

# Financial Results for FY2006



**Mitsubishi Motors Corporation**

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**April 26, 2007**

# Summary of FY2006 Results and FY2007 Forecast



**Hiizu Ichikawa**

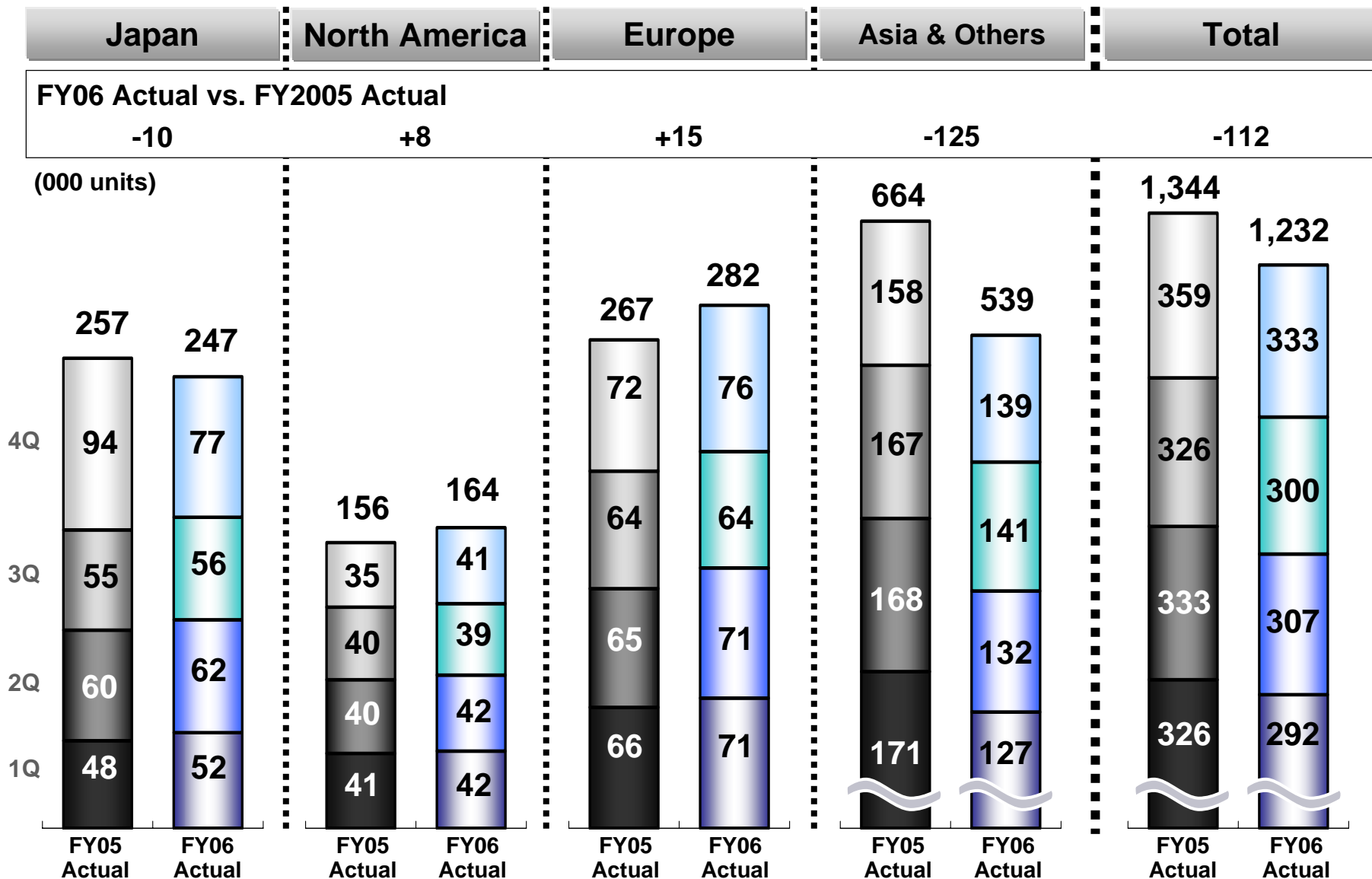
**Managing Director**  
**(In Charge of Finance Group Headquarters)**

## Achieved Net Profitability

(100 million yen/000 units)

	FY05 Actual	FY06 Actual	Change	FY06 Oct. 30, '06 Full-year Forecast
<b>Revenue</b>	<b>21,201</b>	<b>22,029</b>	<b>+828</b>	<b>22,300</b>
<b>Operating Income</b>	<b>68</b>	<b>402</b>	<b>+334</b>	<b>430</b>
<b>Ordinary Income</b>	<b>-178</b>	<b>185</b>	<b>+363</b>	<b>210</b>
<b>Net Income</b>	<b>-922</b>	<b>87</b>	<b>+1,009</b>	<b>80</b>
<b>Unit Volume (retail)</b>	<b>1,344</b>	<b>1,232</b>	<b>-112</b>	<b>1,322</b>

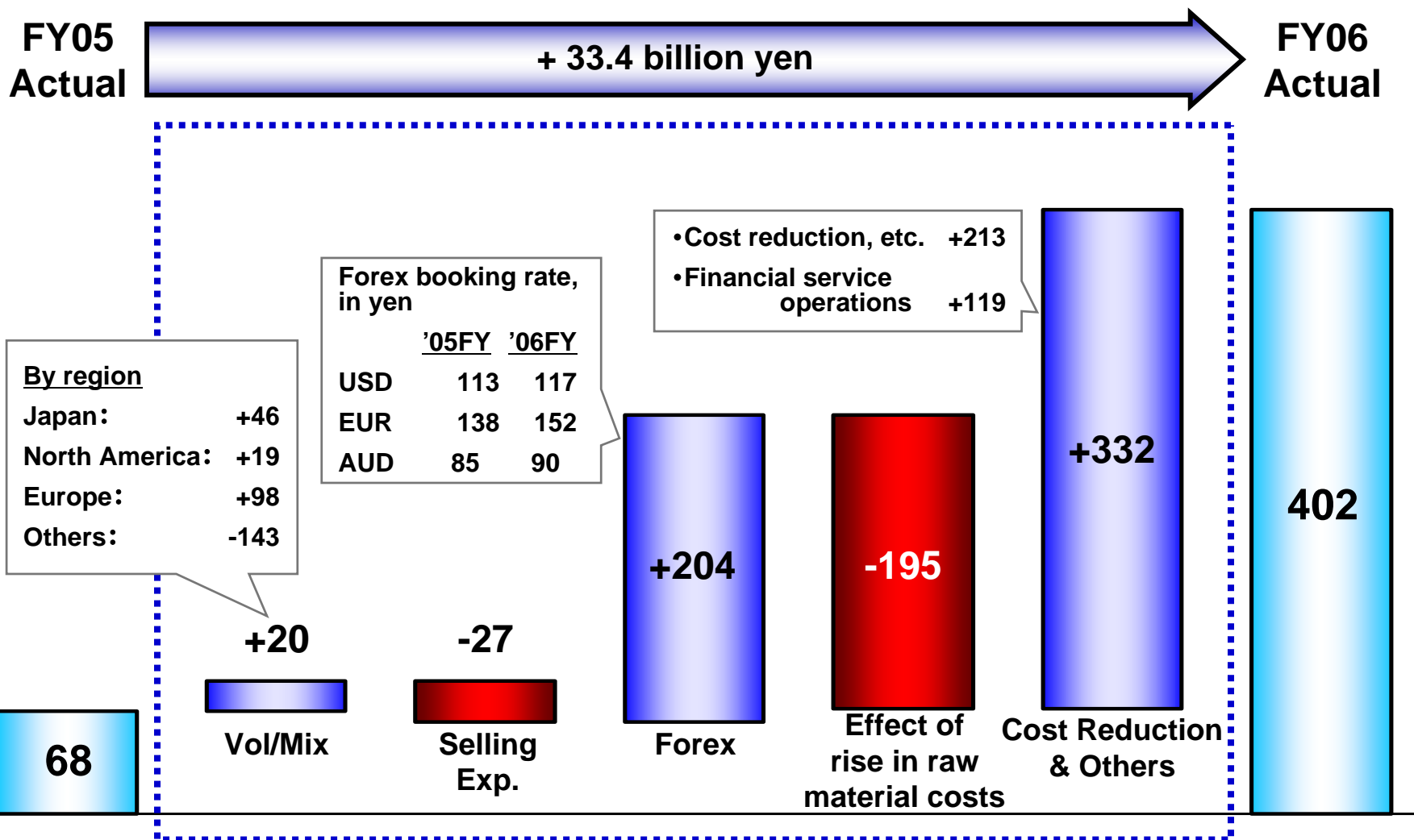
# FY2006 Regional Unit Volume (vs. FY2005 Actual, Retail base)



Notes: Unit volume figure excludes OEM volume. Unit volumes of FY2006 refer to preliminary results.

# Analysis of Operating Income (vs. FY2005 Actual)

(100 million yen)



# FY2006 Non-operating and Extraordinary Income

(100 million yen)

	FY05 Actual	FY06 Actual	Change
<b>Operating Income</b>	<b>68</b>	<b>402</b>	<b>+334</b>
<b>Non-operating Income</b>	<b>-246</b>	<b>-217</b>	<b>+29</b>
<b>Ordinary Income</b>	<b>-178</b>	<b>185</b>	<b>+363</b>
<b>Extraordinary Income &amp; Tax</b>	<b>-744</b>	<b>-98</b>	<b>+646</b>
<b>Net Income</b>	<b>-922</b>	<b>87</b>	<b>+1,009</b>

• Interest Exp. +21  
• Others +8

Breakdown of extraordinary  
income +4.6 billion yen

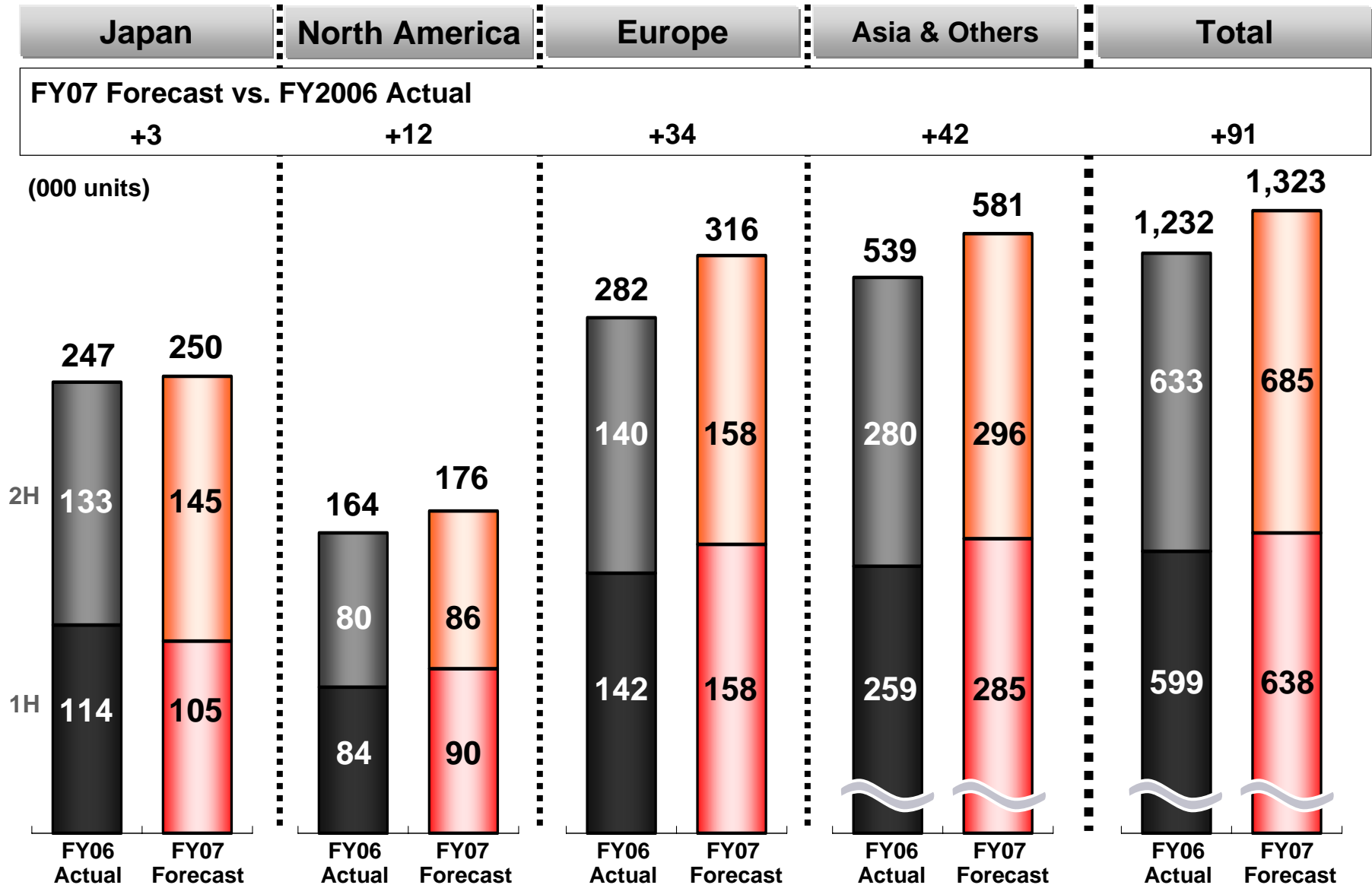
• SPE related +139  
• Gain on sale of stocks +50  
• Asset impair. -75  
• Early retirement expense -31

# Balance Sheet

(100 million yen)

	<u>Mar 2006</u>	<u>Mar 2007</u>	<u>Change</u>
<b>Total Assets</b>	<b>15,576</b>	<b>17,787</b>	<b>+2,211</b>
Cash & Equivalents	2,590	3,581	+991
Inventories	2,579	3,520	+941
<b>Total Liabilities</b>	<b>12,763</b>	<b>14,704</b>	<b>+1,941</b>
Interest Bearing Debt	4,478	5,038	+560
<b>Net Assets</b>	<b>2,813</b>	<b>3,083</b>	<b>+270</b>

# FY2007 Regional Unit Volume Forecast (vs. FY2006 Actual, Retail base)



Notes: Unit volume figure excludes OEM volume. Unit volumes of FY2006 refer to preliminary results.



## Towards Solid Profitability

(100 million yen/000 units)

	FY06 Actual	FY07 Forecast	Change
Revenue	22,029	24,300	+2,271
Operating Income	402	510	+108
Ordinary Income	185	300	+115
Net Income	87	200	+113
Unit Volume (retail)	1,232	1,323	+91

# FY2007 Business Plan



**Osamu Masuko**

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**President**

# Global Launch of All-new Sedan

**All-new sedan**



**Outlander**



**Global Models**

**New-generation Platform**

**Delica D:5**



**Deploy widely  
in the near future**

## Quality Over Quantity ~ Increase Share of Registered Vehicles FY06 30% ▶ FY07 40% ~

### ■ Construct profit-oriented sales strategy

#### ◇ Launch new cars

- ***GALANT FORTIS\**** (Fall), ***LANCER EVOLUTION X\*\**** (Fall)
- ***Delica D:5 2WD, Aero version*** (May)

\* *Lancer* in overseas markets

\*\* *Lancer Evolution* in overseas markets

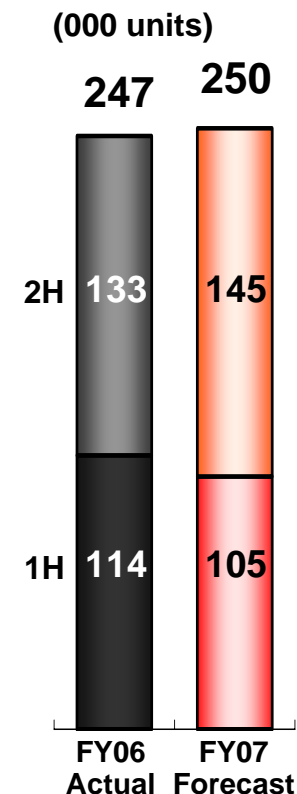
- ◇ Make SUV models (*Delica D:5, Pajero, Outlander*) long-sellers
- ◇ Improve customer traffic via the *Mitsubishi Mitekara* campaign
- ◇ Explore new business opportunities and improve profitability of fleet sales
- ◇ Construct value chain by strengthening dealer sales capabilities

### ■ Strengthen service business

- ◇ Hold “Mitsubishi Maintenance Fair” all year round

### ■ Accelerate restructuring of sales network

- ◇ Integrate 29 consolidated sales companies to 5
  - Hokkaido: 5▶1 (completed in April), Others: 24▶4 (July)
- ◇ Parts sales companies will be widely integrated in July



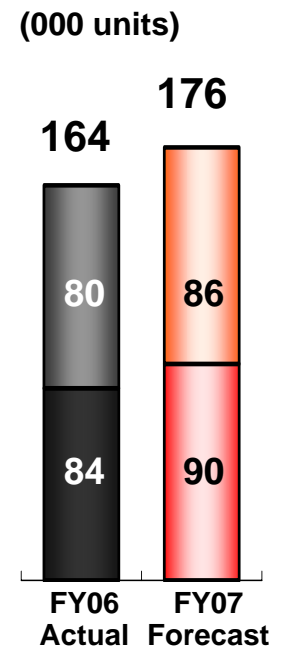
## Brand Building ~ A step beyond sales normalization ~

### ■ Attract more new customers with new models

- ✧ Two new major models
  - *Outlander* (November 2006)
  - *Lancer* (March 2007)
- ✧ Launch cutting-edge model (brand building)
  - All-new *Lancer Evolution* (second half of FY2007)
- ✧ Advertising campaign for major models and major markets
- ✧ Continue dealer support plans to motivate and revitalize the dealer network

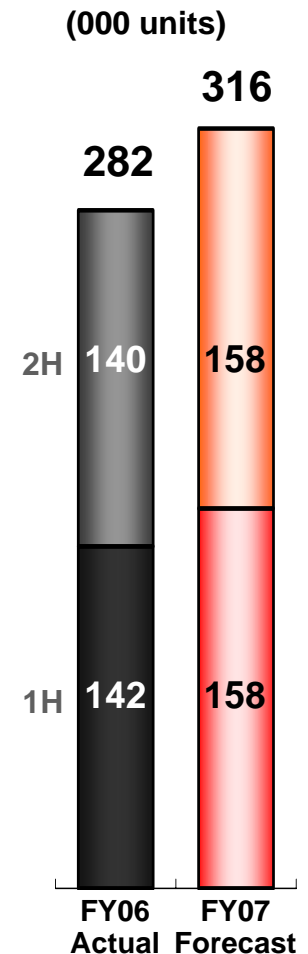
### ■ Improve profitability of local production

- ✧ Make locally produced products more attractive and promote sales
- ✧ Further cost reduction activities (VA/VE, materials cost, in-house cost)
- ✧ Increase exports to Russia, and the Middle East, etc.



## More Global Models and Expanded Sales in High-Growth Markets

- **Improvement and expansion of SUV models (*Outlander, Pajero, L200*) and increasing sales**
- **Launch new *Lancer* (Russia: May 2007, other areas: Fall 2007)**
- **Expand sales in high-growth markets (Russia & the Ukraine)**
  - Improved marketing through direct contact with MMC -
    - ✧ **Russia: FY2006 70,000 units ➔ FY2007 94,000 units**
    - ✧ **Ukraine: FY2006 16,000 units ➔ FY2007 21,000 units**
- **Supplying all-new SUV for PSA Peugeot Citroën**
  - ✧ **FY2007: Approximately 30,000 units**



## Strengthen and Expand Sales via the Launch of New Models

### China

- ✧ Strengthen imported vehicle business
  - Additional launch of new models (2 SUV models by the end of 2007)
  - Establishment of new sales company (within FY2007)
- ✧ South East Motor: Upgrade Mitsubishi brand sales network

### ASEAN countries

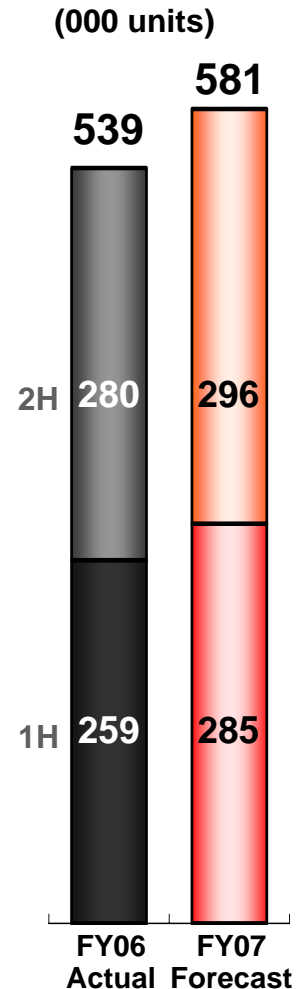
- ✧ Cumulative exports produced in Thailand expected to reach one million units in June

### Australia

- ✧ Strengthen sales of imported vehicles
  - Expand sales of cars launched in FY2006 (*Triton, Pajero, Outlander*)
  - Launch of New *Lancer* (September)

### Latin America, the Middle East, and Africa

- ✧ Expand sales via new model offensive (*Pajero, Lancer, Outlander*)



## ■ FY2006 Actual

### Net Profitability Achieved

- Unit volume dropped 8%. Increases in North America and Europe were offset by a slight decrease in Japan and a difficult year for Asia and Other Regions.
- Drop in unit volume was offset by forex gains and increased sales of built-up vehicles; revenue improved.
- Restored profitability at all levels, achieved net profitability as targeted in the Revitalization Plan.

## ■ FY2007 Forecast

### Increase Sales and Profits; Build Solid Profitability

- Increase unit sales in all regions on the launch of global models.
- Increase revenue on the increase in unit volume, and OEM volume, etc.
- Increase profits at all levels; build solid profitability.

## ■ Regarding the mid-term business plan

### Establish Foundation for Sustainable Growth in Future

- Plans for the following management term will be announced before the end of FY2007 based on business performance.





# Additional Information

# FY2006 Results Summary (by quarter)

## Achieved Net Profitability by Stable Improvement in Income

(100 million yen/000 units)

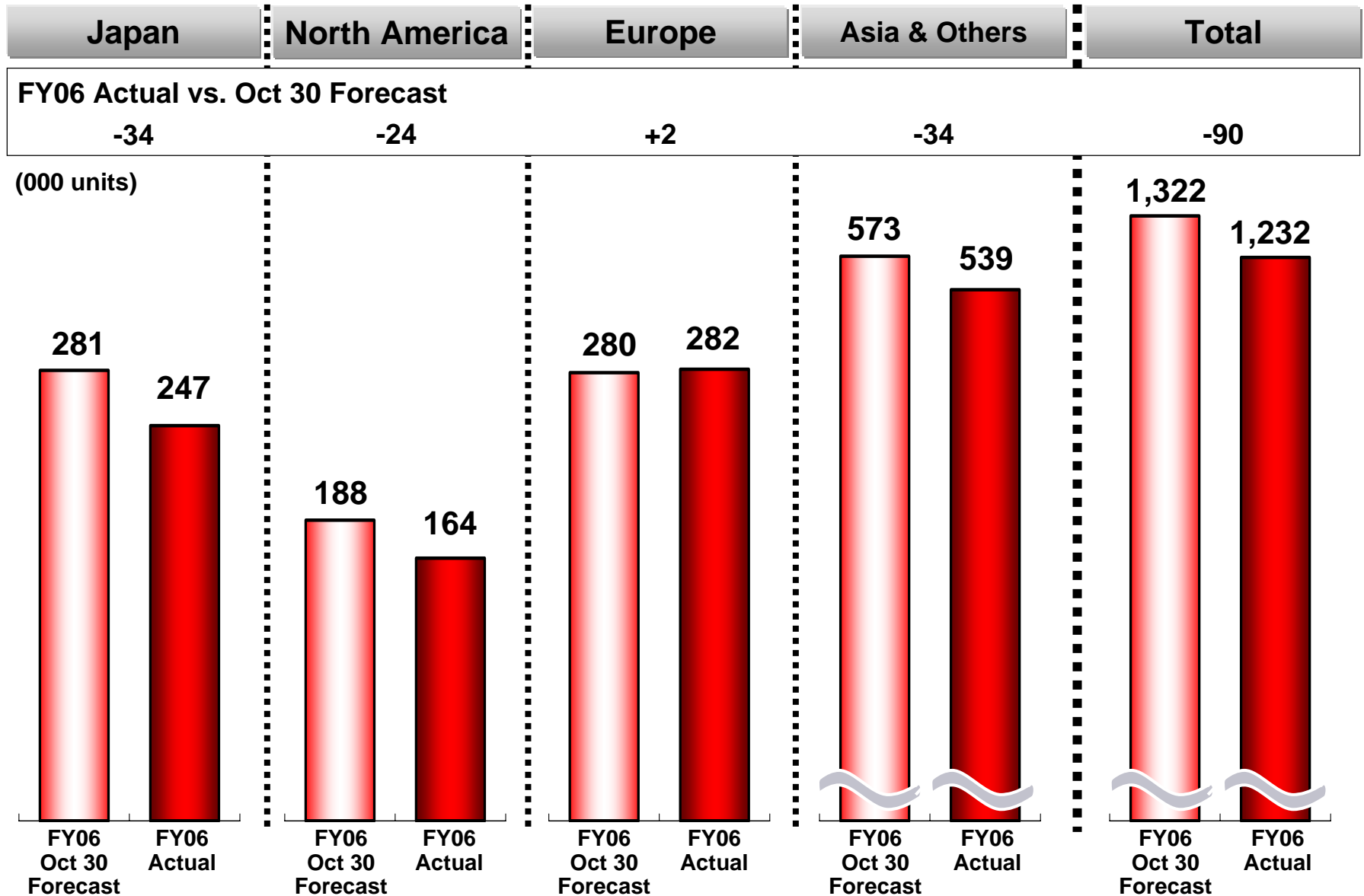
	FY06 1Q (Apr-Jun 06)	FY06 2Q (Jul-Sep)	FY06 3Q (Oct-Dec)	FY06 4Q (Jan-Mar 07)	FY06 (Apr 06-Mar 07) Full Year
<b>Revenue</b>	<b>4,839</b>	<b>5,215</b>	<b>5,387</b>	<b>6,588</b>	<b>22,029</b>
<b>Operating Income</b>	<b>-68</b>	<b>13</b>	<b>119</b>	<b>338</b>	<b>402</b>
<b>Ordinary Income</b>	<b>-122</b>	<b>-10</b>	<b>68</b>	<b>249</b>	<b>185</b>
<b>Net Income</b>	<b>-151</b>	<b>-10</b>	<b>43</b>	<b>205</b>	<b>87</b>
<b>Unit Volume (Retail)</b>	<b>292</b>	<b>307</b>	<b>300</b>	<b>333</b>	<b>1,232</b>

# FY2006 Regional Results (vs. FY2005 Actual)

(100 million yen)

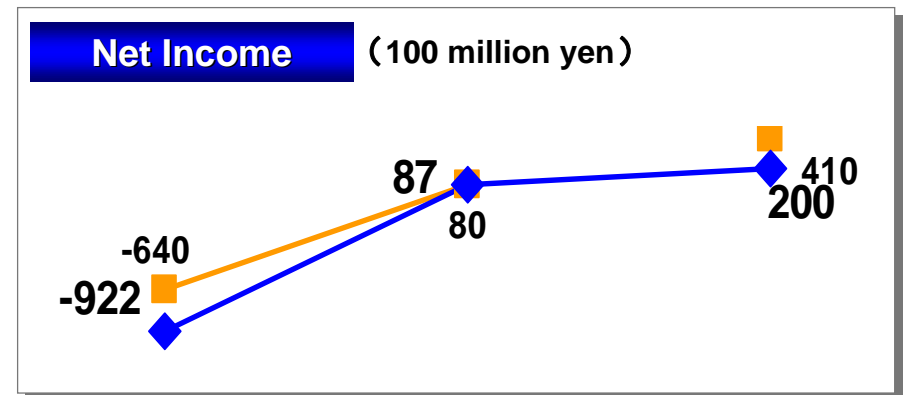
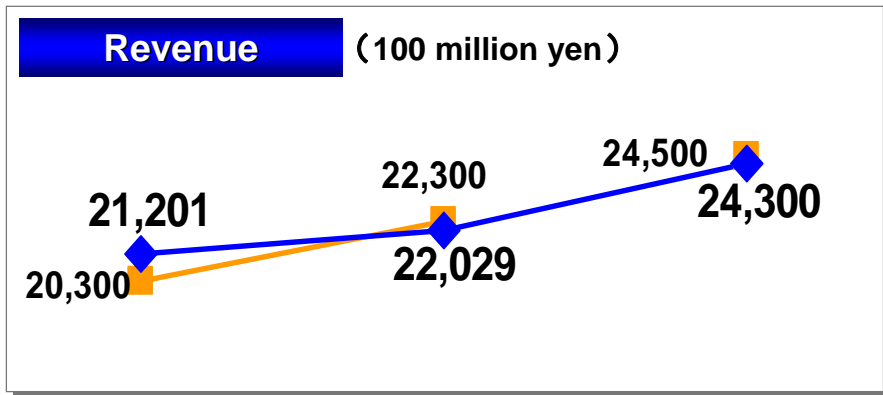
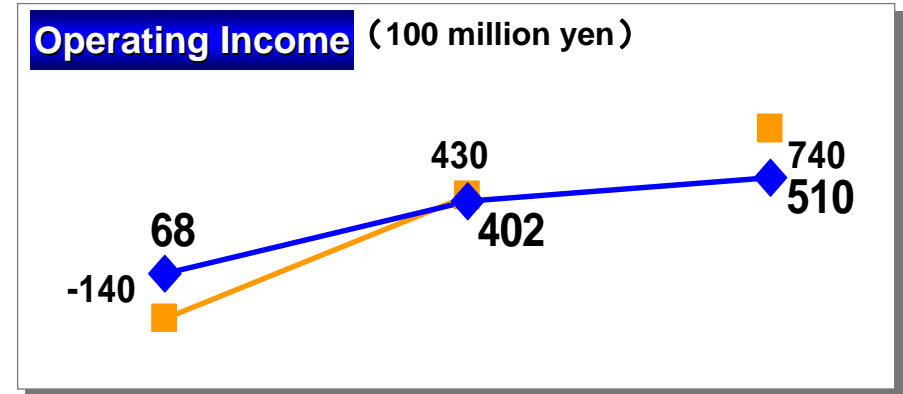
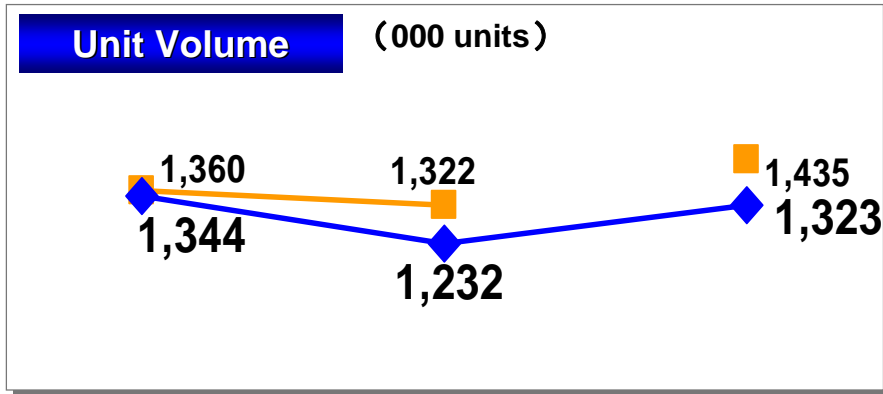
	FY05 Actual	FY06 Actual	Change	Oct 30, '06 FY06 Full-year Forecast
<b>Revenue</b>	<b>21,201</b>	<b>22,029</b>	<b>+828</b>	<b>22,300</b>
- Japan	5,041	5,060	+19	5,500
- North America	4,157	4,236	+79	4,700
- Europe	5,862	6,628	+766	6,200
- Asia & Others	6,141	6,105	-36	5,900
<b>Operating Income</b>	<b>68</b>	<b>402</b>	<b>+334</b>	<b>430</b>
- Japan	-553	-438	+115	-350
- North America	-72	6	+78	50
- Europe	244	426	+182	260
- Asia & Others	449	408	-41	470

# FY2006 Regional Unit Volume (vs. Oct 30, '06 Forecast, Retail base)



Notes: Unit volume figure excludes OEM volume. Unit volumes of FY2006 refer to preliminary results.

# Progress of Unit Volume, Sales, and Income



FY05

FY06

FY07

FY05

FY06

FY07

- ◆ Actual/Planned for FY2007
- Revitalization Plan  
(Review of Apr 27 and Oct 30 2006 applied)

# FY2007 Regional Results Forecast (vs. FY2006 Actual)

(100 million yen)

	FY06 Actual	FY07 Forecast	Change
<b>Revenue</b>	<b>22,029</b>	<b>24,300</b>	<b>+2,271</b>
- Japan	5,060	5,800	+740
- North America	4,236	4,400	+164
- Europe	6,628	7,300	+672
- Asia and Others	6,105	6,800	+695
<b>Operating Income</b>	<b>402</b>	<b>510</b>	<b>+108</b>
- Japan	-438	-200	+238
- North America	6	-140	-146
- Europe	426	430	+4
- Asia and Others	408	420	+12

# Analysis of Operating Income (FY2007 Forecast vs. FY2006 Actual)

(100 million yen)

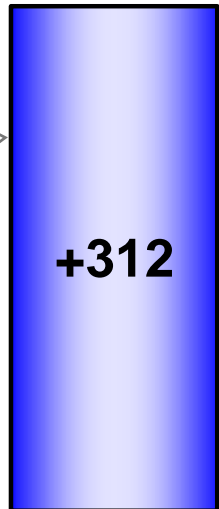
FY06 Actual



FY07 Forecast

By region	
Japan:	+76
North America:	-48
Europe:	+159
Others:	+125

Vol/Mix



Selling Exp.



Forex



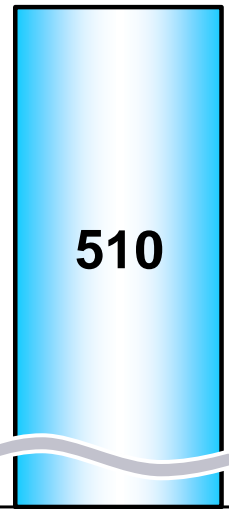
Forex booking rate, in yen

	'06FY	'07FY
USD	117	115
EUR	152	150
AUD	90	86

Cost Reduction & Others



- Financial service operations -124
- Cost reduction, etc. +185



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- **Feasibility of each target and initiative as laid out in this presentation;**
- **Fluctuations in interest rates, exchange rates and oil prices;**
- **Changes in laws, regulations and government policies; and**
- **Regional and/or global socioeconomic changes.**

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