

Financial Results for 1st Half FY2004

mitsubishi
MITSUBISHI MOTORS CORPORATION

November 8, 2004

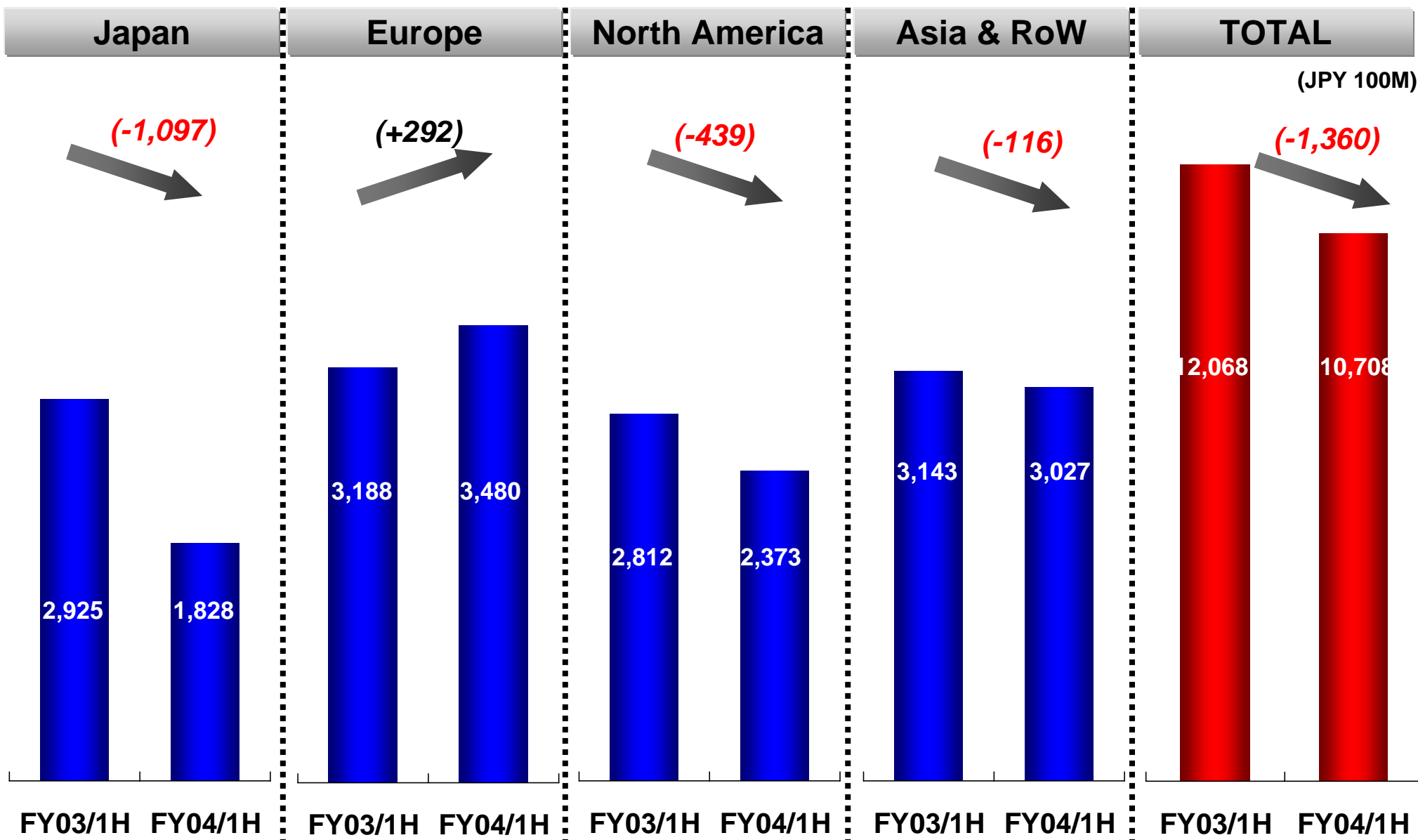
Financial Results for FY2004 / 1H Forecast for FY2004

Hiizu Ichikawa

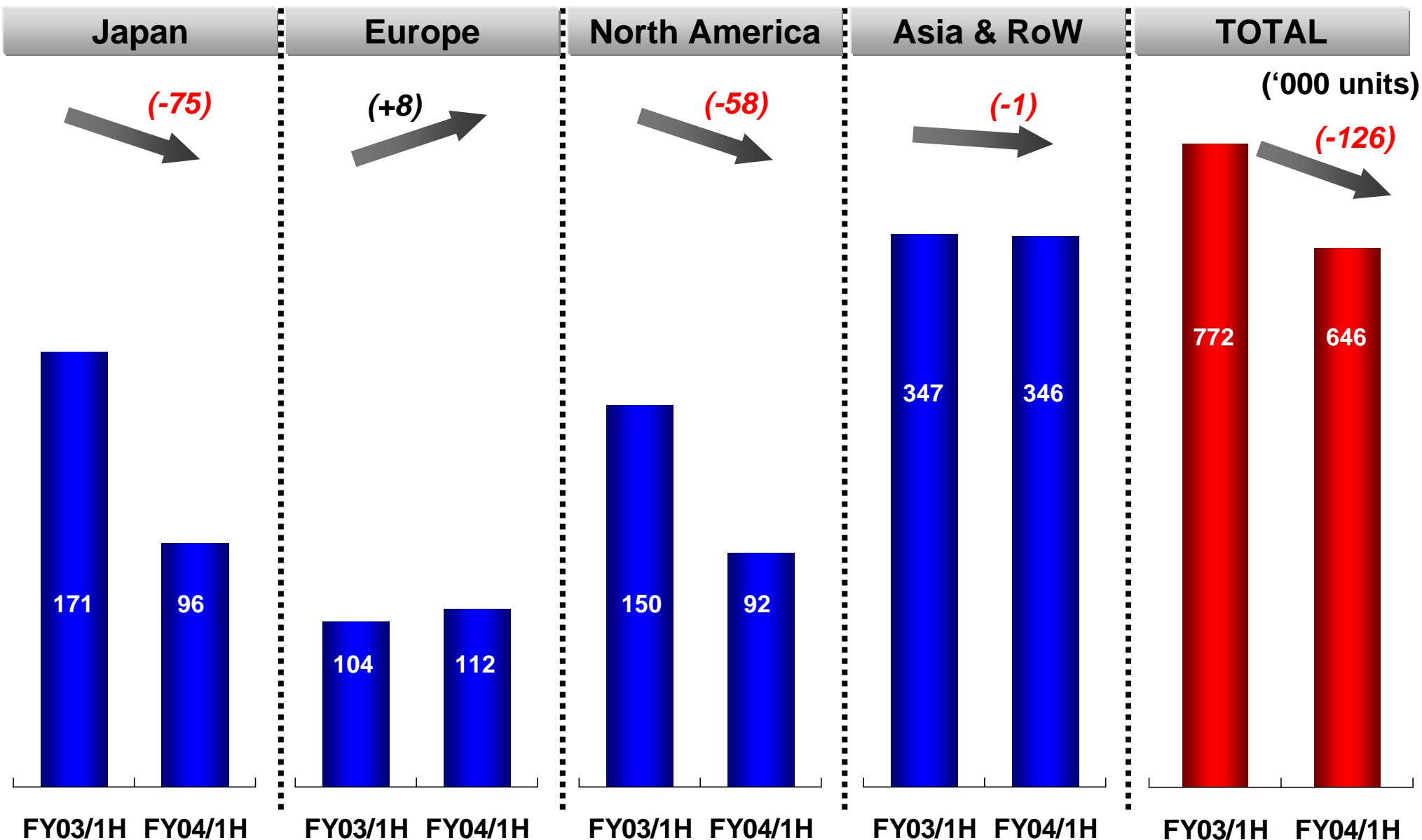
CFO

(JPY 100M)	FY03/1H Actual	FY04/1H Actual	Diff.
Net Sales	12,068	10,708	-1,360
Operating Profit	-764	-635	+129
Ordinary Profit	-858	-977	-119
Net Income	-802	-1,462	-660

FY04/1H Net Sales by Region

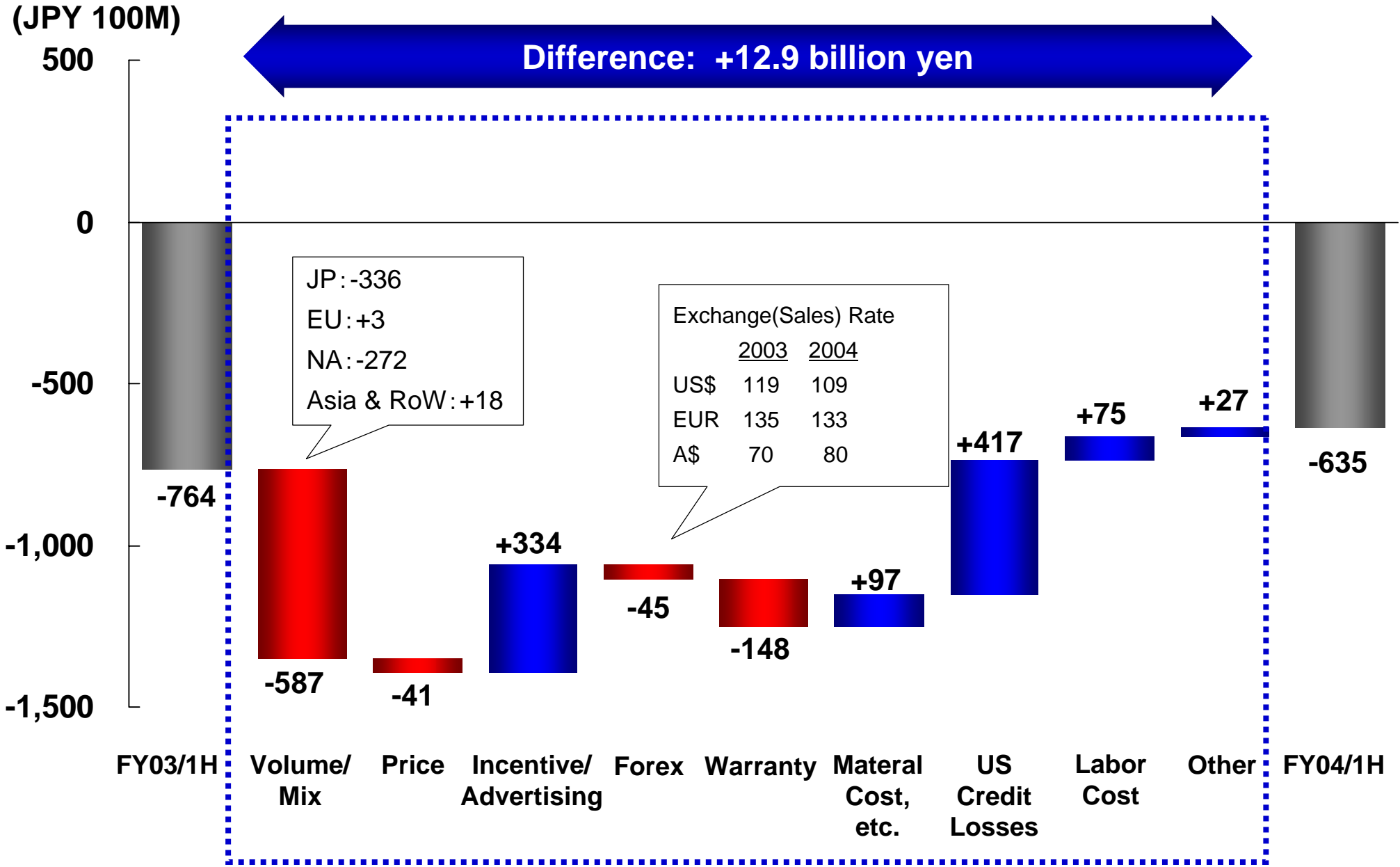


FY04/1H Unit Sales by Region (Retail)



(JPY 100M)	FY03/1H Actual	FY04/1H Actual	Diff.
Net Sales	12,068	10,708	-1,360
Operating Profit	-764	-635	+129
Ordinary Profit	-858	-977	-119
Net Income	-802	-1,462	-660

FY04/1H Operating Profit Deviation Analysis



FY04/1H Regional Operating Performance

Consolidated (JPY 100M)	FY03/H1	FY04/H1	Diff.
	Actual	Actual	
Net Sales	12,068	10,708	-1,360
- Japan	2,925	1,828	-1,097
- Europe	3,188	3,480	+292
- North America	2,812	2,373	-439
- Asia & RoW	3,143	3,027	-116
Operating Income	-764	-635	+129
- Japan	-206	-517	-311
- Europe	+152	+34	-118
- North America	-1,040	-476	+564
- Asia & RoW	+330	+324	-6

(JPY 100M)	FY03/1H Actual	FY04/1H Actual	Diff.	FY04/1H 5/21 (Announcement)
Net Sales	12,068	10,708	-1,360	10,900
Operating Profit	-764	-635	+129	-850
Ordinary Profit	-858	-977	-119	-950
Net Income	-802	-1,462	-660	-1,150

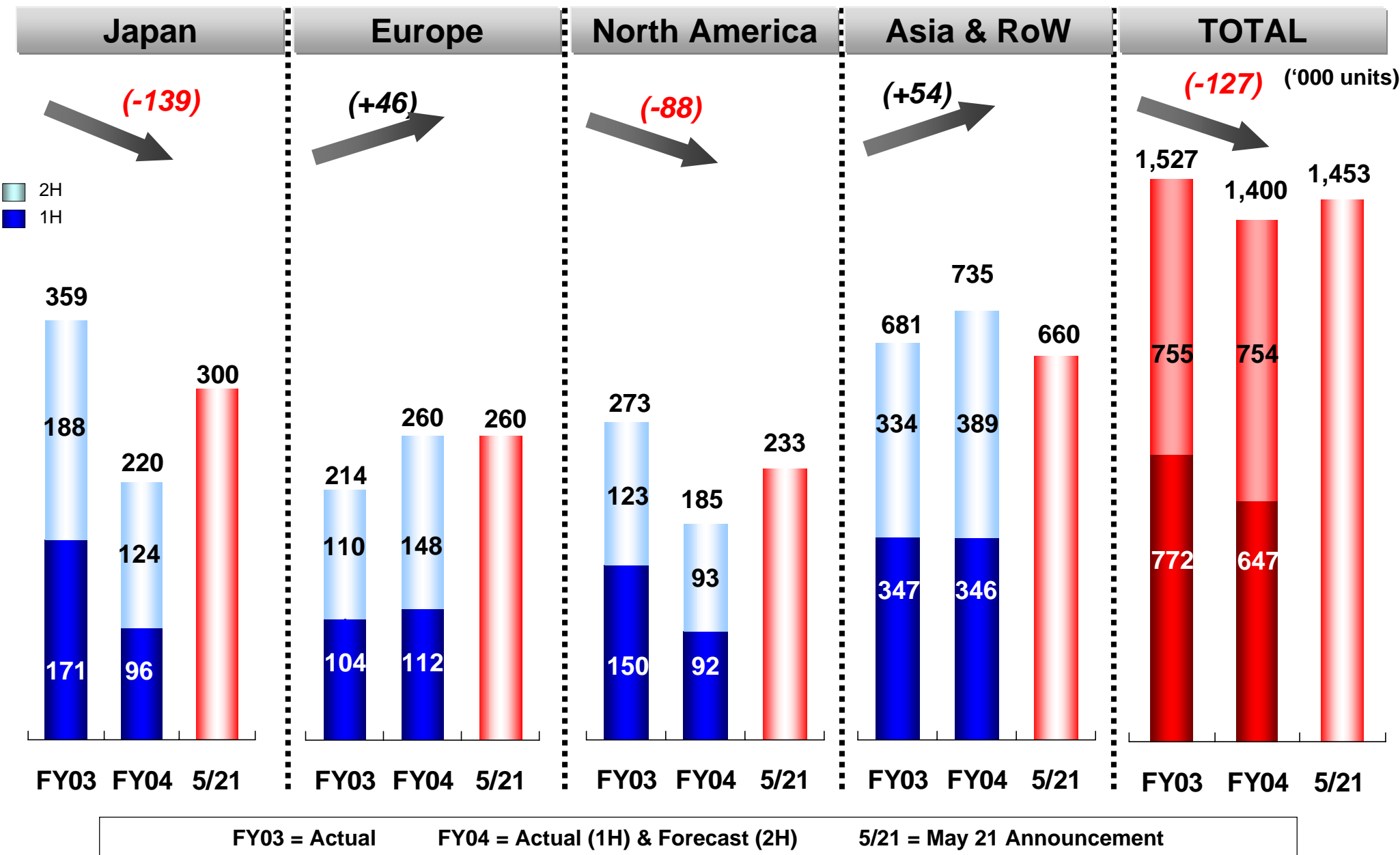
FY04/1H Non-ordinary, Extraordinary and Tax related Items

(JPY 100M)	FY03/1H Actual	FY04/1H Actual	Diff.
Operating Income	-764	-635	+129
Non-Operating Expense	-94	-342 <ul style="list-style-type: none"> Stock issue costs -120 Equity method holdings loss -136 	-248
Ordinary Profit	-858	-977	-119
Extraordinary Gains/Losses	143	-452 <ul style="list-style-type: none"> Nagoya Production Integration -63 Aus. oper. restructuring costs -61 Free vehicle inspection service -199 New car dvlp. cancellation -79 	-595
Income before tax	-715	-1,429	-714
Minority Interests	-1	-3	-2
Taxes	-86	-30	+56
Net Income	-802	-1,462	-660

(JPY 100M)

	FY03 (04/3)	FY04/1H (04/9)	Diff.
Total Assets	20,290	19,177	-1,113
Interest-bearing Debt	10,626	7,179	-3,447
(Automotive)	(8,693)	(5,381)	(-3,312)
(Financial Services)	(1,933)	(1,798)	(-135)
Equity	300	3,737	+3,437

FY04 Forecast: Unit Sales Volume by Region (retail)



(JPY 100M)	FY03 Actual	FY04 Forecast	Diff.	FY04 5/21 (Announcement)
Net Sales	25,194	21,000	- 4,194	22,500
Operating Profit	- 969	- 1,200	- 231	- 1,200
Ordinary Profit	- 1,103	- 1,800	- 697	- 1,500
Net Income	- 2,154	- 2,400	- 246	- 2,300

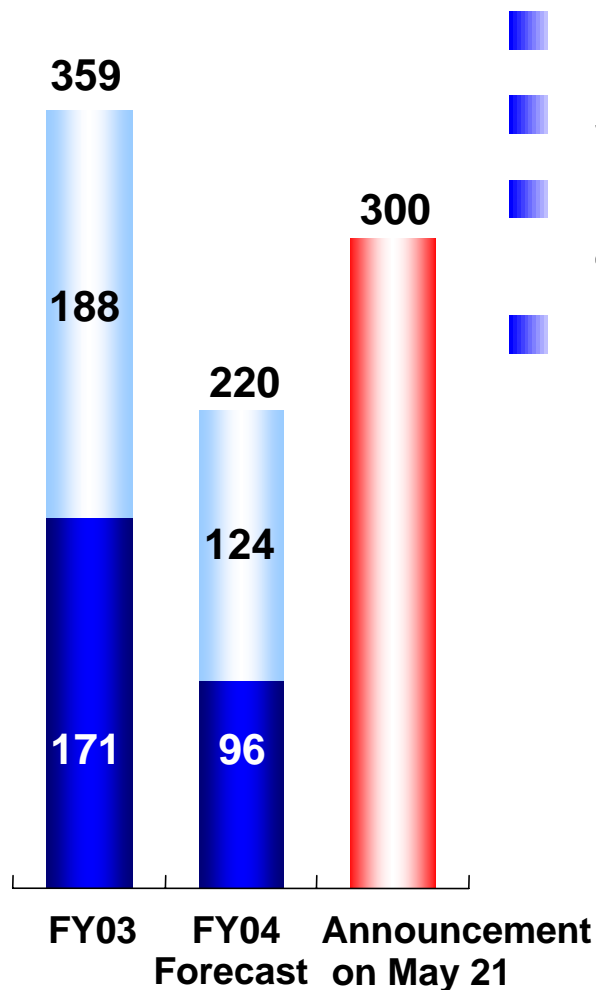
Business Revitalization Progress Second-half Sales Initiatives

Hideyasu Tagaya

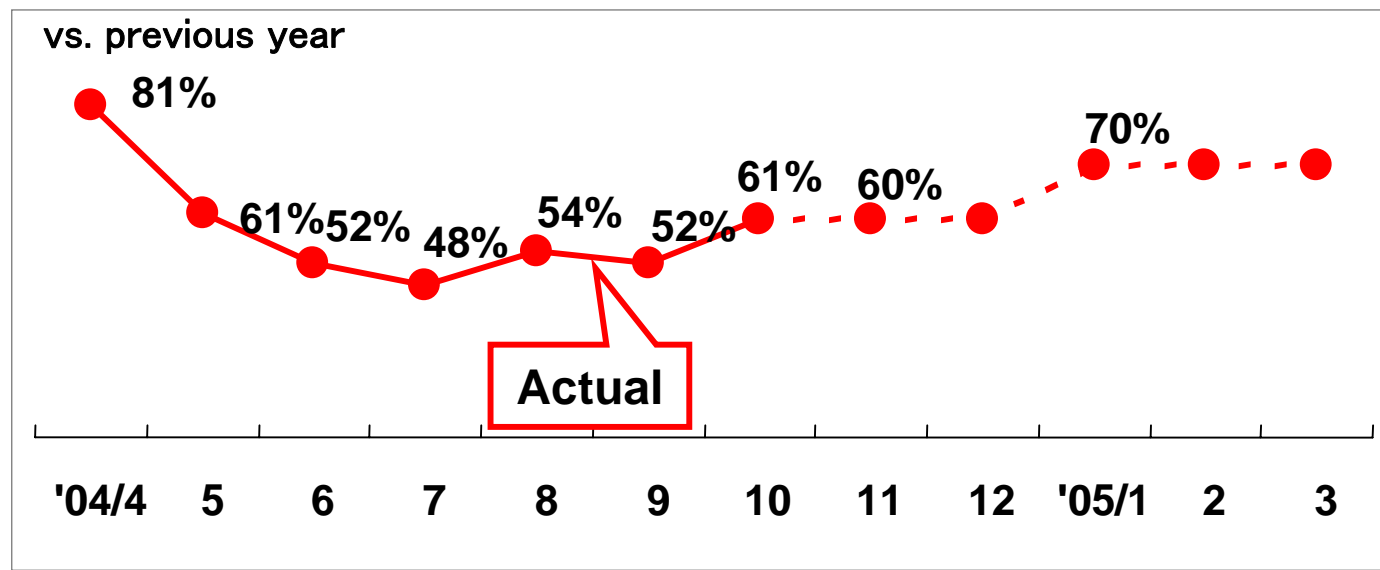
President & COO

Achieve 220K unit sales volume - Leverage new Colt Plus -

('000 units)

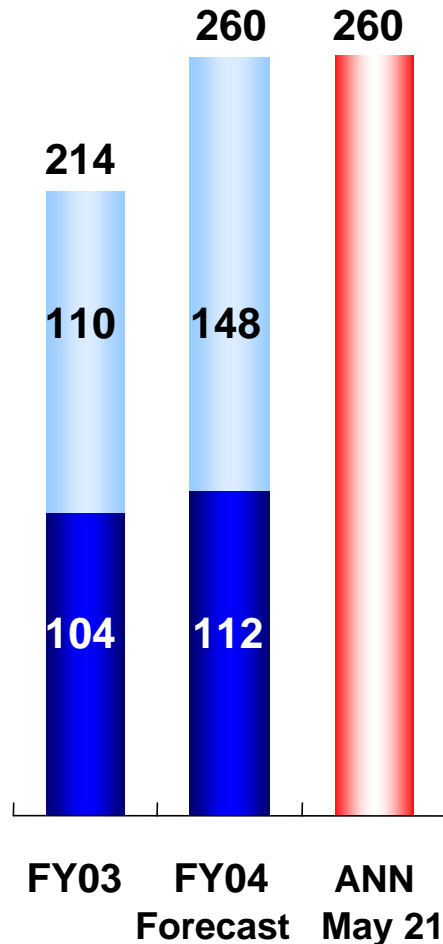


- Promote activities to restore trust
- Strengthen customer relations
- Resume advertising and normalize sales operation activities
- Launch of special edition series



Strengthen and expand product line-up Reinforce fundamentals in major markets

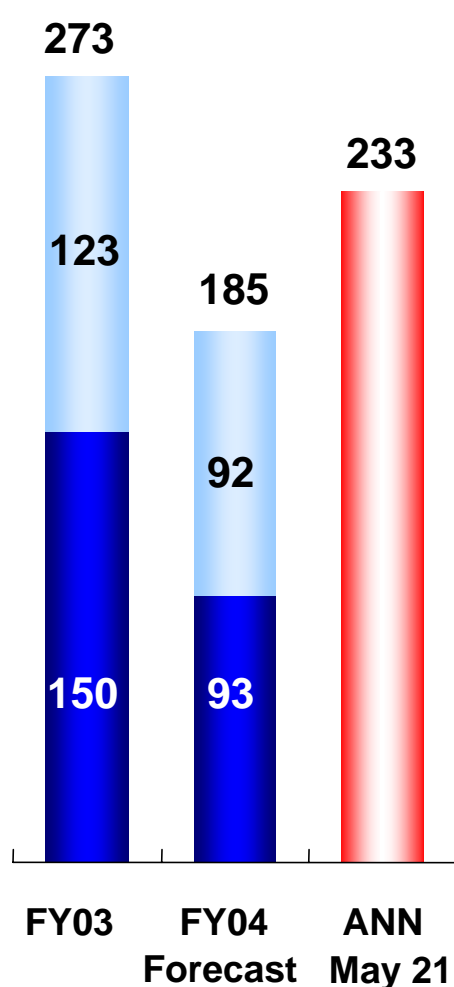
('000 units)



- Expand sales by reinforcing product line-up (Launch of competitive vehicles such as new Colt)
- Further expand sales in the UK and also in growth markets such as Russia and the Ukraine
- Implement corrective measures to promote sales in Germany

North American markets show some signs of recovery — More time still needed

('000 units)



■ Normalizing sales

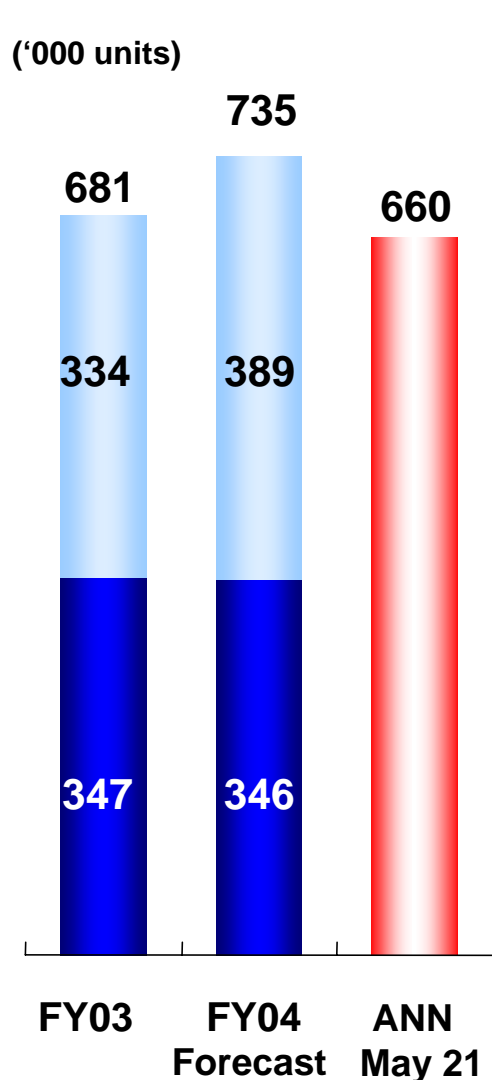
- Reduction of fleet sales and introduction of a certified used car program has seen an improvement in used car auction prices

■ Sales promotion

- Best Backed Cars TV advertisement support
- Strengthen test drive campaign
- Resume lease program (in limited regions)

■ Strengthen dealer support

- Enhancement of dealer incentives in top regional markets
- Strengthen support for dealer advertising



- North Asia:** Shore up sales through the launching of new products
-Strengthen relationship with local partners
- ASEAN:** Building on current position, introduce new products to expand sales and reorganize local sales networks
- Australia :** Launch new products such as the Colt
- Other regions:** Continue to expand sales in the Middle East, Africa, and Latin America

Revitalization Plan Specific Measures

(in billions of yen)

**Revitalization Plan
(May 21)
&
Additional Measures
(June 16)**

Measures	FY04 (Objective)	04/1H (Actual)	04/H2 (Objective)
<ul style="list-style-type: none"> ■ Reduction of Production Capacity <ul style="list-style-type: none"> - Consolidate 3 domestic plants into 2 - Capacity adjustment of MMNA (US) - Close MMAL (Australia) engine plant ■ Reduction of indirect labor ■ Reduction of labor costs, expenses, etc. 	53.4	17.3	36.1
<ul style="list-style-type: none"> ■ Material cost reduction 	36.0	9.7	26.3
Total	89.4	27.0	62.4

Current status after the FY04/Q1 announcement on Aug 4

Production capacity adjustment

Adjusted MMNA production, moved from 2-shift to 1-shift production

October 2004

Bring forward completion of mass production at Okazaki plant

FY06 ⇒ Dec 2005
(plan)

Reallocation of Okazaki workers, job placement service to neighboring companies e.g. Toyota group

**Under implementation
⇒ close to completion**

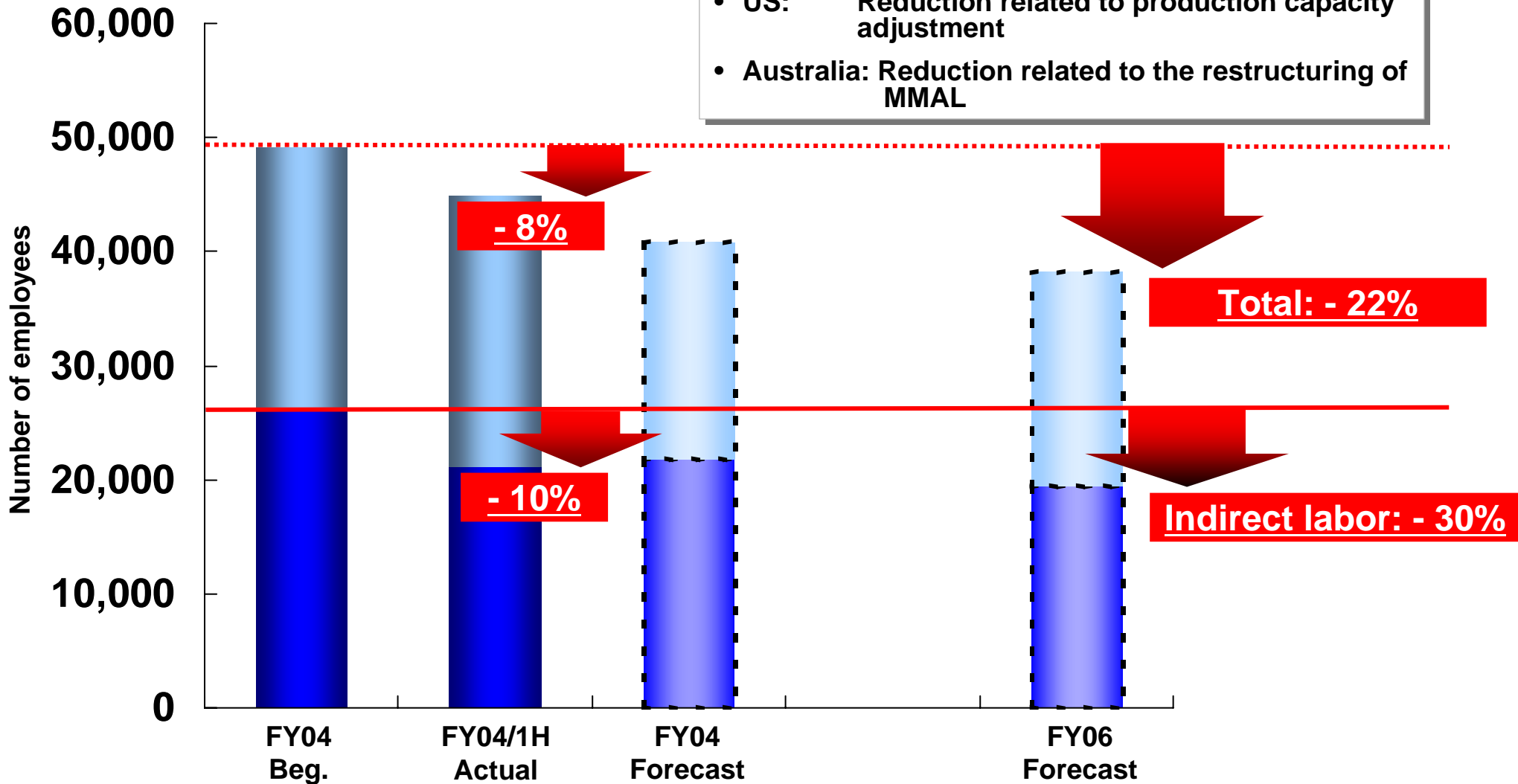
Early retirement at Australian assembly plant

**Under implementation
⇒ ahead of schedule**

Headcount reduction

Measures currently being implemented

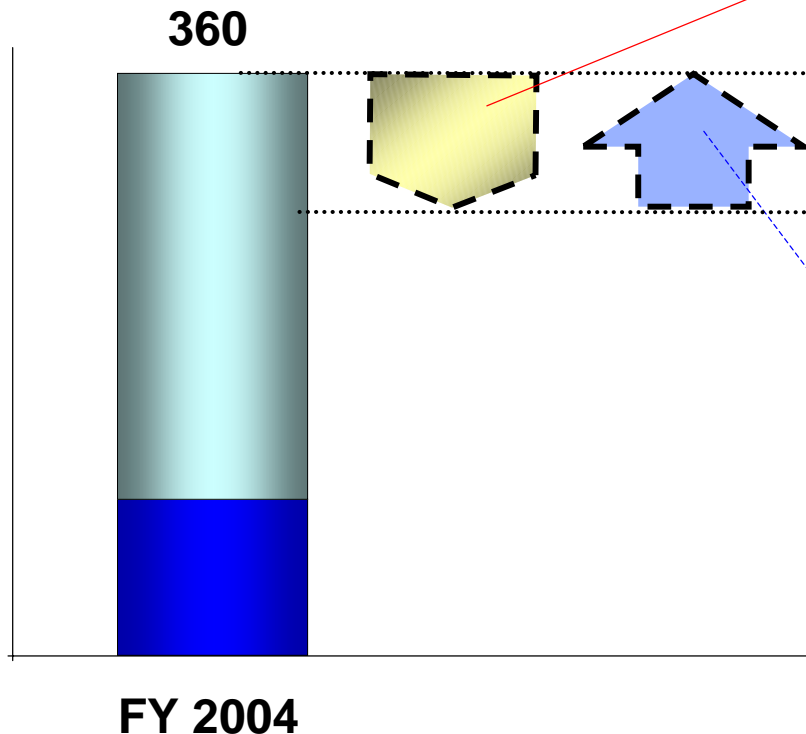
- Japan: Countermeasures related to the closure of production facilities in Okazaki
- US: Reduction related to production capacity adjustment
- Australia: Reduction related to the restructuring of MMAL



Intensify cost reduction initiatives to avert market pressure risks from an increasingly adverse procurement environment

(JPY 100M)

- FY04 Forecast
- FY04/1H Actual



- Deterioration in procurement environment
 - Higher prices of raw materials and steel products
 - Declining production volume

- Put additional workforce into reduction activities (New-MXP activities)
- Expansion of activities at overseas facilities where production volume is expected to increase

Financial Services Revitalization

- Late September signed letter of intent with major US financial institution, collectively reviewing business
- Possible sale of outstanding asset portfolio
- Target: have new business structure set-up by year end
 - MMCA ⇒ financing sales and marketing
 - New JV ⇒ procuring funds and servicing loans

Continue to provide competitive financial services support to dealers and customers throughout the US

Developing Business Revitalization “Action Plan”



- Identifying issues
- Cross Functional Teams (CFTs) to develop and propose action plan

Cross Functional Team

- Corporate Policy
- Basic Strategy
- Cost Strategy
- Organization/Jurisdiction and Corporate Culture Reforms
- Profit Target



Business Revitalization Follow-up Team
[Est. Sept 21]

- Quantifying the Business Revitalization Plan
- Cash Management

Develop Business Revitalization Action Plan that is able to handle environmental changes

Proposal to Board of Directors

Public announcement “Business Revitalization Action Plan”

All statements herein, other than historical facts, contain forward-looking statements and are based on our forecasts, expectations, target, assumptions, plans and evaluation as of the date hereof. Any expected number is calculated or obtained based on certain assumption. Forward-looking statements involve inherent risks and uncertainties. A number of significant factors could therefore cause actual results to differ from those contained in any forward-looking statement. Such significant factors include, but not limited to:

- feasibility of each target and initiatives as contemplated by the Business Revitalization Plan;
- any material adverse affects by any product quality problems in the past and future of our group and of Mitsubishi Fuso Truck & Bus Co., Ltd. (“MFTBC”) that was spun off from us and by any civil proceedings, recalls, administrative or criminal sanctions that may be brought or executed relating thereto;
- possible fluctuations in interest rates, exchange rates and oil prices;
- possible changes in laws, regulations and government policies; and
- general economic conditions in Japan and overseas

It should be noted that potential risks and uncertainties are not limited to the above and that we undertake no obligation to update the information in these statements to reflect any development or event in the future.