Total	29,385	72,865	43,479	55,410	106,030	50,620	29,850	84,163	54,312

(3) Other securities without market value in millions of yen

	FY2003 half year At 9/20/2003	FY2002 half year At 9/30/2002	FY2002 full year At 3/31/2003
Held-to-maturity bonds Non marketable foreign bonds	2,423	3,465	2,284
Other securities Non marketable securities Other	19,919 -	21,801 -	19,612 1,909

## Derivative financial instruments

### Notional amounts, market value and valuation gain / loss

(1) Currency exchange contracts

in millions of yen

Transactions	FY2003 half year At 9/30/2003			FY2002 half year At 9/30/2002			FY2002 full year At 3/31/2003		
	Notional amount	Market value	Valuation gain / loss	Notional amount	Market value	Valuation gain / loss	Notional amount	Market value	Valuation gain / loss
Forward foreign exchange contracts:									
Sell:									
US Dollar	41,010	37,873	3,136	30,559	30,607	48	6,024	6,072	47
Euro	1,912	1,935	22	86,812	91,995	5,182	18,728	20,049	1,321
GB Pound	127	128	0	1,307	1,353	46	154	155	0
Canadian Dollar	6,081	6,475	394	1,916	1,963	46	1,976	2,117	141
Buy:									
US Dollar	-	-	-	19,604	18,311	1,293	-	-	-
Euro	12,595	12,850	254	-	-	-	-	-	-
JP Yen	3,944	3,814	129	-	-	-	-	-	-
Currency options:									
Sell:									
US Dollar Call	-	-	-	14,591	-	-	8,791	-	-
Euro Call	( 701)	520	181	( 203)	356	152	( 172)	32	139
Buy:									
US Dollar Put	-	-	-	28,000	-	-	9,550	-	-
Euro Put	( 701)	287	414	( 545)	261	284	( 212)	166	45
Total	-	-	2,611	-	-	7,053	-	-	2,500

Note: Derivative transactions covered by hedge accounting are excluded from above.

(2) Interest rate swaps:

in millions of yen

Transactions	FY2003 half year At 9/30/2003			FY2002 half year At 9/30/2002			FY2002 full year At 3/31/2003		
	Notional amount	Market value	Valuation gain / loss	Notional amount	Market value	Valuation gain / loss	Notional amount	Market value	Valuation gain / loss
Interest rate swaps: Pay-fixed, receive-floating	107,912	1,369	1,369	93,455	3,508	3,508	82,938	2,463	2,463
Total	-	-	1,369	-	-	3,508	-	-	2,463

Note: Derivative transactions covered by hedge accounting are excluded from above.

(TRANSLATION OF ORIGINAL JAPANESE)

FY2003 Half Year Results: Non-consolidated Statements

11 Nov 2003

(1 April 2003 through 30 September 2003)

Mitsubishi Motors Corporation

Code No: 7211

Listed on: Tokyo, Osaka, Nagoya, Fukuoka, and Sapporo stock exchanges

Head office: Tokyo

URL: <http://www.mitsubishi-motors.com>

Representative: Rolf Eckrodt; President & CEO

Contact: Yoichi Yokozawa; Head of IR Office Tel: 03-6719-4206

Meeting of Board of Directors for FY2003 half year results: 11 November 2003

Provision for half year dividend: Provision exists

Date of payment of half-year dividend:

Unit stock system adopted: Yes (1 block = 1,000 shares)

1. Highlights (1 April 2003 through 30 September 2003)

(1) Non-consolidated results

	Sales		Operating profit		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
FY2003 half year	671,796	- 29.3	- 1,883	-	- 10,517	-
FY2002 half year	950,231	7.3	518	-	2,077	-
FY2002 full year	1,877,276		50,123		47,756	

	Net income		Net income per share -basic
	Million yen	%	Yen
FY2003 half year	- 6,103	-	- 4.11
FY2002 half year	- 14,998	-	- 10.20
FY2002 full year	- 2,649		- 1.80

Note 1: Average number of shares issued and outstanding during term:

FY2003 half year 1,483,431,916 FY2002 half year 1,470,163,031 FY2002 full year 1,473,719,843

Note 2: No accounting policy changes have been implemented during the term.

Note 3: Sales, operating income and ordinary income percentages indicate changes over the same half-year period in previous fiscal year.

(2) Cash dividends

	Cash dividend per share	
	Half year	Year-end
	Yen	Yen
FY2003 half year	0.00	-
FY2002 half year	0.00	-
FY2002 full year	-	0.00

(3) Non-consolidated financial position

	Total assets	Shareholders' equity	Ratio of shareholders' equity	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY2003 half year	1,393,044	300,055	21.5	202.27
FY2002 half year	1,575,802	292,124	18.5	198.70
FY2002 full year	1,344,817	312,346	23.2	210.56

Note: Average number of shares issued and outstanding at term end:

FY2003 half year 1,483,429,570 FY2002 half year 1,470,162,763 FY2002 full year 1,483,434,189

Treasury stock at term end:

FY2003 half year 9,364 FY2002 half year 861 FY2002 full year 4,745

2. FY2003 full year non-consolidated results forecast (1 April 2003 through 31 March 2004)

	Sales	Ordinary income	Net income	Dividend per share	
	Million yen	Million yen	Million yen	Year-end	Yen
FY2003 full year	1,440,000	0	10,000	Undecided	Undecided

Note: Forecast net income per share for full year: ¥6.74

CAUTIONARY STATEMENT: 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 the company's business environment, in market trends and in exchange rates may cause actual results to differ materially from these forecasts.

# 1.Sales figures

## (1) Sales volume

Units

	1 April 2003 - 30 september 2003			1 April 2002 - 30 september 2002			Change in total
	Domestic	Export	Total	Domestic	Export	Total	
Passenger cars (regular & small-size)	62,675	190,999	253,674	43,890	218,772	262,662	- 8,988
Mini vehicles	112,822	-	112,822	105,179	-	105,179	7,643
Trucks	-	-	-	30,213	16,961	47,174	- 47,174
Buses	-	-	-	1,784	1,712	3,496	- 3,496
Total	175,497	190,999	366,496	181,066	237,445	418,511	- 52,015

## (1) Sales amount

Million yen

	1 April 2003 - 30 september 2003			1 April 2002 - 30 september 2002			Change in total
	Domestic	Export	Total	Domestic	Export	Total	
Vehicle sales	191,627	262,693	454,320	279,171	381,032	660,203	- 205,883
Parts for overseas production	-	103,140	103,140	-	148,696	148,696	- 45,556
Parts, accessories & others	37,439	76,897	114,336	66,666	74,666	141,332	- 26,996
Total	229,066	442,730	671,796	345,837	604,394	950,231	- 278,435

## 2. Profit and loss statements (1 April 2003 - 30 september 2003)

Million yen

	FY2003 half year (4/1/03 - 9/30/03)	FY2002 half year (4/1/02 - 9/30/02)	Change
Sales	671,796	950,231	- 278,435
Cost of sales	581,876	829,915	- 248,039
<b>Gross profit</b>	89,920	120,316	- 30,396
Selling, general and administrative expenses	91,804	119,798	- 27,994
<b>Operating profit</b>	- 1,883	518	- 2,401
Non-operating income	(6,147)	(9,791)	(- 3,644)
Interest income	805	2,912	- 2,107
Dividends	5,274	3,041	2,233
Gain on foreign exchange	-	3,105	- 3,105
Other income	67	731	- 664
Non-operating expenses	(14,780)	(8,232)	(6,548)
Interest expenses	4,748	4,743	5
Loss on foreign exchange	5,843	-	5,843
Other expenses	4,188	3,489	699
<b>Ordinary income</b>	- 10,517	2,077	- 12,594
Extraordinary gain	(21,764)	(3,400)	(18,364)
Gain on sale of securities	14,702	-	14,702
Gain on reversal of provision for losses on restructuring	2,193	-	2,193
Gain on reversal of guarantee liability reserve	4,868	-	4,868
Gain on sale of fixed assets	-	1,480	- 1,480
Gain from stock exchange of investment securities	-	1,399	- 1,399
Other gains	-	520	- 520
Extraordinary loss	(15,699)	(19,808)	(- 4,109)
Loss on disposal of fixed assets	2,455	2,128	327
Loss on appraisal of investments in subsidiaries	13,101	-	13,101
Provision for doubtful receivables from subsidiaries	-	14,800	- 14,800
Other losses	142	2,879	- 2,737
<b>Income before income taxes</b>	- 4,451	- 14,330	9,879
Income tax, current	1,652	668	984
<b>Net income for term</b>	- 6,103	- 14,998	8,895
Retained earnings brought forward from previous period	-	- 401,591	401,591
<b>Unappropriated retained earnings at end of period</b>	- 6,103	- 416,589	410,486

### 3. Balance sheets (Assets)

Million yen

	At 9/30/2003	At 3/31/2003	Change
<b>Assets</b>			
<b>Current assets</b>	509,294	499,065	10,229
Cash on hand and in bank	120,988	27,127	93,861
Notes receivable	2,554	874	1,680
Accounts receivable	112,152	185,359	- 73,207
Inventories	97,827	97,011	816
Short-term loans receivable	6,687	26,657	- 19,970
Accounts receivable-other	64,112	76,807	- 12,695
Deferred tax assets	37,431	37,431	-
Other current assets	105,390	81,461	23,929
Allowance for doubtful receivables	- 37,851	- 33,666	- 4,185
<b>Fixed assets</b>	883,749	845,752	37,997
<b>Tangible fixed assets</b>	259,349	262,749	- 3,400
Buildings	47,999	48,971	- 972
Machinery and equipment	65,678	66,621	- 943
Land	116,680	116,618	62
Other tangible fixed assets	28,991	30,538	- 1,547
<b>Intangible fixed assets</b>	10,983	10,617	366
<b>Investments</b>	613,416	572,385	41,031
Investment securities	91,973	102,752	- 10,779
Investments in subsidiaries and affiliated companies	451,321	401,662	49,659
Long-term loans receivable	2,013	2,520	- 507
Deferred tax assets	25,743	21,477	4,266
Other investments	44,551	46,131	- 1,580
Allowance for doubtful receivables	- 2,186	- 2,159	- 27
<b>Total assets</b>	1,393,044	1,344,817	48,227

#### 4. Balance sheets (Liabilities & stockholders' equity)

Million yen

	At 9/30/2003	At 3/31/2003	Change
<b>Liabilities</b>			
<b>Current liabilities</b>	759,719	719,425	40,294
Notes payable	9,821	18,360	- 8,539
Accounts payable	219,187	249,637	- 30,450
Short-term loan payable	256,169	185,061	71,108
Commercial paper	107,700	-	107,700
Other accounts payable	61,934	71,755	- 9,821
Corporation taxes payable	1,936	471	1,465
Warranty claims allowance	27,464	28,089	- 625
Other current liabilities	75,505	166,050	- 90,545
<b>Fixed liabilities</b>	333,269	313,045	20,224
Bonds	38,500	54,500	- 16,000
Long-term loans payable	169,300	123,491	45,809
Retirement benefit reserve	90,399	90,633	- 234
Retirement benefit reserve	610	623	- 13
Guarantee liability reserve	24,764	33,538	- 8,774
Long-term other accounts payable	1,194	-	1,194
Other fixed liabilities	8,500	10,258	- 1,758
<b>Total liabilities</b>	1,092,988	1,032,471	60,517
<b>Stockholders' equity</b>			
<b>Common stock</b>	252,201	252,201	-
<b>Capital surplus</b>	28,048	225,227	- 197,179
Capital surplus	28,048	225,227	- 197,179
<b>Earned surplus</b>	- 6,103	- 197,179	191,076
Legal reserve	-	9,029	- 9,029
General reserve	-	198,031	- 198,031
Unappropriated retained earnings at end of half year period	- 6,103	- 404,240	398,137
<b>Profit on securities</b>	25,912	32,097	- 6,185
<b>Treasury shares</b>	- 2	- 1	- 1
<b>Total stockholders' equity</b>	300,055	312,346	- 12,291
<b>Total liabilities &amp; stockholders' equity</b>	1,393,044	1,344,817	48,227

## Notes on accounting policies

### 1. Significant accounting policies

- (1) Marketable securities: basis and method of valuation
- Shares in subsidiaries and affiliates..... At cost using the moving-average method
  - Other marketable securities
    - With market value..... At market, based on market value on date of book-closing.  
(Net unrealized gain/loss booked directly to Shareholders' equity.  
Selling cost is computed by the moving-average method.)
    - Without market value..... At cost by the moving-average method
- (2) Derivative instruments..... Valued at market (excluding swap meeting the special provisions of the accounting standard.)
- (3) Inventories: basis and method of valuation
- Finished products..... First-in first-out basis.
  - Raw materials..... At cost using the overall average method
  - Work in process..... First-in first-out basis.
  - Supplies..... Last invoice method.
- (4) Depreciation of fixed assets
- Tangible fixed assets..... Declining balance method. Buildings (excluding related fixtures and facilities) acquired after 1 April 1998 are computed using the straight-line method.
  - Intangible fixed assets..... Straight line method. Software is depreciated using the straight line method based over an estimated useful life of 5 years.
  - Small fixed assets..... Assets with an acquisition cost of over JPY 100,000 but less than JPY 200,000 are amortized using the straight-line method over a 3-year period .
- (5) Allowances: accounting standards
- Doubtful accounts..... Providing against possible losses arising from accounts and loans receivable, a doubtful account allowance is included in the Balance Sheet calculated on the basis of historical data for general claims, and on the basis of individual estimates of specific claims thought to be uncollectible.
  - Warranty claims..... Providing against future after-sales service costs and expenses, a warranty claims allowance is included in the Balance sheet calculated on the basis of past experience in line with warranty terms.
  - Accrued severance indemnities..... Accrued retirement benefits for employees at September 30 2003 have been provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets.  
The full amount of the transition difference arising from the adoption of the new accounting standard for retirement benefits was charged to expenses in the first year the new accounting standard was adopted.  
Prior service cost is being amortized by the straight-line method over a 9-year period that is within the estimated average remaining service years of the employees.  
Actuarial gain and loss that arise are amortized the following fiscal year using the straight-line method over a 10-year period that is within the estimated average remaining service years of the employees.

Allowance for retirement benefits for directors ..... Directors and auditor severance benefits are provided at the amount estimated necessary at book-closing based on the internal regulations of the Company.

Guarantee liabilities ..... Providing against losses arising from execution of guarantee, a guarantee liability allowance calculated on a rational estimate basis is included in the Balance Sheet.

(6) Foreign currency transactions

Foreign currency assets and liabilities are translated into yen at the exchange rate prevailing of the last day of the term. Differences are booked in the statement of profit/loss.

(7) Lease transactions

Finance leases, excluding leases in which ownership is recognized to have transferred to the lessee, are booked as ordinary rented transacting.

(8) Hedge accounting basis

Hedge accounting basis ..... Booked using deferral accounting or in accordance with the special provisions of the Accounting Standard for Financial Products.

Means of hedging and coverage

Means for hedging

Coverage

Forward exchange contracts ..... Foreign currency accounts receivable by merchandise export. (Scheduled transactions)

Interest swaps ..... Interest on loans from banks.

Hedging policy ..... Hedge transactions are carried out in order to avoid the fluctuation risk of foreign exchange rates and interest rates on borrowings.

Estimation method of hedging effectiveness ..... Forward-exchange contract is necessary to fix the cash flow. Hedging effectiveness is estimated through the comparison of change cash flows from the hedging instrument and the hedge item during the period. Effectiveness of interest rate swap using the special provisions is monitored in the same way as described above.

(9) Consumption tax

Consumption tax and regional consumption taxes are excluded from the income and expenses figures.

(10) Consolidated tax system

Consolidated tax system is applied.

## 2. Change of labeling method

From this semi-annual period onward, these financial statements are based on the Semi-annual Financial Statements prepared in accordance with the Securities and Exchange Law.

The semi-annual and annual financial results of the previous fiscal year have been adjusted accordingly.

The explanatory notes have been changed according to contents of the above-mentioned Semi-annual Financial Statements.

### 3. Notes to financial statements

#### Balance Sheet

	1st FY03	FY2002	1st FY02
	<u>(million)</u>	<u>(million)</u>	<u>(million)</u>
(1) Accumulated depreciation of tangible fixed assets	663,623	664,304	850,027
(2) Asset pledged as collateral			
Investment securities	22,245	23,396	31,663
Plants, subject to floating charge	51,482	53,874	105,920
Collateral securing obligation			
Guarantee liabilities	26,874	31,742	20,822
Guarantee liability equivalents	-	-	1,149
(3) Consumption tax			
After offsetting receivable and payable consumption tax, the balance amount is recorded in accounts receivable-other as accrued consumption tax.			
(4) Capital deficit	- 6,106	- 206,210	-
(5) Contingent liabilities for loan guarantees			
Guarantee liabilities	405,832	319,837	329,466
Guarantee liability equivalents	49,970	38,270	41,563
(6) Outstanding balance of securitized accounts receivables	40,952	43,780	67,569
(7) The amount of unused balances of revolving credit facility agreements			
Total commitment line	105,900	156,500	156,500
Balance of loan payable	-	-	-
Unused commitment line	<u>105,900</u>	<u>156,500</u>	<u>156,500</u>

#### Statements of income

	1st FY03	1st FY02	FY2002
	<u>(million)</u>	<u>(million)</u>	<u>(million)</u>
(1) Depreciation charged			
Tangible fixed assets	9,791	14,154	27,078
Intangible fixed assets	1,164	997	2,300
Total	<u>10,955</u>	<u>15,152</u>	<u>29,379</u>
(2) Main item of other expenses			
Regal expenses relating to litigation	1,803	1,438	3,208
(3) Corporate tax			
Due to the calculation of tax expenses using the simplified method, the "income tax, deferred" in the semi-annual closing is included and denoted in the account of "Income tax, current"			

## Lease transactions

	1st FY03 <u>(million)</u>	FY2002 <u>(million)</u>	1st FY02 <u>(million)</u>
1. As lessee			
(1) Finance lease transactions, excluding leases where ownership has transferred to the lessee			
Acquisition cost, Accumulated depreciation and Book value of lease assets			
Acquisition cost			
Tools, furniture and fixtures	40,085	42,489	55,880
Machinery	814	1,053	3,210
Others	3,205	7,328	8,811
<u>Total</u>	<u>44,105</u>	<u>50,872</u>	<u>67,902</u>
Accumulated depreciation			
Tools, furniture and fixtures	23,426	25,529	37,403
Machinery	399	382	1,221
Others	1,426	2,491	3,260
<u>Total</u>	<u>25,252</u>	<u>28,403</u>	<u>41,885</u>
Book value			
Tools, furniture and fixtures	16,658	16,960	18,476
Machinery	415	670	1,988
Others	1,778	4,837	5,551
<u>Total</u>	<u>18,852</u>	<u>22,468</u>	<u>26,016</u>
Leases payable at end of fiscal year			
Due within a year	9,919	10,499	12,682
Due over a year	14,836	17,930	21,564
<u>Total</u>	<u>24,755</u>	<u>28,430</u>	<u>34,247</u>
Lease payments, Depreciation expense and Interest expense for fiscal year			
Lease payments	6,161	15,132	8,199
Depreciation expense	5,891	12,757	6,252
Interest expense	276	1,129	594
Depreciation is principally computed using the declining balance method taking residual value as zero and the lease term as useful life.			
Interest expenses are taken as the difference between total lease amount and lease acquisition price and are allocated to different settlement terms using the interest method.			
(2) Operating lease transactions			
Future minimum lease payments			
Due within a year	720	720	720
Due over a year	2,276	2,636	2,996
<u>Total</u>	<u>2,996</u>	<u>3,356</u>	<u>3,716</u>
2 As lessor			
(1) Operating lease transactions			
Future minimum lease payments			
Due within a year	264	264	262
Due over a year	835	967	1,100
<u>Total</u>	<u>1,100</u>	<u>1,232</u>	<u>1,362</u>

## Marketable securities

MMC has no shares in subsidiaries or affiliates with a market for either the previous or current semiannual years.

## Earnings per share

	<u>1st FY03</u>	<u>FY2002</u>	<u>1st FY02</u>
	(yen)	(yen)	(yen)
Book value per share	202.27	210.56	198.70
Net income per share - basic	- 4.11	- 1.80	- 10.20
Net income per share - diluted	-	-	-

(Note) Calculating basis of net income per share - basic and net income per share - diluted

Net income per share - basic			
Net income (million)	- 6,103	- 2,649	- 14,998
Net income of common stock (million)	- 6,103	- 2,649	- 14,998
Average number of shares issued and outstanding during term (1000)	1,483,432	1,473,720	1,470,163