

Consolidated Financial Results for FY 2009 Full Year (April 1, 2009 through March 31, 2010)

Company name: **Mitsubishi Motors Corporation**
 Listing: First Section, the Tokyo Stock Exchange
 Stock code: 7211
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Scheduled date for ordinary general shareholders' meeting: June 23, 2010

Scheduled date to file Securities Report: June 24, 2010

Scheduled date to deliver cash dividends: TBD

1. Consolidated performance for the Full Year 2009 (April 1, 2009 to March 31, 2010)

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|--------------------|-----------------|--------|------------------|--------|-----------------|---|-----------------|---|
| For the year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2010 | 1,445,616 | (26.8) | 13,920 | 254.5 | 12,980 | — | 4,758 | — |
| March 31, 2009 | 1,973,572 | (26.4) | 3,926 | (96.4) | (14,926) | — | (54,883) | — |

| | Net income per share-basic | Net income per share-diluted | Return on equity | Ratio of ordinary income to total assets | Ratio of operating income to sales |
|---------|-------------------------------|---------------------------------|------------------|---|---------------------------------------|
| | Yen | Yen | % | % | % |
| FY 2009 | 0.86 | 0.51 | 2.2 | 1.1 | 1.0 |
| FY 2008 | (9.91) | — | (20.7) | (1.1) | 0.2 |

Note: Equity income from affiliates:

FY 2009
¥4,544 million

FY 2008
¥ 367 million

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------|-----------------|-----------------|--------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2010 | 1,258,669 | 234,478 | 17.8 | (38.54) |
| March 31, 2009 | 1,138,009 | 223,024 | 18.8 | (40.47) |

Reference: Shareholders' Equity As of March 31, 2010: ¥ 224,184 million As of March 31, 2009: ¥ 213,450 million

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from Investing activities | Cash flows from financing activities | Cash & cash equivalents at end of period |
|--------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen |
| FY2009 | 100,716 | (22,325) | 30,881 | 263,453 |
| FY2008 | (93,335) | (94,789) | (4,983) | 154,666 |

2. Cash dividends

| Record Date | Cash dividend per share | | | | | Total annual cash dividends | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|-------------------|-------------------------|----------------|---------------|-----------------|--------|-----------------------------|--------------------------------------|---|
| | First quarter | Second quarter | Third quarter | Fiscal year end | Annual | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of Yen | % | % |
| FY2008 | — | 0.00 | — | 0.00 | 0.00 | 0 | 0.0 | — |
| FY2009 | — | 0.00 | — | 0.00 | 0.00 | 0 | — | — |
| FY2010 (Forecast) | — | 0.00 | — | 0.00 | 0.00 | | 0.0 | |

3. Consolidated earnings forecasts for fiscal year 2010 (from April 1, 2010 to March 31, 2011)

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

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|--------------------------------|-----------------|------|------------------|-------|-----------------|-------|-----------------|-------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| FY2010 2 nd quarter | 850,000 | 48.3 | 5,000 | — | 0 | — | (9,000) | — | (1.63) |
| Full year | 1,900,000 | 31.4 | 45,000 | 223.3 | 30,000 | 131.1 | 15,000 | 215.3 | 2.71 |

4. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, procedures, and methods of presentation for preparing consolidated financial statements (those to be described in the section of the Change of Significant Accounting Policies on the Preparation of Consolidated Financial Statements)
 - (i) Changes due to revisions to accounting standards: No
 - (ii) Changes due to other reasons: No
- (3) Number of shares issued and outstanding (common stocks)
 - (i) Total number of shares issued and outstanding at the end of the fiscal year (including treasury stock)
 - As of March 31, 2010: 5,537,956,840 shares
 - As of March 31, 2009: 5,537,898,840 shares
 - (ii) Number of shares of treasury stock at the end of the period
 - As of March 31, 2010: 87,254 shares
 - As of March 31, 2009: 83,358 shares

Note: For details on the number of shares as a basis of computing net income per share (consolidated), please refer to per share information on page 26.

Reference: Summary of Non-consolidated Results

Financial highlights (April 1, 2009 through March 31, 2010)

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

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|--------|-----------------|--------|------------------|---|-----------------|---|-----------------|---|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % |
| FY2009 | 1,148,847 | (23.0) | (28,285) | — | (26,076) | — | (35,684) | — |
| FY2008 | 1,492,179 | (21.6) | (17,709) | — | (16,933) | — | (71,681) | — |

| | Net income per share-basic | Net income per share-diluted |
|--------|-------------------------------|---------------------------------|
| | Yen | Yen |
| FY2009 | (6.44) | — |
| FY2008 | (12.94) | — |

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share- basic |
|-------------------------|-----------------|-----------------|--------------|--------------------------------|
| | Millions of Yen | Millions of Yen | % | Yen |
| As of March 31, 2010 | 966,890 | 117,268 | 12.1 | (57.84) |
| March 31, 2009 | 819,991 | 148,688 | 18.1 | (52.17) |

Note: Shareholders' equity:

FY2009
¥ 117,268 million

FY2008
¥ 148,688 million

* Proper use of earnings forecasts, and other special matters

The earnings 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 and uncertainties. Changes in the company's business environment, in market trends and in foreign exchange rates may cause actual results to differ materially from these forecast figures.

1. Management Results

(1) Analysis of management results

Overview of consolidated results for the current term

Supported by economic measures enacted by several countries across the globe, the global economy for the fiscal year under review saw the sudden downturn brought on by the global financial crisis come to a halt, escaping the worst of the situation and head for a mild recovery. However, the realization of robust recovery is far off. In particular, with Japan's economic recovery being very dependent on external demand, the foreign exchange market shows a trend towards an appreciation of the yen. In addition, the business environment remains tough with domestic demand being unable to spur the economy as recovery in wage levels and employment are sluggish amidst a deflationary environment.

In this operating environment, the MMC Group wholly devoted itself to achieving profitability in Japan, stability in its North American business, constructing a production system that can respond to market needs in a timely manner, and further developing its environmental technologies in order to achieve its basic policies of "bolstering its strengths" and "securing steady profits" this fiscal year - the second year of the "Step-Up 2010" mid-term business plan. Also, in this continuingly severe business environment MMC continued implementing thorough cost reductions.

As a result, MMC achieved its goal of net profitability in its consolidated business results for the term with year-on-year increases in operating income, ordinary income, and net income despite a drop in net sales.

For the year ended March 31, 2010, MMC reported global retail sales of 960,000 units, down 106,000 units (10%) compared to the previous fiscal year. Sales volume by region is reported as follows.

In Japan, sales increased 3,000 units (1%) year-on-year to 171,000 units, due to support of overall demand throughout the fiscal year by governmental eco-car tax reductions and incentives, and the introduction of the all-new *RVR* compact crossover in February.

In North America, despite increased sales in Canada compared to the previous fiscal year, the United States' and Mexico's sales showed a decrease, resulting in a decline in regional sales to 88,000 units (down 31,000 units (26%) year-on-year).

In Europe Mitsubishi Motors sold 169,000 vehicles, a 38 percent decrease of 103,000 units over fiscal year 2008. The lag in recovery for the region as a whole was particularly marked in Russia and the Ukraine.

In Asia and Other Regions, although sales volume decreased in Central and South America and among Middle Eastern nations, China showed a more than 60% increase compared to the previous fiscal year. In addition, Taiwan, Thailand, the Philippines, and other markets in the region showed significant gains over the last fiscal year. Sales volume for the region came to 532,000 units, an increase of 25,000 units (5%) year-on-year.

Net sales totaled 1 trillion 445.6 billion yen, a year-on-year decrease of 528.0 billion yen (27%), mainly due to a deep decline in vehicle sales over the first half of the fiscal year, and the negative effects of a stronger yen.

Operating income increased by 10.0 billion yen over the last fiscal year to 13.9 billion yen, mostly due to thorough cost reductions implemented as emergency countermeasures in the midst of an unprecedented economic crisis in the latter half of fiscal year 2008 and carried through this fiscal year.

In addition to the turnaround in operating income, a 17.9 billion yen upturn in foreign exchange gains/losses and equity method investment gains/losses contributed to an ordinary income of 13.0 billion yen for the term, a 27.9 billion yen increase compared to the previous fiscal year.

In addition to the aforementioned 27.9 billion yen increase in ordinary income, extraordinary impairment losses decreased significantly, contributing to an increase in net income of 59.7 billion yen year-on-year to 4.8 billion yen.

Notes:

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

(2) Unit sales, net sales and operating income reported below explain the contents of information provided in "Segment information: (2) Geographical segment."

Results by business sector were as follows:

1. Automotive Business

In the automotive business sector, for the year ended March 31, 2010, net sales totaled 1 trillion 434.7 billion yen, down 526.8 billion yen (27%) compared to the previous fiscal year, and operating profit was 11.5 billion yen, an increase of 8.1 billion yen compared to the previous fiscal year.

2. Financial Business

In the financial business sector, net sales came to 10.9 billion yen, down 1.0 billion yen (9%) compared to the previous fiscal year and operating profit was 2.4 billion yen, an increase of 2.0 billion yen compared to the previous fiscal year.

Results by region were as follows:

1. Japan

In Japan, mainly due to a decrease in vehicle sales and appreciation of the yen, net sales came to 1 trillion 243.9 billion yen, a decrease of 356.3 billion yen (22.3%) compared to the previous fiscal year. With the drop in net sales among other factors, operating income fell to a loss of 9.8 billion yen, down 12.4 billion yen year-on-year.

2. North America

In North America, although a substantial drop in vehicle sales resulted in net sales of 166.0 billion yen, down 66.1 billion yen (28.5%) year-on-year, the region's operating loss improved by 19.2 billion yen from the previous fiscal year to a loss of 4.4 billion yen, mainly due to a reduction in advertising costs.

3. Europe

In Europe, although a substantial drop in vehicle sales resulted in net sales of 191.0 billion yen, down 165.1 billion yen (46.4%) compared to the previous fiscal year, the region's operating income came to a profit of 5.1 billion yen, an improvement of 9.6 billion yen over last fiscal year's operating loss, mainly due to cost reductions including sales and labor cost reductions achieved primarily from the restructuring of the European subsidiary.

4. Asia and Other Regions

In Asia and Other Regions, although lower vehicle sales resulted in net sales of 456.5 billion yen, down 21.9 billion yen (4.6%) compared to the previous fiscal year, operating profit rose to 22.2 billion yen, an increase of 0.5 billion yen year-on-year, owing to favorable exchange rates and cost reductions such as sales costs.

Fiscal 2010 earnings outlook (toward March 2011)

The current consolidated earnings forecast for fiscal year 2010 (ending March 31, 2011) is as follows:

| | 2 nd Quarter | Annual |
|------------------|-------------------------|------------------------------|
| | Consolidated | |
| Net Sales | 850.0 billion yen | 1 trillion 900.0 billion yen |
| Operating income | 5.0 billion yen | 45.0 billion yen |
| Ordinary income | 0.0 billion yen | 30.0 billion yen |
| Net income | (9.0) billion yen | 15.0 billion yen |

* Currency exchange rate assumption: 90 yen / 1 USD, 120 yen / 1 EUR, 82 yen / 1 AUD

The forecast for consolidated retail sales volume is as follows:

(1,000 units)

| Region | Fiscal Year 2010 Forecast | Fiscal Year 2009 Results |
|---------------|---------------------------|--------------------------|
| Japan | 183 | 171 |
| North America | 109 | 88 |
| Europe | 196 | 169 |
| Asia & Others | 633 | 532 |
| Total | 1,121 | 960 |

- * 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, market trends or exchange rates may cause actual results to differ materially from these forecasts.

Progress of Mid-term Business Plan

On February 29, 2008, MMC announced a new mid-term business plan, "Step Up 2010", covering fiscal years 2008 - 2010 (ending March 31, 2011). This business plan sets a new stage for operations, depicting steps from business revitalization to the building of a foundation that will maintain sustainable growth. Basic policies include both "bolstering strengths" and "securing steady profits." [For details, refer to "3. Management Policies (4) Corporate issues at hand."]

(2) Financial standing

Analysis of assets, debt, net assets and cash flow

Total assets at the end of the period increased compared to the end of last fiscal year by 120.7 billion yen to 1 trillion 258.7 billion yen. Total liabilities increased 109.2 billion yen to 1 trillion 24.2 billion yen. Net assets increased 11.5 billion yen over the figure for the end of the previous fiscal year to 234.5 billion yen.

Cash flow from operating activities came to a net inflow of 100.7 billion yen, due mainly to increased working capital (a 93.3 billion yen net outflow in fiscal year 2008).

Cash flow from investing activities came to a net outflow of 22.3 billion yen due mainly to capital expenditures (a 94.8 billion yen net outflow in fiscal year 2008).

Cash flow from financing activities totaled a net inflow of 30.9 billion yen (a 5.0 billion yen outflow in fiscal year 2008). The balance of cash and cash equivalents at the end of fiscal year 2009 thus stood at 263.5 billion yen (a balance of 154.7 billion yen at the end of fiscal year 2008).

Trends in key ratios

| | FY2004 Full Year | FY2005 Full Year | FY2006 Full Year | FY2007 Full Year | FY2008 Full Year | FY2009 Full Year |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Ratio of shareholders' equity (%) | 20.4 | 17.2 | 16.6 | 19.7 | 18.8 | 17.8 |
| Ratio of market value to assets (%) | 37.7 | 87.8 | 56.8 | 56.4 | 60.8 | 55.9 |
| Debt repayment coverage (years) | 34.9 | 8.2 | 3.1 | 1.9 | - | 3.9 |
| Interest coverage ratio | 0.5 | 2.9 | 7.8 | 8.6 | - | 7.4 |

(Notes)

Definitions:

Ratio of shareholders' equity: Shareholders' equity / total assets

Ratio of market value to assets: Total market value of shares / total assets

Debt repayment coverage: Interest bearing liabilities / cash flow from operating activities

Interest coverage ratio: Cash flows from operating activities / interest payments

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

(3) Dividend policy and dividends for the term ended March 31, 2010

MMC considers the returning of profits to shareholders as one of the most important goals of management. The financial needs for sustaining and growing the company are large with today's ever-increasing intensity of the fierce competition in the global automotive industry and progressing with environmentally friendly technologies. It is the basic policy of MMC to return the fruits of its efforts to shareholders in a stable fashion, after taking the state of earnings and cash flow into account. Accordingly, the company is making the utmost efforts to strengthen and improve its financial position through the implementation and execution of the initiatives set forth in "Step Up 2010."

MMC regrets to inform shareholders that, in view of the present financial situation, it must refrain from paying dividends on preferred and common stock for the term ended March 31, 2010. The company asks for their understanding regarding this matter.

(4) Business-related risks

Risks related to the company's operations and financial status are as follows:

Leasing, financial services and sales incentives

Overcapacity in the auto industry, and fierce competition, especially price competition in the North American market, has led to the necessity of sales incentives in sales promotion efforts.

The sales incentives the company uses in promotions reduce the selling price of new vehicles. It is possible that the use of incentives will lower resale values in the used car market and residual values evaluated for vehicles returned at the end of leases. If vehicle residual values decrease, there could be a negative impact on future business performance. The decline in residual values could also put downward pressure on car and lease assets held as collateral in the sales-finance unit.

Issuance of common and preferred shares and effect on share price

In June and July 2004, March 2005, and January 2006 the company issued several classes of convertible preferred shares. The conversion of all Class B shares, series 1 – 3 (issued July 2004), has already been completed, but the possible conversion of the remaining Class A & G shares to common shares in the future will dilute the value of existing common shares, and thus possibly influence the market price of common shares.

Effect of foreign exchange rate fluctuations

Overseas sales accounted for 74.5 percent of the consolidated sales of MMC for the period. The company endeavors to minimize the risk involved in foreign currency receivables and payables through foreign currency derivative contracts. However, fluctuations in the foreign exchange markets still may have an impact on MMC results.

Effect of socioeconomic situations

The breakdown of the above ratio for overseas sales is 12.1 percent for North America, 18.6 percent for Europe, and 43.8 percent for Asia and Other Regions. There is a possibility that changes in the socioeconomic situation in Japan or any of these regions will impact the results of the company.

Effect of interest rate fluctuations on borrowings

The balance of MMC's consolidated interest-bearing liabilities stood at 392.7 billion yen at the end of March 2010. There is a possibility that fluctuations in interest rates on borrowings resulting from a change in financial market conditions in the future will impact the results of the company.

Effect of fluctuations in materials prices

The MMC group purchases materials and finished parts and components from many partners. Increased demand and other changes in market conditions may cause materials and components prices to increase, thus raising the company's manufacturing costs and resulting in an impact on results.

Natural and other disasters

The company maintains production and other facilities in many parts of the world. The occurrence of a major natural or other disaster, such as an earthquake or typhoon, may result in large operational halts, etc. and thus have an impact on the results of MMC.

Changes in laws and regulations

MMC abides by laws and regulations regarding the environment, product safety, etc. in its various markets of operation. If any laws and regulations were to be changed, or new rules issued, costs associated with implementing these changes would have an impact on the results of the company.

2. The Mitsubishi Motors Corporation Group of Companies

Mitsubishi Motors Corporation and its group of related companies (referred to herein as 'MMC', or 'the company') is comprised of MMC and 57 consolidated subsidiaries, 4 equity method non-consolidated subsidiaries and 22 equity method affiliates (as of March 31, 2010).

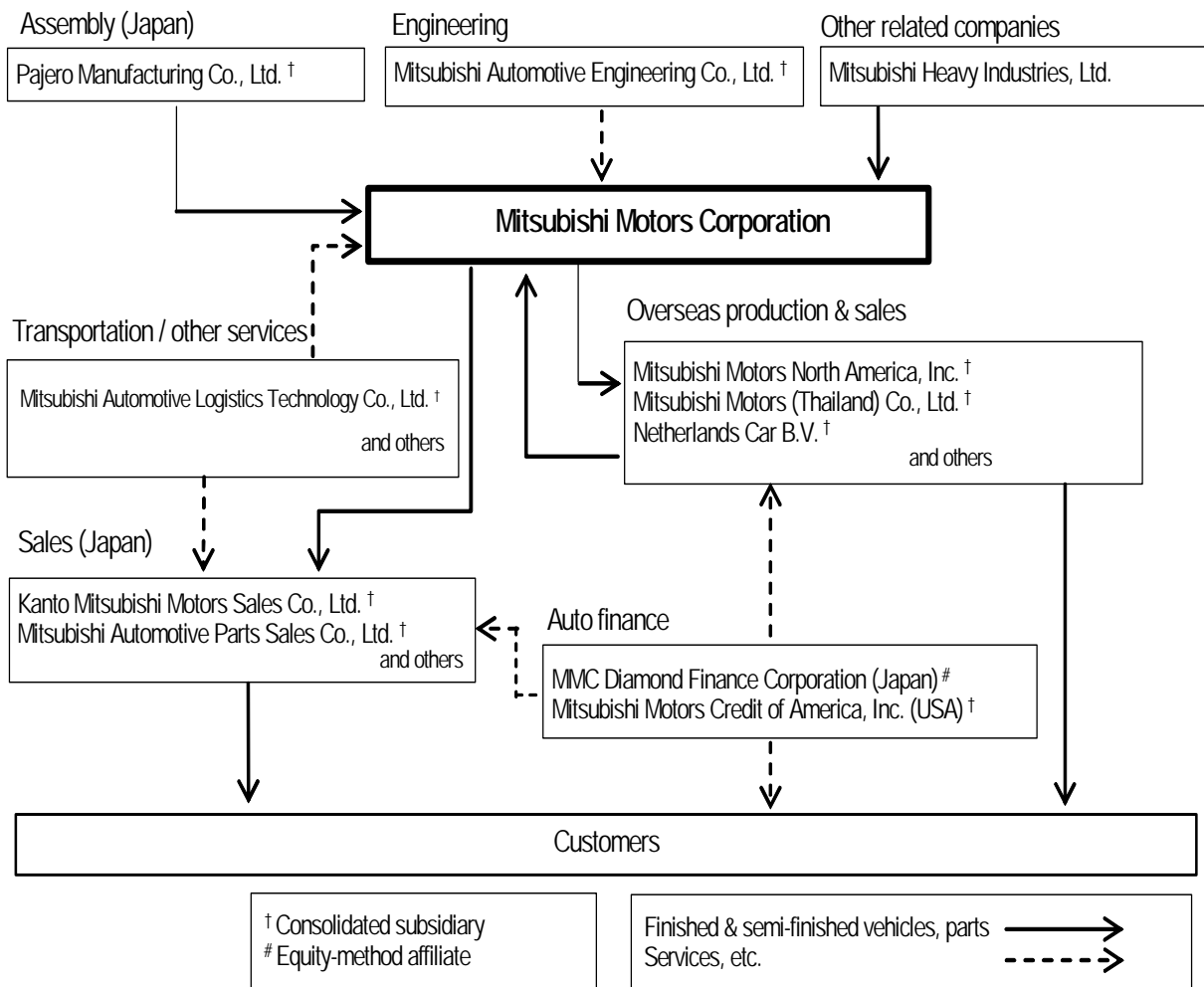
The MMC Group is engaged in the development, production and sales of passenger vehicles and their parts and components, as well as sales and financial operations. MMC is responsible for most of the development work.

In Japan, medium- and compact-sized vehicles and minicars are produced by MMC, with some sport utility vehicles (including the *Pajero*) being produced by Pajero Manufacturing Co., Ltd. Mitsubishi Motors sales companies such as Kanto Mitsubishi Motors Sales Co., Ltd. sell these automobiles in the domestic market. Mitsubishi Automotive Engineering Co., Ltd. undertakes some of the development of MMC automotive products, which are distributed by Mitsubishi Automotive Logistics Technology Co., Ltd., which also performs pre-delivery inspection and maintenance of some new vehicles. Replacement parts and accessories for the Japanese market are manufactured by MMC and are sold not only by the previously mentioned sales companies, but also by parts sales companies such as Mitsubishi Motor Auto Parts Sales Co., Ltd.

With regard to overseas operations: In North America production and sales operations are conducted by Mitsubishi Motors North America, Inc. (U.S.A.). In Thailand production and sales operations are conducted by Mitsubishi Motors (Thailand) Co., Ltd. In Europe, production is conducted by Netherlands Car B.V. (Holland).

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

The main MMC group structure and constituent company products and services outlined above are shown in the diagram on the following page.



3. Management Policies

(1) Basic management policy

"We are committed to providing the utmost driving pleasure and safety for our valued customers and our community. On these commitments we will never compromise. This is the Mitsubishi Motors way." Based on this corporate philosophy, as MMC progresses in all corporate activities, our objective is to be a company that is trusted by our stakeholders, customers, business associates, employees and the public in general.

"For our valued customers and our community" = Thoroughly placing customers first

All corporate activities are being executed so that customer satisfaction is made the foremost objective. To realize this, exhaustive efforts are being placed in environmentally friendly technologies and in the pursuit of superior vehicle safety. Through customer satisfaction, MMC aims to become a company in which society places its trust.

"The utmost driving pleasure and safety" = Making the orientation of Mitsubishi Car Engineering transparent

The vehicles that MMC provides to customers reflect the ideas of "Driving Pleasure" and "Reassuring Safety." MMC will offer cars that balance on and off-road performance — the fundamental appeal of the car, with safety and reliability — allowing customers to use MMC vehicles with confidence.

"On these commitments we will never compromise" = Preserving the commitments of Mitsubishi Motors

With a mission of creating new value for cars which provide satisfaction to users, and in making owning a Mitsubishi vehicle even more fulfilling, MMC will not waiver in its commitment to achieving superior car engineering, no matter how small the task.

"Committed to providing" = Emphasizing continuity

With passion and conviction, MMC continuously strives to provide customers with cars that promote the values of Mitsubishi Motors.

(2) Targets for performance measurements

Presently, MMC is not utilizing targets for performance measurements such as ROE or ROA. All efforts are being placed on achieving the goals stipulated in "Step Up 2010," to build solid profitability and strengthen the company's financial position.

(3) Medium- and long-term management strategy

All directors and employees of MMC will combine their strengths and work together to execute the mid-term business plan, "Step Up 2010," covering the period from fiscal year 2008 to fiscal year 2010 (end of March 2011).

(4) Corporate issues at hand

Putting the future business environment in perspective, the current severe economic environment is expected to continue in the foreseeable future. As economic stimulus measures enacted by countries around the world fade, anticipations are for a continuing situation where further caution is required.

Amidst these conditions, the MMC group will enter the final year of its mid-term business plan, "Step Up 2010." Taking into account changes in the post-financial crisis economic environment and a shrinking automobile market, MMC will reassess its sales volume and profit goals; however firmly adhering to the company's basic policies of "bolstering its strengths" and "securing steady profits," MMC will continue thorough efforts to achieve the following initiatives:

1. Introduce competitive products and increase unit sales in "focus" markets
2. Ensure steady profits by pursuing cost-cutting measures and expanding peripheral businesses related to new vehicle sales
3. Improve global production efficiency in line with sales strategies

4. Research and develop next-generation environmental technologies
5. Proactively invest in areas that will provide a base for sustainable growth

Through efforts to achieve the above, MMC will introduce products that meet the needs of markets where demand is expected to rise, centering on developing countries. While focusing efforts into developing these markets and increasing sales volume, MMC will improve its business position by expanding its peripheral businesses and bolstering competitiveness through further cost reductions. At the same time, MMC will strengthen its base for future sustainable growth starting with development of technologies that conform to heightened global environmental awareness.

MMC places a high priority on compliance throughout the execution of all corporate activities, and shall maintain this stance as the company proceeds with measures to achieve the aforementioned objectives. The utmost attention is given to the well-being of society and the environment, as well as maintaining the highest level of ethical standards so as not to damage customer and societal trust in the company.

Mitsubishi Motors Corporation wishes to sincerely thank all stockholders and stakeholders for their patronage, and humbly requests your continued support and guidance in the years ahead.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

| | FY 2008 As of March 31, 2009 | FY 2009 As of March 31, 2010 |
|--|---------------------------------|---------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 167,841 | 264,323 |
| Notes and accounts receivable-trade | 89,607 | 121,385 |
| Finance receivables | 30,596 | 22,139 |
| Merchandise and finished goods | 110,658 | 115,166 |
| Work in process | 19,174 | 25,847 |
| Raw materials and supplies | 59,287 | 42,855 |
| Short-term loans receivable | 608 | 251 |
| Deferred tax assets | 1,398 | 2,007 |
| Other | 69,298 | 89,548 |
| Less: Allowance for doubtful accounts | (7,528) | (10,448) |
| Total current assets | 540,943 | 673,077 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 98,855 | 86,018 |
| Machinery, equipment and vehicles, net | 163,687 | 139,260 |
| Tools, furniture and fixtures, net | 71,775 | 79,156 |
| Land | 96,494 | 95,569 |
| Construction in progress | 9,125 | 8,228 |
| Total property, plant and equipment | 439,936 | 408,234 |
| Intangible assets | 16,436 | 12,435 |
| Investments and other assets | | |
| Long-term finance receivables | 24,001 | 45,196 |
| Investment securities | 54,650 | 64,820 |
| Long-term loans receivable | 9,146 | 6,746 |
| Deferred tax assets | 8,206 | 6,060 |
| Other | 57,010 | 54,235 |
| Less: Allowance for doubtful accounts | (12,322) | (12,136) |
| Total investments and other assets | 140,693 | 164,922 |
| Total noncurrent assets | 597,066 | 585,592 |
| Total assets | 1,138,009 | 1,258,669 |

(Millions of yen)

| | FY 2008 As of March 31, 2009 | FY 2009 As of March 31, 2010 |
|---|---------------------------------|---------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 155,600 | 265,028 |
| Short-term loans payable | 179,635 | 125,851 |
| Current portion of long-term loans payable | 43,391 | 193,523 |
| Current portion of bonds payable | 25,600 | 200 |
| Lease obligations | 7,425 | 7,405 |
| Accounts payable-other and accrued expenses | 114,578 | 101,190 |
| Income taxes payable | 4,994 | 3,062 |
| Provision for product warranties | 35,561 | 26,331 |
| Other | 53,306 | 50,684 |
| Total current liabilities | 620,093 | 773,278 |
| Noncurrent liabilities | | |
| Bonds payable | 200 | - |
| Long-term loans payable | 104,579 | 73,174 |
| Lease obligations | 13,197 | 10,939 |
| Deferred tax liabilities | 18,549 | 20,750 |
| Provision for retirement benefits | 106,311 | 106,354 |
| Provision for directors' retirement benefits | 929 | 927 |
| Other | 51,123 | 38,766 |
| Total noncurrent liabilities | 294,891 | 250,913 |
| Total liabilities | 914,985 | 1,024,191 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 657,350 | 657,355 |
| Capital surplus | 432,661 | 432,666 |
| Retained earnings | (770,750) | (765,988) |
| Treasury stock | (14) | (15) |
| Total shareholders' equity | 319,246 | 324,017 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 1,183 | 5,494 |
| Deferred gains or losses on hedges | 789 | (90) |
| Foreign currency translation adjustment | (107,769) | (105,236) |
| Total valuation and translation adjustments | (105,795) | (99,832) |
| Minority interests | 9,573 | 10,293 |
| Total net assets | 223,024 | 234,478 |
| Total liabilities and net assets | 1,138,009 | 1,258,669 |

(2) Consolidated statement of income

(Millions of yen)

| | For the fiscal year ended March 31, 2009 | For the fiscal year ended March 31, 2010 |
|--|---|---|
| Net sales | 1,973,572 | 1,445,616 |
| Cost of sales | 1,663,121 | 1,211,635 |
| Gross profit | 310,451 | 233,980 |
| Selling, general and administrative expenses | | |
| Advertising and promotion expenses | 78,783 | 52,211 |
| Freightage expenses | 44,530 | 24,509 |
| Provision for allowance for doubtful accounts | - | 647 |
| Directors' compensations, salaries and allowances | 66,979 | 56,761 |
| Provision for retirement benefits | 5,144 | 4,645 |
| Depreciation | 13,791 | 11,869 |
| Research and development expenses | 35,808 | 22,479 |
| Other | 61,485 | 46,937 |
| Total selling, general and administrative expenses | 306,524 | 220,060 |
| Operating income | 3,926 | 13,920 |
| Non-operating income | | |
| Interest income | 5,697 | 1,425 |
| Dividends income | 788 | 686 |
| Foreign exchange gains | - | 9,130 |
| Equity in earning of affiliates | 367 | 4,544 |
| Other | 750 | 1,233 |
| Total non-operating income | 7,603 | 17,020 |
| Non-operating expenses | | |
| Interest expenses | 14,546 | 13,403 |
| Foreign exchange losses | 5,105 | - |
| Litigation expenses | 3,517 | 1,752 |
| Other | 3,285 | 2,804 |
| Total non-operating expenses | 26,455 | 17,960 |
| Ordinary income | (14,926) | 12,980 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 640 | 2,011 |
| Gain on sales of investment securities | 91 | 138 |
| Reversal of cost related to the closure of the production facility of Australian subsidiary | 1,896 | - |
| Gain on transfer from business divestitures | 561 | - |
| Reversal of allowance for doubtful accounts | 460 | - |
| Reversal of loss on liquidation of subsidiaries and affiliates | - | 1,167 |
| Other | 842 | 542 |
| Total extraordinary income | 4,493 | 3,859 |

| | (Millions of yen) | |
|---|---|---|
| | For the fiscal year ended March 31, 2009 | For the fiscal year ended March 31, 2010 |
| Extraordinary loss | | |
| Loss on retirement of noncurrent assets | 3,494 | 1,265 |
| Loss on sales of noncurrent assets | 114 | 10 |
| Impairment loss | 27,494 | 214 |
| Early retirement expense | 8,832 | 1,168 |
| Environmental expenses | - | 1,949 |
| Other | 3,349 | 641 |
| Total extraordinary losses | 43,284 | 5,248 |
| Income before income taxes and minority interests | (53,717) | 11,591 |
| Income taxes-current | 4,899 | 3,140 |
| Income taxes-deferred | (3,788) | 1,150 |
| Total income taxes | 1,111 | 4,290 |
| Minority interests in income | 55 | 2,542 |
| Net income or loss | (54,883) | 4,758 |

(3) Consolidated statements of changes in net assets

(Millions of yen)

| | For the fiscal year ended March 31, 2009 | For the fiscal year ended March 31, 2010 |
|---|---|---|
| Shareholders' equity | | |
| Capital stock | | |
| Balance at the end of previous period | 657,349 | 657,350 |
| Changes of items during the period | | |
| Issuance of new shares | 0 | 5 |
| Total changes of items during the period | 0 | 5 |
| Balance at the end of current period | 657,350 | 657,355 |
| Capital surplus | | |
| Balance at the end of previous period | 432,661 | 432,661 |
| Changes of items during the period | | |
| Issuance of new shares | 0 | 4 |
| Total changes of items during the period | 0 | 4 |
| Balance at the end of current period | 432,661 | 432,666 |
| Retained earnings | | |
| Balance at the end of previous period | (702,432) | (770,750) |
| Effect of changes in accounting policies applied to foreign subsidiaries | (13,455) | - |
| Changes of items during the period | | |
| Net income (loss) | (54,883) | 4,758 |
| Change of scope of consolidation | 21 | (156) |
| Changes of scope of equity method | - | 160 |
| Total changes of items during the period | (54,862) | 4,761 |
| Balance at the end of current period | (770,750) | (765,988) |
| Treasury stock | | |
| Balance at the end of previous period | (14) | (14) |
| Changes of items during the period | | |
| Purchase of treasury of stock | (0) | (0) |
| Total changes of items during the period | (0) | (0) |
| Balance at the end of current period | (14) | (15) |
| Total shareholders' equity | | |
| Balance at the end of previous period | 387,564 | 319,246 |
| Effect of changes in accounting policies applied to foreign subsidiaries | (13,455) | - |
| Changes of items during the period | | |
| Issuance of new shares | 0 | 10 |
| Net income (loss) | (54,883) | 4,758 |
| Purchase of treasury stock | (0) | (0) |
| Change of scope of consolidation | 21 | (156) |
| Change of scope of equity method | - | 160 |
| Total changes of items during the period | (54,862) | 4,771 |
| Balance at the end of current period | 319,246 | 324,017 |

(Millions of yen)

| | For the fiscal year ended March 31, 2009 | For the fiscal year ended March 31, 2010 |
|---|---|---|
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | | |
| Balance at the end of previous period | 10,676 | 1,183 |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (9,492) | 4,310 |
| Total changes of items during the period | (9,492) | 4,310 |
| Balance at the end of current period | 1,183 | 5,494 |
| Deferred gains or losses on hedges | | |
| Balance at the end of previous period | 3,157 | 789 |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (2,367) | (880) |
| Total changes of items during the period | (2,367) | (880) |
| Balance at the end of current period | 789 | (90) |
| Foreign currency translation adjustments | | |
| Balance at the end of previous period | (84,584) | (107,769) |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (23,185) | 2,532 |
| Total changes of items during the period | (23,185) | 2,532 |
| Balance at the end of current period | (107,769) | (105,236) |
| Total valuation and translation adjustments | | |
| Balance at the end of previous period | (70,750) | (105,795) |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (35,045) | 5,962 |
| Total changes of items during the period | (35,045) | 5,962 |
| Balance at the end of current period | (105,795) | (99,832) |
| Minority interests | | |
| Balance at the end of previous period | 11,318 | 9,573 |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (1,744) | 719 |
| Total changes of items during the period | (1,744) | 719 |
| Balance at the end of current period | 9,573 | 10,293 |

(Millions of yen)

| | For the fiscal year ended March 31, 2009 | For the fiscal year ended March 31, 2010 |
|---|---|---|
| Total net assets | | |
| Balance at the end of previous period | 328,132 | 223,024 |
| Effect of changes in accounting policies applied to foreign subsidiaries | (13,455) | - |
| Changes of items during the period | | |
| Issuance of new shares | 0 | 10 |
| Net income (loss) | (54,883) | 4,758 |
| Purchase of treasury stock | (0) | (0) |
| Change of scope of consolidation | 21 | (156) |
| Changes of scope of equity method | - | 160 |
| Net changes of items other than shareholders' equity | (36,790) | 6,682 |
| Total changes of items during the period | (91,652) | 11,453 |
| Balance at the end of current period | 223,024 | 234,478 |

(4) Consolidated statement of cash flows

(Millions of yen)

| | For the fiscal year ended March 31, 2009 | For the fiscal year ended March 31, 2010 |
|--|---|---|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes and minority interests | (53,717) | 11,591 |
| Depreciation and amortization | 84,408 | 71,850 |
| Impairment loss | 27,494 | 214 |
| Amortization of goodwill | 176 | 19 |
| Increase (decrease) in allowance for doubtful accounts | (3,194) | (551) |
| Increase (decrease) in provision for retirement benefits | 2,445 | (52) |
| Interest and dividends income | (6,485) | (2,111) |
| Interest expenses | 14,546 | 13,403 |
| Foreign exchange losses (gains) | 2 | 3,269 |
| Equity in (earnings) losses of affiliates | (367) | (4,544) |
| Loss (gain) on sales and retirement of noncurrent assets | 2,968 | (736) |
| Loss (gain) on sales of investments in securities, net | - | (138) |
| Loss (gain) on valuation of investment securities | - | 20 |
| Early retirement expense | 8,832 | 1,168 |
| Decrease (increase) in notes and accounts receivable-trade | 63,144 | (27,975) |
| Decrease (increase) in inventories | 57,073 | 12,113 |
| Change in finance receivables | (16,368) | (15,597) |
| Increase (decrease) in notes and accounts payable-trade | (229,035) | 107,557 |
| Other, net | (8,730) | (49,328) |
| Subtotal | (56,806) | 120,172 |
| Interest and dividends income received | 8,613 | 2,785 |
| Interest expenses paid | (14,530) | (13,599) |
| Compensation based on stock transfer contract paid | (15,896) | - |
| Payment for early retirement expenses | (7,988) | (3,635) |
| Income taxes paid | (6,727) | (5,006) |
| Net cash provided by (used in) operating activities | (93,335) | 100,716 |
| Net cash provided by (used in) investment activities | | |
| Decrease (increase) in time deposits | (13,720) | 12,267 |
| Purchase of property, plant and equipment | (91,224) | (44,279) |
| Proceeds from sales of property, plant and equipment | 16,686 | 13,941 |
| Purchase of investment securities | (559) | (0) |
| Proceeds from sales of investment securities | 445 | 260 |
| Decrease (increase) in short-term loans receivable | (1,027) | 349 |
| Payments of long-term loans receivable | (811) | (13) |
| Collection of long-term loans receivable | 714 | 413 |
| Other, net | (5,291) | (5,263) |
| Net cash provided by (used in) investment activities | (94,789) | (22,325) |

(Millions of yen)

| | For the fiscal year ended March 31, 2009 | For the fiscal year ended March 31, 2010 |
|---|---|---|
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | (28,135) | (52,161) |
| Proceeds from long-term loans payable | 114,435 | 171,800 |
| Repayment of long-term loans payable | (59,965) | (54,243) |
| Redemption of bonds | (22,790) | (25,600) |
| Cash dividends paid to minority shareholders | (585) | (1,671) |
| Other, net | (7,941) | (7,242) |
| Net cash provided by (used in) financing activities | (4,983) | 30,881 |
| Effect of exchange rate change on cash and cash equivalents | (13,793) | (584) |
| Net increase (decrease) in cash and cash equivalents | (206,902) | 108,688 |
| Cash and cash equivalents at beginning of period | 360,902 | 154,666 |
| Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation | 666 | 25 |
| Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries | - | 73 |
| Cash and cash equivalents at end of period | 154,666 | 263,453 |

Notes on premise of going concern:

For the previous fiscal year (from April 1, 2008 to March 31, 2009):

There is no item to be reported.

For the fiscal year under review (from April 1, 2009 to March 31, 2010):

There is no item to be reported.

Significant Accounting Policies on Preparation of Consolidated Financial Statements:

Disclosure of significant accounting policies is omitted because no significant changes were made after the latest Securities Report (submitted on June 23, 2009).

Notes to consolidated financial statements:

Consolidated balance sheet:

(in Millions of yen)

| As of March 31, 2010 | |
|---|-------|
| Contingent liabilities | |
| Contingent liabilities | 3,235 |
| Obligations similar to contingent liabilities | 1,525 |

Consolidated statement of income:

(in Millions of yen)

| For the fiscal year from April 1, 2009 to March 31, 2010 | |
|---|--------|
| Total R&D expenditure included in selling, general and administrative expenses | 22,479 |

Consolidated statements of net assets: (from April 1, 2009 to March 31, 2010)

Shares issued and outstanding and treasury stocks

(Thousands of shares)

| | Number of shares As of 3/31/2009 | Increase | Decrease | Number of shares As of 3/31/2010 |
|---------------------------------|-------------------------------------|----------|----------|-------------------------------------|
| Shares issued and outstanding: | | | | |
| Common shares ^{Note 1} | 5,537,898 | 58 | | 5,537,956 |
| Class A # 1 preferred shares | 73 | | | 73 |
| Class A # 2 preferred shares | 25 | | | 25 |
| Class A # 3 preferred shares | 1 | | | 1 |
| Class G # 1 preferred shares | 130 | | | 130 |
| Class G # 2 preferred shares | 168 | | | 168 |
| Class G # 3 preferred shares | 10 | | | 10 |
| Class G # 4 preferred shares | 30 | | | 30 |
| Total | 5,538,336 | 58 | | 5,538,394 |
| Treasury shares | | | | |
| Common shares ^{Note 2} | 83 | 3 | | 87 |
| Total | 83 | 3 | | 87 |

Notes: 1. Increase in common shares outstanding of 58,000 shares is due to exercise of stock acquisition rights.

2. Increase in treasury common shares of 3,000 is the result of purchases of stock lots not meeting the minimum trading lot (1,000 shares).

Consolidated statement of cash flows:

(in Millions of yen)

| For the fiscal year ended March 31, 2010 | |
|--|--------------|
| Reconciliation between cash and cash equivalents and the amounts reported in the consolidated balance sheet is as follows: | |
| Cash and cash deposits | 264,323 |
| Time deposits with maturities greater than three months | <u>(869)</u> |
| Cash and cash equivalents | 263,453 |

Segment information:

(1) Business segment (from April 1, 2009 to March 31, 2010)

(In Millions of yen)

| | Automobiles | Financial services | Total | Corporate and eliminations | Consolidated |
|--|-------------|--------------------|-----------|----------------------------|--------------|
| I. Net sales & operating income/loss | | | | | |
| Net sales | | | | | |
| (1) External customers | 1,434,737 | 10,878 | 1,445,616 | - | 1,445,616 |
| (2) Intersegment sales & transfers | (1) | - | (1) | 1 | - |
| Total | 1,434,736 | 10,878 | 1,445,614 | 1 | 1,445,616 |
| Operating income | 11,493 | 2,425 | 13,919 | 1 | 13,920 |
| II. Assets, depreciation, impairment loss & capital expenditures | | | | | |
| Assets | 1,184,603 | 90,385 | 1,274,988 | (16,319) | 1,258,669 |
| Depreciation | 69,393 | 2,457 | 71,850 | - | 71,850 |
| Impairment loss | 214 | - | 214 | - | 214 |
| Capital expenditure | 49,378 | 5,577 | 54,955 | - | 54,955 |

- Notes: 1. Segments are divided by sector and by market.
 2. Major products by business segment
 (1) AutomobilesPassenger cars
 (2) Financial servicesSales-finance products

(2) Geographical segment (from April 1, 2009 to March 31, 2010)

(In Millions of yen)

| FY2009 | Japan | North America | Europe | Asia | Other areas | Total | Corporate and eliminations | Consolidated |
|--------------------------------------|-----------|---------------|---------|---------|-------------|-----------|----------------------------|--------------|
| I. Net sales & operating income/loss | | | | | | | | |
| Net sales | | | | | | | | |
| (1) External customers | 875,786 | 158,316 | 124,074 | 105,741 | 181,697 | 1,445,616 | - | 1,445,616 |
| (2) Intersegment sales & transfers | 368,140 | 7,667 | 66,894 | 168,758 | 256 | 611,717 | (611,717) | - |
| Total | 1,243,926 | 165,984 | 190,968 | 274,500 | 181,954 | 2,057,333 | (611,717) | 1,445,616 |
| Operating income or loss | (9,846) | (4,379) | 5,061 | 13,616 | 8,570 | 13,021 | 898 | 13,920 |
| II. Assets | 1,091,321 | 159,081 | 119,258 | 234,235 | 64,485 | 1,668,382 | (409,712) | 1,258,669 |

- Notes: 1. National and regional groupings are classified by geographical proximity and mutual relevance of business activities.
2. Main countries and regions outside Japan are grouped as follows:
(1) North America.....The United States
(2) Europe.....The Netherlands
(3) Asia.....Thailand, The Philippines
(4) Other.....Australia, New Zealand, U.A.E., Puerto Rico

(3) Overseas sales (from April 1, 2009 to March 31, 2010)

(In Millions of yen)

| | North America | Europe | Asia | Oceania | Other areas | Total |
|--|---------------|---------|---------|---------|-------------|-----------|
| I. Overseas sales | 175,391 | 269,221 | 262,507 | 152,798 | 217,216 | 1,077,136 |
| II. Consolidated sales | | | | | | 1,445,616 |
| III. Overseas sales as a percentage of total sales | 12.1% | 18.6% | 18.2% | 10.6% | 15.0% | 74.5% |

- Notes:
1. National and regional groupings are classified by geographical proximity and mutual relevance of business activities.
 2. Main countries and regions outside Japan are grouped as follows:
 - (1) North America.....The United States
 - (2) Europe.....The Netherlands, Italy, Germany, Russia, Ukraine
 - (3) Asia.....Thailand, Malaysia, Taiwan
 - (4) Oceania.....Australia, New Zealand
 - (5) Other.....U.A.E., Puerto Rico
 3. Overseas sales consist of sales outside of Japan of MMC and its consolidated subsidiaries.

Per share information

(In Yen)

| For the fiscal year ended March 31, 2010 (from April 1, 2009 to March 31, 2010) | |
|--|---------|
| Net assets per share | (38.54) |
| Net income per share - basic | 0.86 |
| Net income per share - diluted | 0.51 |

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

(in Millions of yen)

| | For the fiscal year ended March 31, 2010 (from April 1, 2009 to March 31, 2010) |
|--|--|
| Net income per share - basic | |
| Net income as shown on the statement of income | 4,758 |
| Gain not attributable to ordinary shareholders | - |
| Net income related to common stock | 4,758 |
| Average number of shares of common stock outstanding during the period (Unit: Thousands of shares) | 5,537,858 |
| Net income per share - diluted | |
| Adjustment to Net income | - |
| Increase in number of shares of common stock (Unit: Thousands of shares) | 3,880,647 |
| (Preferred shares) | (3,880,647) |
| (Subscription rights to shares) | - |

Significant subsequent events:

N/A

Other notes:

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

- Lease transactions
- Related-party transactions
- Deferred tax
- Financial instruments
- Marketable securities
- Derivative transactions
- Retirement benefits
- Stock option etc.
- Business combinations etc.
- Investment properties etc.

5. Non-consolidated financial statements

(1) Non-consolidated balance sheet

(in Millions of yen)

| | FY 2008 As of March 31, 2009 | FY 2009 As of March 31, 2010 |
|---|---------------------------------|---------------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash deposits | 109,622 | 196,530 |
| Notes receivable – trade | 19 | 4 |
| Accounts receivable – trade | 110,605 | 155,261 |
| Finished goods | 19,690 | 29,373 |
| Work in process | 16,325 | 19,891 |
| Raw materials and supplies | 41,487 | 22,694 |
| Advance payments - trade | 6,536 | 6,421 |
| Prepaid expenses | 742 | 968 |
| Short-term loans receivable to affiliated companies | 36,788 | 38,193 |
| Accounts receivable–other | 24,453 | 44,818 |
| Other | 4,563 | 4,592 |
| Less: Allowance for doubtful accounts | (35,736) | (34,770) |
| Total current assets | 335,099 | 483,981 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 134,364 | 134,037 |
| Less: Accumulated depreciation | (95,279) | (96,978) |
| | 39,085 | 37,058 |
| Structures | 35,791 | 35,482 |
| Less: Accumulated depreciation | (28,013) | (28,346) |
| | 7,777 | 7,136 |
| Machinery and equipment | 444,894 | 452,124 |
| Less: Accumulated depreciation | (364,228) | (375,571) |
| | 80,666 | 76,553 |
| Transportation equipment | 7,721 | 7,079 |
| Less: Accumulated depreciation | (5,921) | (5,738) |
| | 1,800 | 1,341 |
| Tools, furniture and fixtures | 234,936 | 250,570 |
| Less: Accumulated depreciation | (175,806) | (192,647) |
| | 59,129 | 57,922 |
| Land | 43,277 | 43,163 |
| Construction in progress | 5,720 | 6,616 |
| Total property, plant and equipment | 237,456 | 229,792 |

(in Millions of yen)

| | FY 2008 As of March 31, 2009 | FY 2009 As of March 31, 2010 |
|--|---------------------------------|---------------------------------|
| Intangible assets | | |
| Patent right | 890 | 432 |
| Leasehold right | 885 | 885 |
| Right of Trademark | 7 | 5 |
| Copy right | 26 | 2 |
| Software | 8,704 | 7,311 |
| Others | 1,096 | 690 |
| Total intangible assets | 11,611 | 9,329 |
| Investments and other assets | | |
| Investment securities | 16,908 | 23,904 |
| Investments in subsidiaries and affiliates | 179,937 | 180,362 |
| Investments in capital | 0 | 0 |
| Investments in capital of subsidiaries and affiliates | 10,218 | 14,103 |
| Long-term loans receivable | 8 | 5 |
| Long-term loans receivable from subsidiaries and affiliates | 264 | 186 |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 6,182 | 5,757 |
| Long-term prepaid expenses | 11,264 | 9,875 |
| Lease and guarantee deposits | 14,098 | 13,478 |
| Other | 3,026 | 2,017 |
| Less: Allowance for doubtful accounts | (6,085) | (5,905) |
| Total investments and other assets | 235,824 | 243,787 |
| Total non-current assets | 484,891 | 482,909 |
| Total assets | 819,991 | 966,890 |
| Liabilities | | |
| Current liabilities | | |
| Trade notes payable- trade | 4,458 | 8,118 |
| Accounts payable- trade | 191,664 | 300,870 |
| Short-term loans payable | 77,131 | 59,743 |
| Current portion of long-term loans payable | 39,413 | 166,865 |
| Lease obligations | 6,829 | 6,980 |
| Current portion of bonds payable | 25,600 | - |
| Accounts payable – other | 45,884 | 52,475 |
| Accrued expenses | 4,229 | 3,580 |
| Income taxes payable | 393 | 496 |
| Advances received | 4,665 | 9,719 |
| Deposits received | 24,569 | 42,060 |
| Unearned revenue | 59 | 47 |
| Provision for product warranties | 14,475 | 12,680 |
| Other | 8,789 | 7,281 |
| Total current liabilities | 448,163 | 670,919 |

(in Millions of yen)

| | FY 2008 As of March 31, 2009 | FY 2009 As of March 31, 2010 |
|--|---------------------------------|---------------------------------|
| Non-current liabilities | | |
| Long-term loans payable | 60,113 | 13,109 |
| Long-term loans payable to subsidiaries and affiliates | 16,652 | 16,652 |
| Lease obligations | 12,303 | 10,185 |
| Deferred tax liabilities | 7,621 | 10,462 |
| Provision for retirement benefits | 88,659 | 88,530 |
| Provision for directors' retirement benefits | 696 | 696 |
| Provision for loss on guarantees | 23,880 | 3,274 |
| Provision for loss on production consignment | - | 23,220 |
| Other | 13,212 | 12,571 |
| Total non-current liabilities | 223,139 | 178,701 |
| Total liabilities | 671,303 | 849,621 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 657,350 | 657,355 |
| Capital surplus | | |
| Legal capital surplus | 433,197 | 433,202 |
| Total capital surplus | 433,197 | 433,202 |
| Retained earnings | | |
| Other retained earnings | | |
| Retained earnings brought forward | (943,019) | (978,704) |
| Total earned surplus | (943,019) | (978,704) |
| Treasury stock | (14) | (15) |
| Total shareholders' equity | 147,512 | 111,837 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 1,175 | 5,431 |
| Total valuation and translation adjustments | 1,175 | 5,431 |
| Total net assets | 148,688 | 117,268 |
| Total liabilities and net assets | 819,991 | 966,890 |

(2) Non-consolidated statement of income

(in Millions of yen)

| | For the fiscal year Ended as of March 31, 2009 | For the fiscal year Ended as of March 31, 2010 |
|--|---|---|
| Net sales | 1,492,179 | 1,148,847 |
| Cost of sales | 1,349,796 | 1,066,332 |
| Gross profit | 142,383 | 82,514 |
| Selling, general and administrative expenses | | |
| Advertising and promotion expenses | 40,534 | 28,730 |
| Haulage expenses | 39,610 | 21,510 |
| Provision for allowance for doubtful accounts | - | 923 |
| Directors' compensations, salaries and allowances | 17,878 | 15,787 |
| Provision for retirement benefits | 2,168 | 2,000 |
| Depreciation | 7,972 | 7,122 |
| Research and development expenses | 33,091 | 24,236 |
| Fees | 3,765 | 3,864 |
| Rent expenses | 9,132 | 8,835 |
| Other | 5,938 | (2,211) |
| Total selling, general and administrative expenses | 160,092 | 110,799 |
| Operating income (loss) | (17,709) | (28,285) |
| Non-operating income | | |
| Interest income | 5,306 | 2,178 |
| Dividends income | 4,960 | 13,019 |
| Foreign exchange gains | 4,647 | 2,187 |
| Other | 311 | 114 |
| Total non-operating income | 15,225 | 17,500 |
| Non-operating expenses | | |
| Interest expenses | 9,800 | 11,994 |
| Interest on bonds | 862 | 137 |
| Litigation expenses | 1,835 | 464 |
| Other | 1,951 | 2,695 |
| Total non-operating expenses | 14,449 | 15,291 |
| Ordinary income (loss) | (16,933) | (26,076) |
| Extraordinary income | | |
| Reversal of allowance for doubtful accounts | 1,246 | - |
| Reversal of provision for loss on guarantees | - | 13,917 |
| Reversal of allowance for soil pollution expenditures | 267 | - |
| Reversal of allowance for restructuring expenses | 225 | - |
| Other gains | 495 | 3,743 |
| Total extraordinary income | 2,235 | 17,660 |
| Extraordinary losses | | |
| Loss on appraisal of investments in affiliated companies | 51,409 | - |
| Loss on disposal of fixed assets | 2,920 | 940 |
| Provision for loss on production consignment | - | 23,220 |
| Other losses | 3,514 | 4,196 |
| Total extraordinary losses | 57,844 | 28,357 |
| Net income/loss before income taxes | (72,542) | (36,773) |
| Income tax, current | (861) | (1,071) |
| Income tax, deferred (- indicates reduction) | - | (17) |
| Total income taxes | (861) | (1,088) |
| Net income/loss | (71,681) | (35,684) |

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

(in Millions of yen)

| | For the fiscal year ended March 31, 2009 | For the fiscal year ended March 31, 2010 |
|--|---|---|
| Shareholders' equity | | |
| Capital stock | | |
| Balance at the end of previous period | 657,349 | 657,350 |
| Changes of items during the period | | |
| Issuance of new shares | 0 | 5 |
| Total changes of items during the period | 0 | 5 |
| Balance at the end of current period | 657,350 | 657,355 |
| Total capital surplus | | |
| Legal capital surplus | | |
| Balance at the end of previous period | 433,197 | 433,197 |
| Changes of items during the period | | |
| Issuance of new shares | 0 | 4 |
| Total changes of items during the period | 0 | 4 |
| Balance at the end of current period | 433,197 | 433,202 |
| Capital surplus | | |
| Balance at the end of previous period | 433,197 | 433,197 |
| Changes of items during the period | | |
| Issuance of new shares | 0 | 4 |
| Total changes of items during the period | 0 | 4 |
| Balance at the end of current period | 433,197 | 433,202 |
| Retained earnings | | |
| Other retained earnings | | |
| Retained earnings carried | | |
| Balance at the end of previous period | (871,338) | (943,019) |
| Changes of items during the period | | |
| Net income (loss) | (71,681) | (35,684) |
| Total changes of items during the period | (71,681) | (35,684) |
| Balance at the end of current period | (943,019) | (978,704) |
| Total retained earnings | | |
| Balance at the end of previous period | (871,338) | (943,019) |
| Changes of items during the period | | |
| Net income (loss) | (71,681) | (35,684) |
| Total changes of items during the period | (71,681) | (35,684) |
| Balance at the end of current period | (943,019) | (978,704) |
| Treasury stock | | |
| Balance at the end of previous period | (14) | (14) |
| Changes of items during the period | | |
| Purchase of treasury of stock | (0) | (0) |
| Total changes of items during the period | (0) | (0) |
| Balance at the end of current period | (14) | (15) |

(in Millions of yen)

| | For the fiscal year ended March 31, 2009 | For the fiscal year ended March 31, 2010 |
|---|---|---|
| Total shareholders' equity | | |
| Balance at the end of previous period | 219,194 | 147,512 |
| Changes of items during the period | | |
| Issuance of new shares | 0 | 10 |
| Net income (loss) | (71,681) | (35,684) |
| Purchase of treasury stock | (0) | (0) |
| Total changes of items during the period | (71,681) | (35,675) |
| Balance at the end of current period | 147,512 | 111,837 |
| Valuation difference on available-for-sale securities | | |
| Balance at the end of previous period | 10,515 | 1,175 |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (9,340) | 4,255 |
| Total changes of items during the period | (9,340) | 4,255 |
| Balance at the end of current period | 1,175 | 5,431 |
| Deferred gains or losses on hedges | | |
| Balance at the end of previous period | 4,768 | - |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (4,768) | - |
| Total changes of items during the period | (4,768) | - |
| Balance at the end of current period | - | - |
| Total valuation and translation adjustments | | |
| Balance at the end of previous period | 15,284 | 1,175 |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (14,108) | 4,255 |
| Total changes of items during the period | (14,108) | 4,255 |
| Balance at the end of current period | 1,175 | 5,431 |
| Total net assets | | |
| Balance at the end of previous period | 234,478 | 148,688 |
| Changes of items during the period | | |
| Issuance of new shares | 0 | 10 |
| Net income (loss) | (71,681) | (35,684) |
| Purchase of treasury stock | (0) | (0) |
| Net changes of items other than shareholders' equity | (14,108) | 4,255 |
| Total changes of items during the period | (85,790) | (31,419) |
| Balance at the end of current period | 148,688 | 117,268 |

Notes on premise of going concern:

For the previous fiscal year (from April 1, 2008 to March 31, 2009)
There is no item to be reported.

For the fiscal year under review (from April 1, 2009 to March 31, 2010)
There is no item to be reported.