

Financial Results for FY2005



Mitsubishi Motors Corporation

April 27, 2006

Summary of FY2005 Results & FY2006 Forecasts



Hiizu Ichikawa

**Managing Director
(In Charge of Finance Group Headquarters)**

FY2005 Results Summary [vs. Nov 10, 2005 Forecast]

(000 units/100 million yen)

	FY05 Nov 10 Fcast ①	FY05 Actual ②	② - ①	FY04 Actual
Sales	22,200 (20,300)	21,201	-999	21,226
Operating Income	-140 (-140)	+68	+208	- 1,285
Ordinary Income	-400 (-400)	-178	+222	- 1,792
Net Income	-640 (-640)	-922	-282	- 4,748
Unit Volume (Retail)	1,370 (1,360)	1,344	-26	1,313

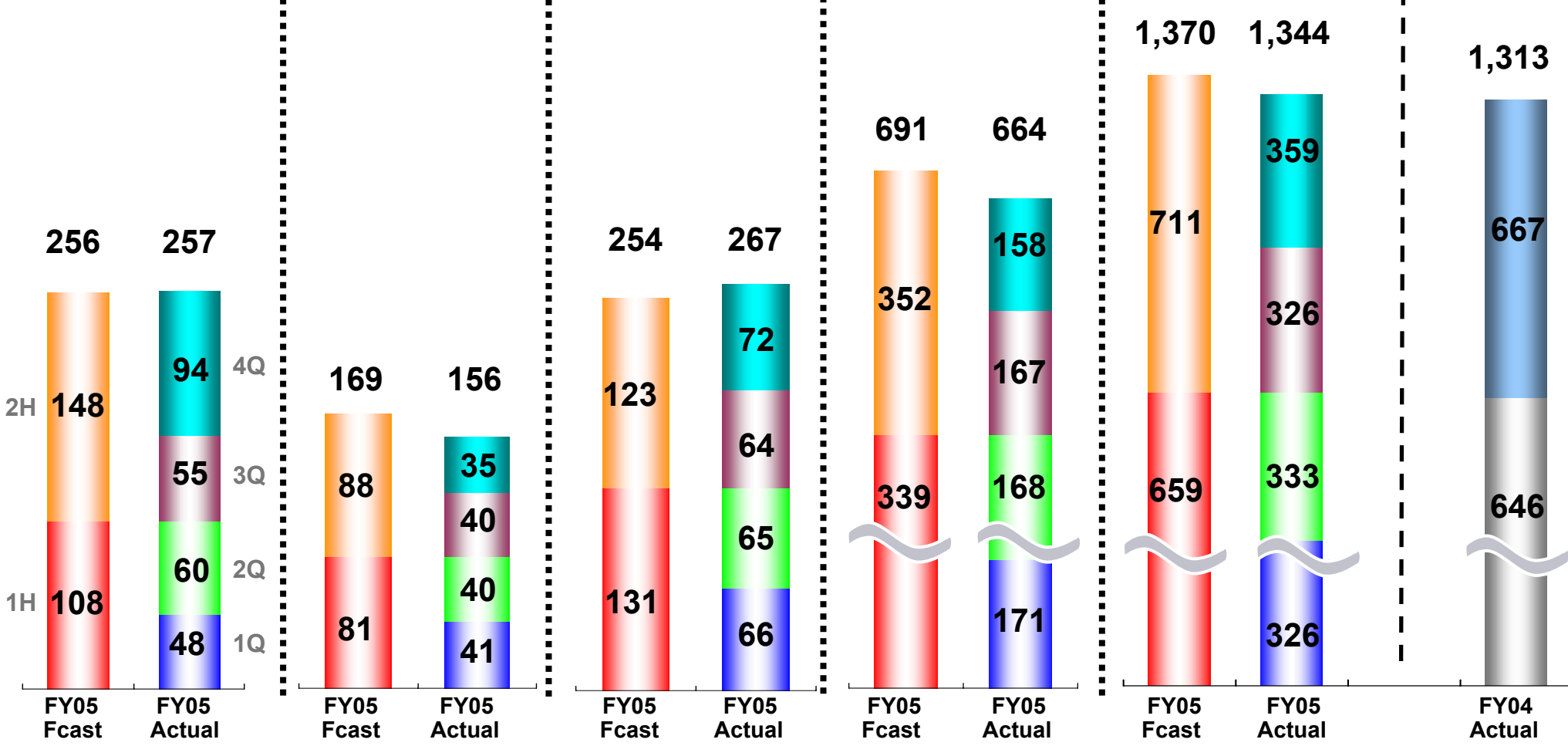
Note: Figures in brackets are from the Jan 28, 2005 Mitsubishi Motors Revitalization Plan; unit volume excludes OEM volume

FY2005 Regional Unit Volume [vs. Nov 10, 2005 Forecast, Retail Base]

Japan | **North America** | **Europe** | **Asia & RoW** | **Total**

FY05 Actual vs. Nov 10 Forecast

+1 -13 +13 -27 -26



FY2005 Operating Income [vs. Nov 10, 2005 Forecast]

(100 million yen)

	FY05 Nov 10 Fcast ①	FY05 Actual ②	② - ①
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Sales

22,200

21,201

-999

- ▶ Vol./Mix -87
- ▶ FX +131
- ▶ Sales Exp. +42
- ▶ Warranty +79
- ▶ Cost Reduc. + 43

Operating Income

-140

+68

+208

Ordinary Income

-400

-178

+222

Net Income

-640

-922

-282

FY2005 Non operating & Extraordinary Income [vs. Nov 10, 2005 Forecast]

(100 million yen)

	FY05 Nov 10 Fcast ①	FY05 Actual ②	② - ①
Operating Income	-140	+68	+208
Non-operating Income	-260	-246	+14
Ordinary Income	-400	-178	+222
Extraordinary Income & Tax	-240	-744	-504
		<ul style="list-style-type: none"> ▶ Asset Impair. Charges -451 ▶ Restruc. Charges -199 ▶ Other -94 	
Net Income	-640	-922	-282

FY2005 Balance Sheet

(100 million yen)

	FY04 (Mar 2005)	FY05 (Mar 2006)	Change
Assets	15,893	15,576	-317
Interest Bearing Debt	4,760	4,478	-282
Shareholders' Equity	3,248	2,687	-561

FY2006 Regional Unit Volume [Retail]

Japan	North America	Europe	Asia & RoW	Total
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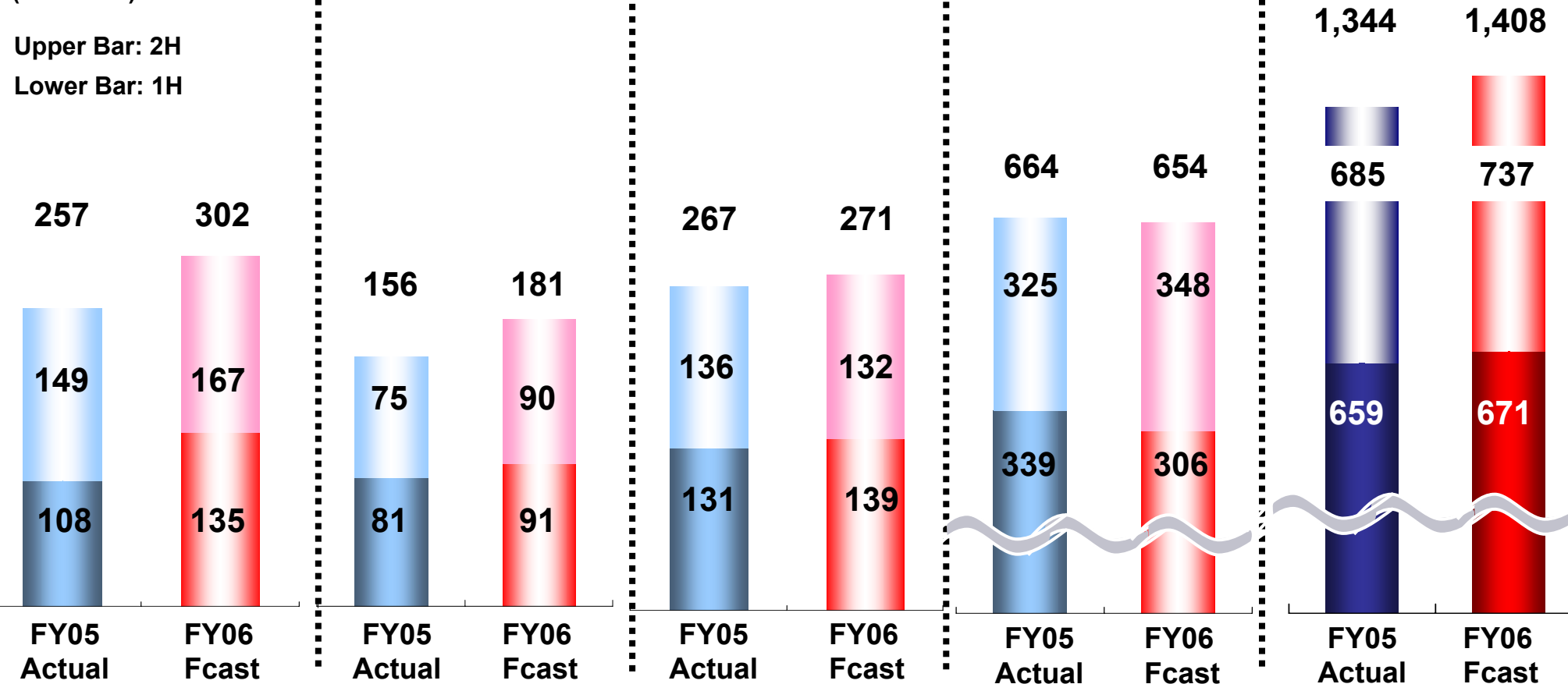
FY06 Forecast vs. FY05 Actual

+45	+25	+4	-10	+64
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(000 units)

Upper Bar: 2H

Lower Bar: 1H



(000 units/100 million yen)

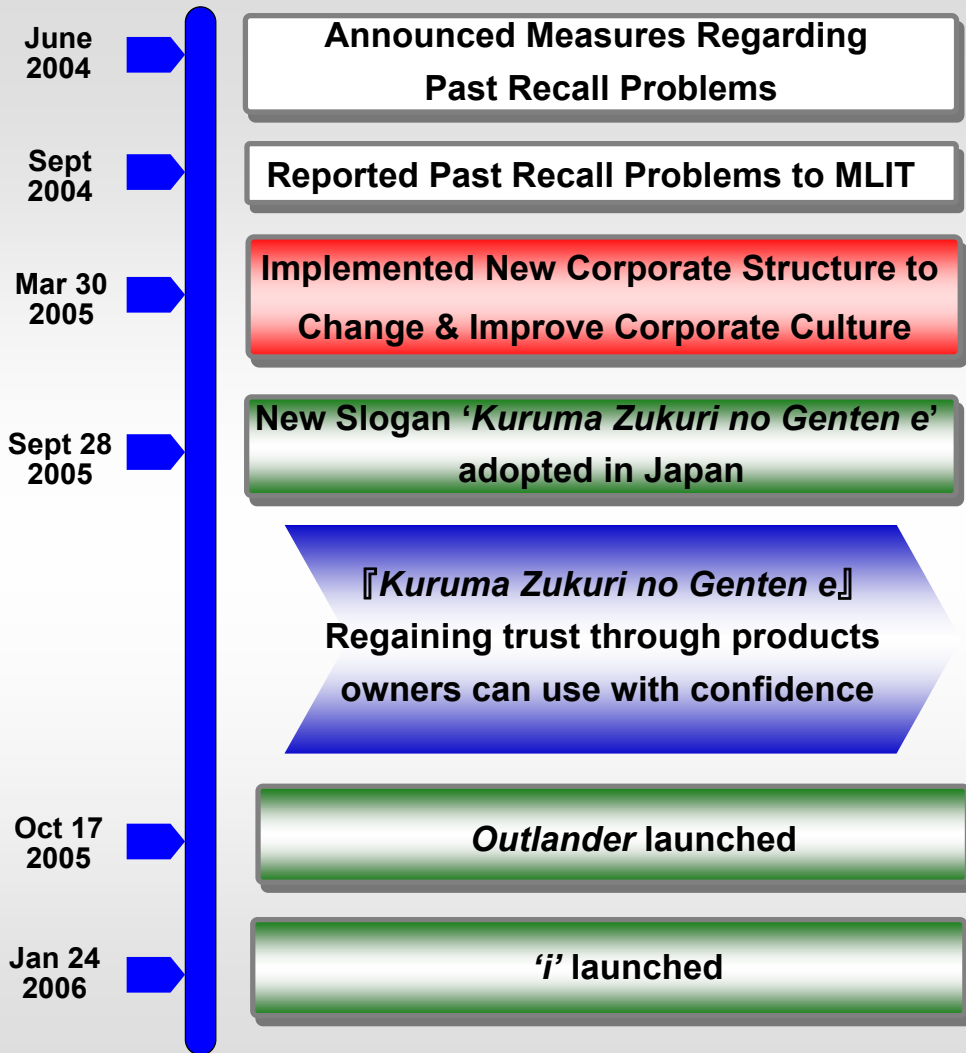
	FY05 Actual ①	FY06 Forecast ②	② - ①	FY06 Revitalization Plan Forecast
Sales	21,201	22,300	+1,099	21,600
Operating Income	+68	+430	+362	+ 430
Ordinary Income	-178	+210	+388	+ 210
Net Income	-922	+80	+1,002	+ 80
Unit Volume (Retail)	1,344	1,408	+64	1,408

FY2006 Business Plan & Progress of the Mitsubishi Motors Revitalization Plan



Osamu Masuko

President



Improvement Initiatives

【Compliance First】

- Education about recall & quality problems for all staff members
- Continuous measures to ensure thorough penetration of compliance company wide

【Safety First】

- Restructured processes to prevent reoccurrence of past recall problems
- Improve standards and response time for recall related decisions
- Strengthen quality assurance operations

【Customers First】

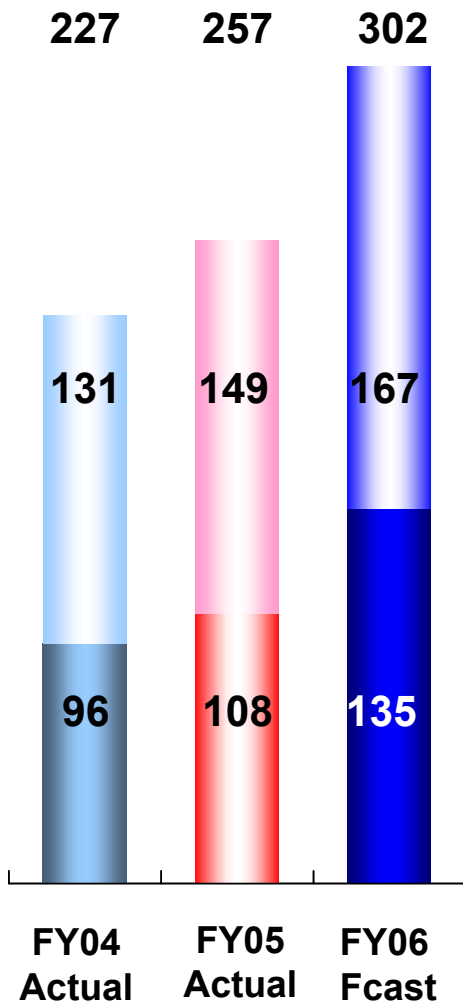
- Improve customer service and technological knowledge at sales companies' service operations
- Strengthen partnerships with sales companies

Outside check from the Business Ethics Committee: Guidance, Advice

(000 units)

Upper Bar: 2H

Lower Bar: 1H



Continued Strength in Outlander & i + 3 New Models to Meet Target

~ Continuous reinforcement of sales companies ~

New models and special editions

- ✧ 1st Half: Special edition models of Outlander, i; eK Wagon
- ✧ 2nd Half: Pajero, Delica

Strengthening sales ability through stronger partnerships with sales companies

- ✧ Sales techniques training
- ✧ Promoting collaboration between sales and service units of sales companies
- ✧ Raising standards for used car sales business
- ✧ Customer service campaign ('Quick, Clear, Friendly' proclamation)

Restructuring sales networks

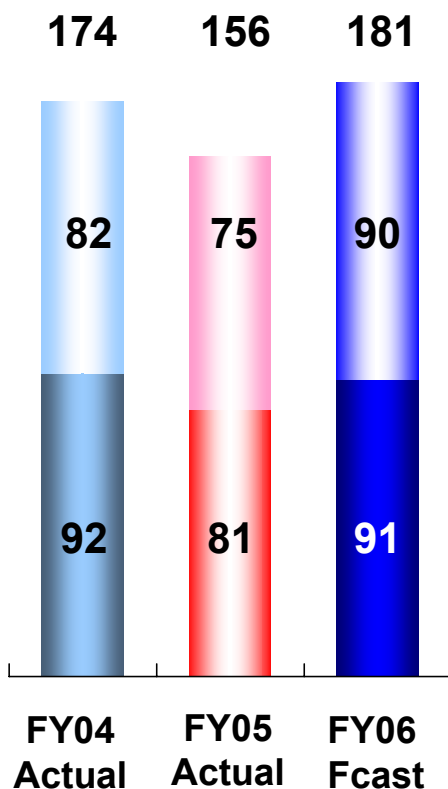
- ✧ Remodeling dealer stores
- ✧ Consolidating sales and parts sales subsidiaries

To the Front Lines - Strengthening dealer support for closer partnerships

(000 units)

Upper Bar: 2H

Lower Bar: 1H



■ Continued sales rationalization

■ Training to strengthen dealer's sales ability

- ✧ Strengthen dealer sales and management support
- ✧ Improve sales and service through better training

■ Consistent communication message

- ✧ Aggressively promote Mitsubishi's 25th anniversary campaign
- ✧ Aggressively increase media exposure in key markets

■ Effective financial services operations

■ Increase production at Illinois plant

- ✧ Improve efficiency through thorough cost reductions by US/Japan team
- ✧ Increase utilization through exports to the Mid East & Russia (July ~)



- Win customers and increase sales with new products
 - ✧ Eclipse Spyder (April 2006~)
 - ✧ Outlander (November 2006~)
 - ✧ Lancer (March 2007~)
 - ✧ Special Edition Models (April 2006~March 2007)

『ECLIPSE SPYDER』



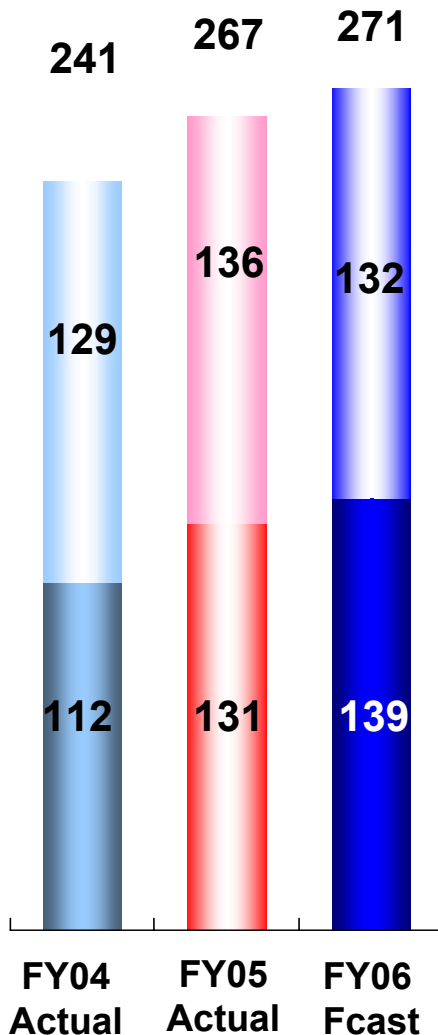
『OUTLANDER』



(000 units)

Upper Bar: 2H

Lower Bar: 1H



Aggressive Introduction of New Models

■ A full year of new models

- ✧ 1 ton Pickup Truck (L200) (April 2006~)
- ✧ Colt Convertible (Colt CZC)(May 2006~)
- ✧ Galant (September 2006~) <Russia & Ukraine>
- ✧ Pajero (October 2006~)
- ✧ Outlander (January 2007~)

■ Expand sales of existing models

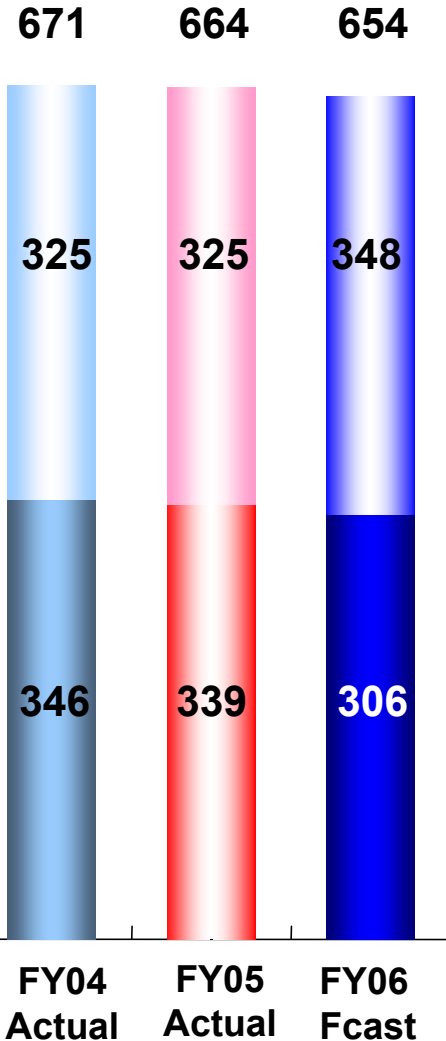
- ✧ Colt, Lancer, Grandis

■ Continued strength in Germany & the UK

■ Robust growth in emerging markets (Russia & the Ukraine)

- ✧ Introduction of the Galant full-size sedan

(000 units)
Upper Bar: 2H
Lower Bar: 1H



Stable Profitability

~ Lay the foundation for growth in the Chinese market ~

China

- ✧ Investment in South East Motors (25% stake)
- ✧ Increased sales of Mitsubishi brand vehicles
(FY05: 18% → FY06: 66%)
<Mitsubishi brand vehicles as a percentage of MMC's total volume in China>

Thailand

- ✧ Expanded export of the Triton

Latin America, the Mid East, and Africa

- ✧ Continue sales expansion by introducing new
1 ton Pickup Truck

Australia

- ✧ Higher sales via 3 new models (imports)
- ✧ Increased local production through new grades of the 380

■ Product Strategy

Fewer region specific models
and more global models

■ Domestic Facilities

Response to full capacity
at the Mizushima factory

■ Overseas Facilities

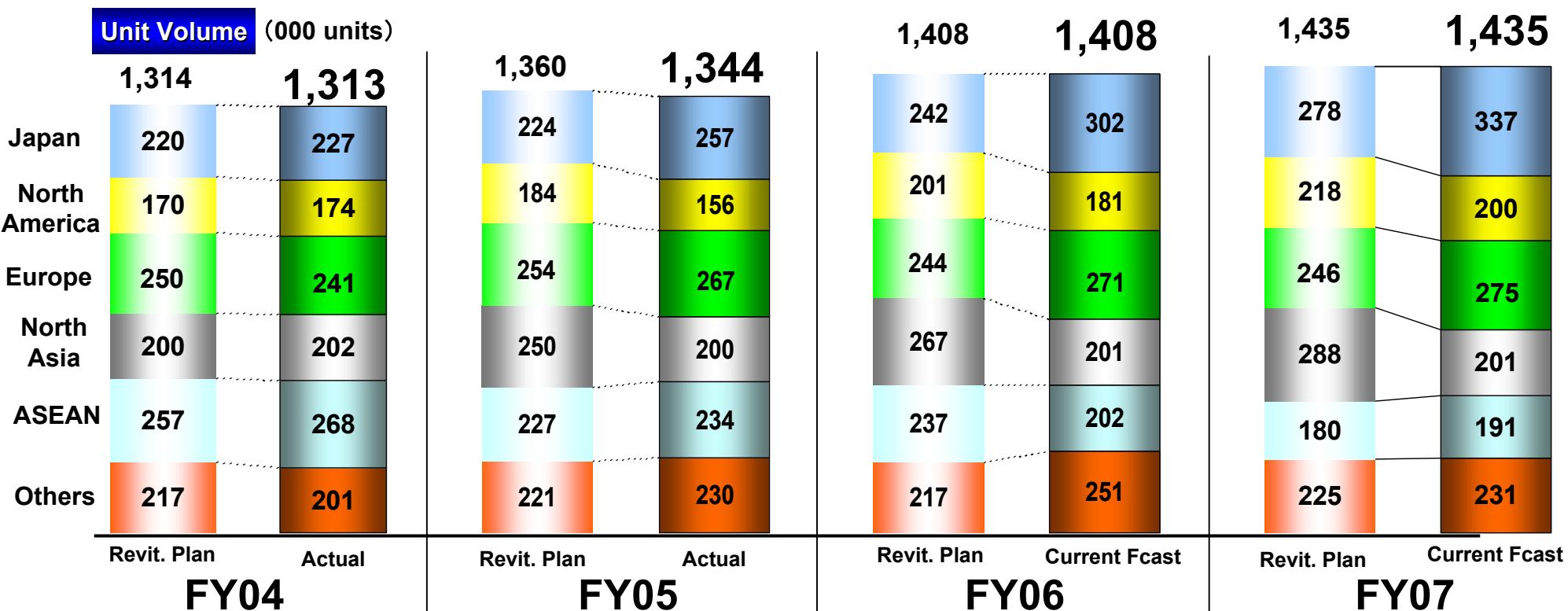
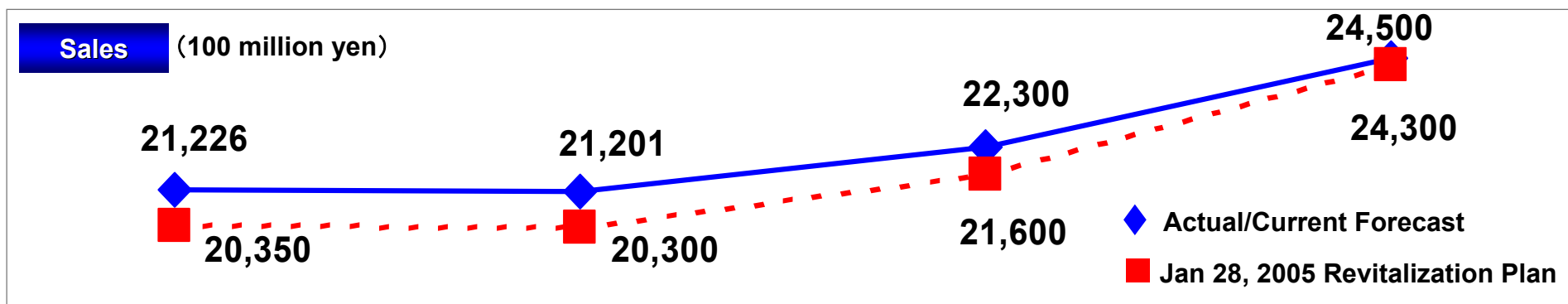
Aligning production scale
with sales levels

- 
- Okazaki factory: Partial relocation of production from the Mizushima factory
 - Reduce platforms, concentrate production aligned with product cycles

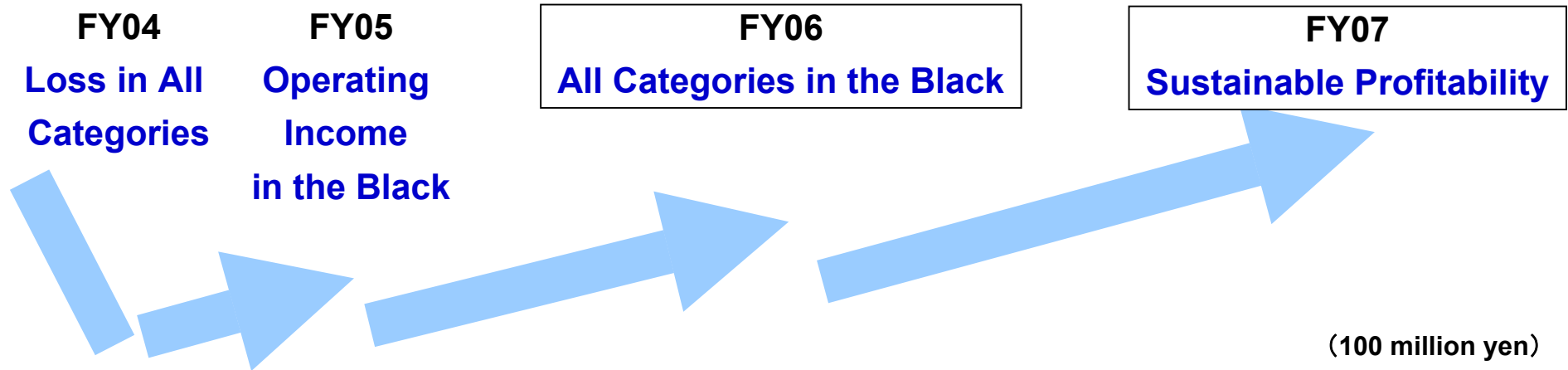
Progress of the Revitalization Plan

New Forecasts for Sales and Unit Volume: FY 2006 & 2007

Stable and Steady Growth



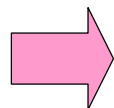
No Change from the Revitalization Plan (FY2007: Sustainable Profitability)



(100 million yen)

	FY2006	FY2007
Operating income	+430	+740
Ordinary Income	+210	+530
Net Income	+80	+410

■ FY2005



Positive Operating Income

➤ Efforts to Regain Trust

✧ Compliance First / Safety First / Customers First

➤ Business Improvement

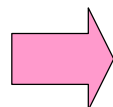
✧ Unit volume : Highly competitive US and Australian markets were offset by strength in Japan and Europe: reached 98 % of target.

✧ Sales : Declined mainly due to decreased OEM supply overseas.

✧ Operating income : Above target and in the black

✧ Net income : Below target due to additional asset impairment charges taken in the US and Australia

■ FY2006



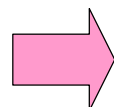
The True Establishment of Revitalization

➤ Unit volume/Sales : Growth from new model offensive in major regions

➤ Earnings : All categories in the black

➤ Utilization of the Okazaki factory

■ FY2007



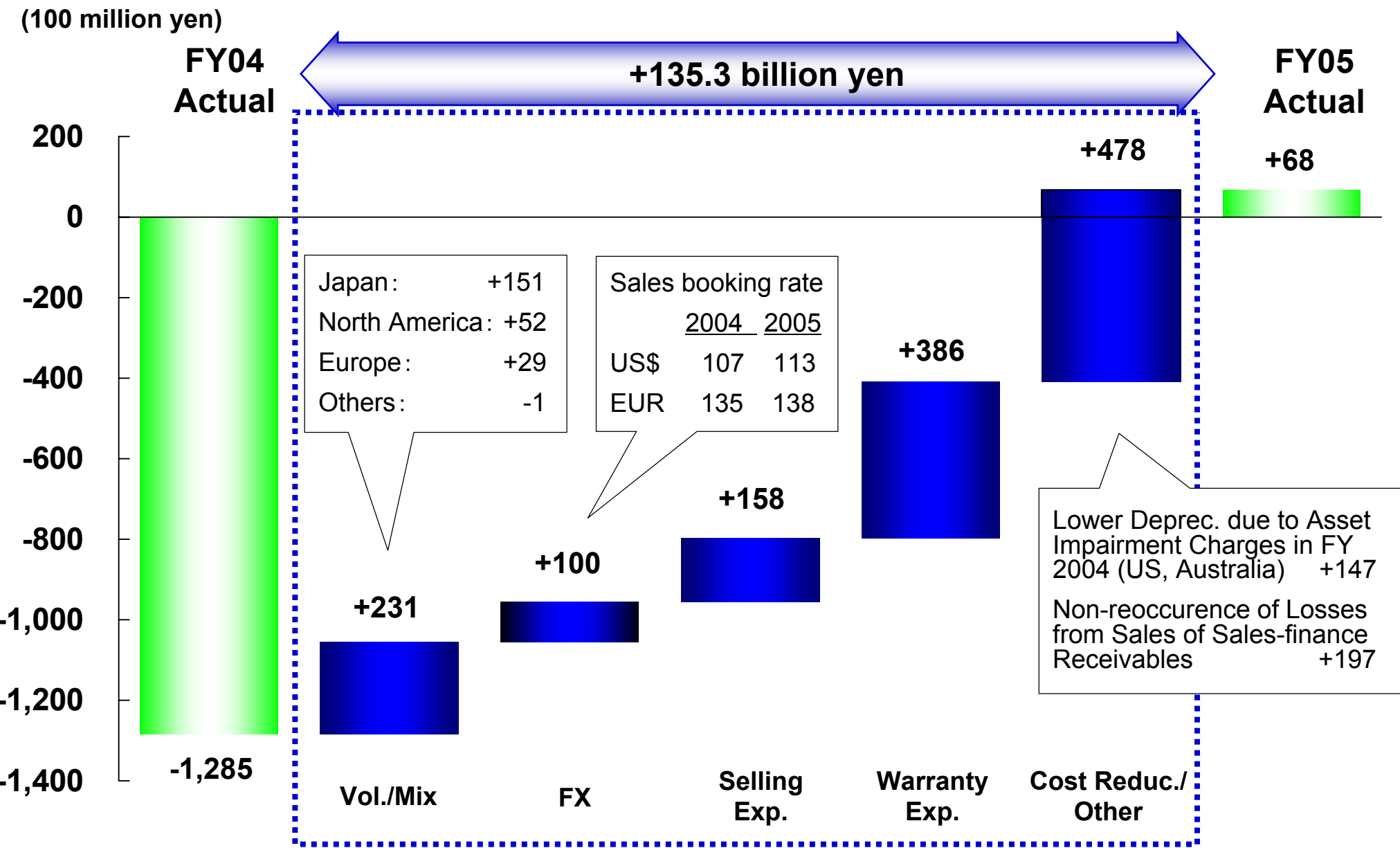
No Change from the Revitalization Plan

(Sustainable Profitability)

Additional Information



FY2005 Analysis of Operating Income [vs. FY2004 Actual]



FY2005: Regional Summary [vs. FY2004 Actual & Nov 10, 2005 Forecast]

(100 million yen)

	FY04 Actual ①	FY05 Nov 10 Fcast ②	FY05 Actual ③	③-①	③-②
Sales	21,226	22,200	21,201	-25	-999
- Japan	4,129	5,300	5,041	+912	-259
- North America	4,414	4,300	4,157	-257	-143
- Europe	6,678	6,200	5,862	-816	-338
- Asia & RoW	6,005	6,400	6,141	+136	-259
Operating Income	-1,285	-140	68	+1,353	+208
- Japan	-970	-620	-553	+417	+67
- North America	-1,038	-220	-72	+966	+148
- Europe	72	100	244	+172	+144
- Asia & RoW	651	600	449	-202	-151

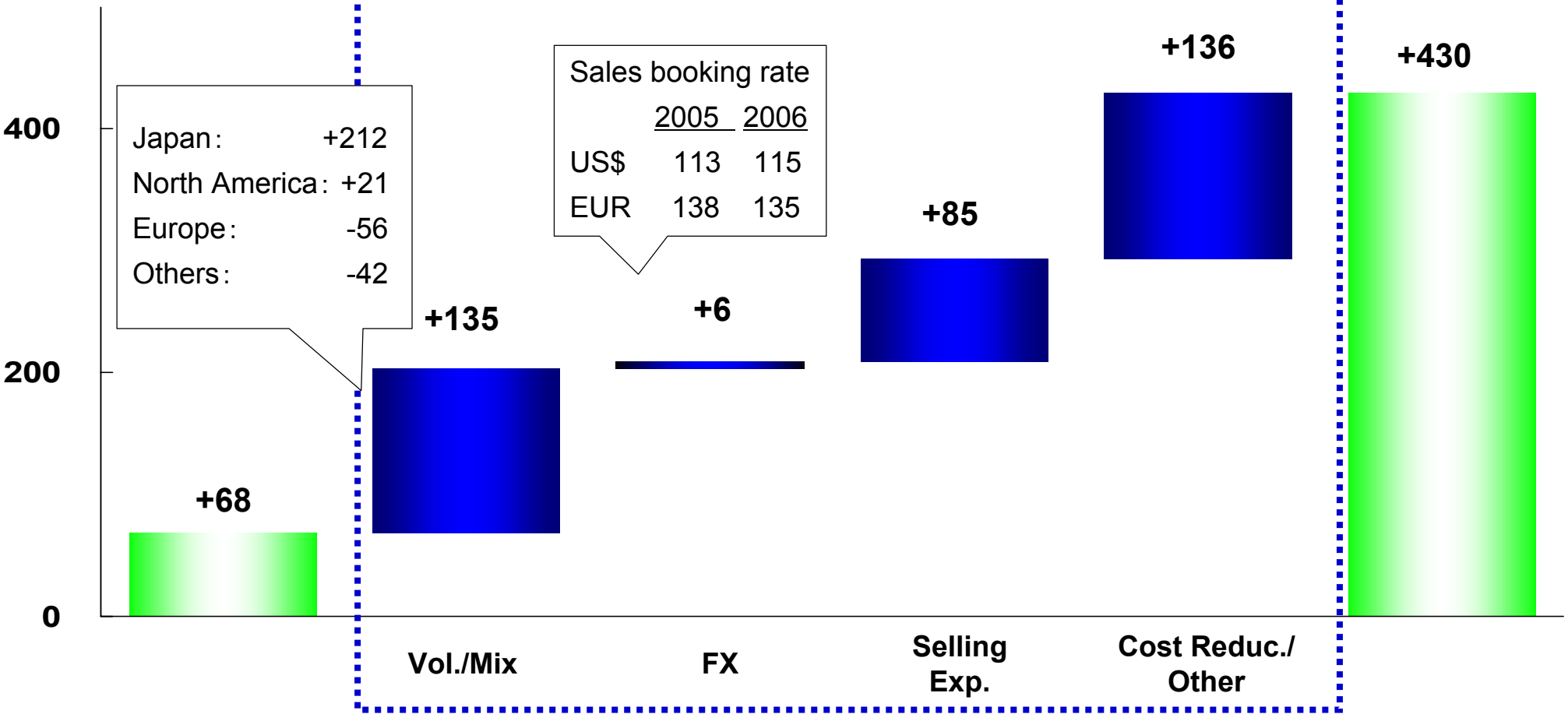
FY2006 Forecast: Analysis of Operating Income [vs. FY2005 Actual]

(100 million yen)

FY05 Actual

+36.2 billion yen

FY06 Forecast



FY2006: Regional Forecast [vs. FY2005 Actual & Jan 28, 2005 Forecast]

(100 million yen)

	FY05	FY06	FY06		
	Actual ①	Jan 28 Fcast ②	Apr 27 Fcast ③	③-①	③-②
Sales	21,201	21,600	22,300	+1,099	+700
- Japan	5,041	5,000	5,700	+659	+700
- North America	4,157	4,900	4,500	+343	-400
- Europe	5,862	5,200	6,000	+138	+800
- Asia & RoW	6,141	6,500	6,100	-41	-400
Operating Income	68	430	430	+362	±0
- Japan	-553	-400	-240	+313	+160
- North America	-72	80	-110	-38	-190
- Europe	244	-80	260	+16	+340
- Asia & RoW	449	830	520	+71	-310

FY2005 & 2006 Results Summary [1st & 2nd Half]

(000 units/100 million yen)

	FY05/1H Actual	FY05/2H Actual	FY06/1H Forecast	FY06/2H Forecast
Sales	9,913	11,288	10,200	12,100
Operating Income	-198	+266	-90	520
Ordinary Income	-336	+158	-190	400
Net Income	-638	-284	-280	360
Unit volume (Retail)	659	685	671	737

Note: Unit volume excludes OEM volume.

All statements herein, other than historical facts, contain forward-looking statements and are based on our current forecasts, expectations, targets, plans, and evaluations. Any forecasted value is calculated or obtained based on certain assumptions. 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. Significant risk factors include:

- feasibility of each target and initiative as laid out in this presentation;
- fluctuations in interest rates, exchange rates, oil prices, etc.;
- changes in laws, regulations and government policies;
- regional and/or global socioeconomic changes

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