

# FY2007 First Half Results



**Mitsubishi Motors Corporation**

**October 30, 2007**

# FY2007 First Half Results and FY2007 Full Year Forecast



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(In Charge of Finance Group Headquarters)

# FY2007 1H Results Summary (vs. FY06 1H Actual)

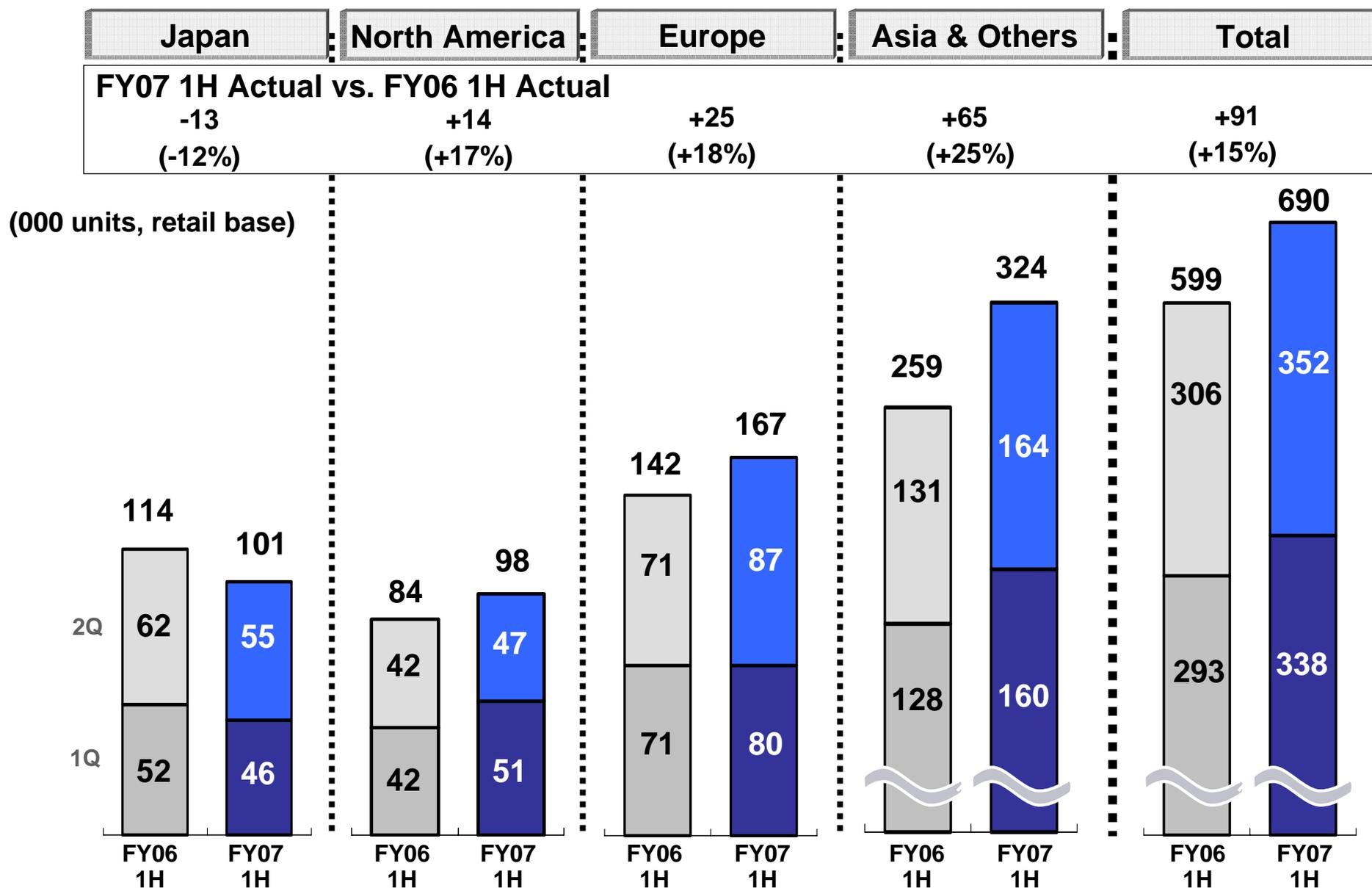
**Revenue increased;  
operating and ordinary profitability achieved  
~First positive 1H result since FY2002~**

(100 million yen/000 units)

	<b>FY06 1H</b> Actual	<b>FY07 1H</b> Actual	<b>Change</b>	[Reference] Apr 26 FY071H Forecast	[Reference] Change
<b>Revenue</b>	<b>10,054</b>	<b>13,134</b>	<b>+3,080</b>	11,700	(+1,434)
<b>Operating Income</b>	<b>-55</b>	<b>188</b>	<b>+243</b>	50	(+138)
<b>Ordinary Income</b>	<b>-132</b>	<b>66</b>	<b>+198</b>	-50	(+116)
<b>Net Income</b>	<b>-161</b>	<b>-56</b>	<b>+105</b>	-150	(+94)
<b>Unit Volume (Retail)</b>	<b>599</b>	<b>690</b>	<b>+91</b>	638	(+52)

Notes: Unit volume figures exclude OEM volume. Unit volumes of FY2007 1H refer to preliminary results.

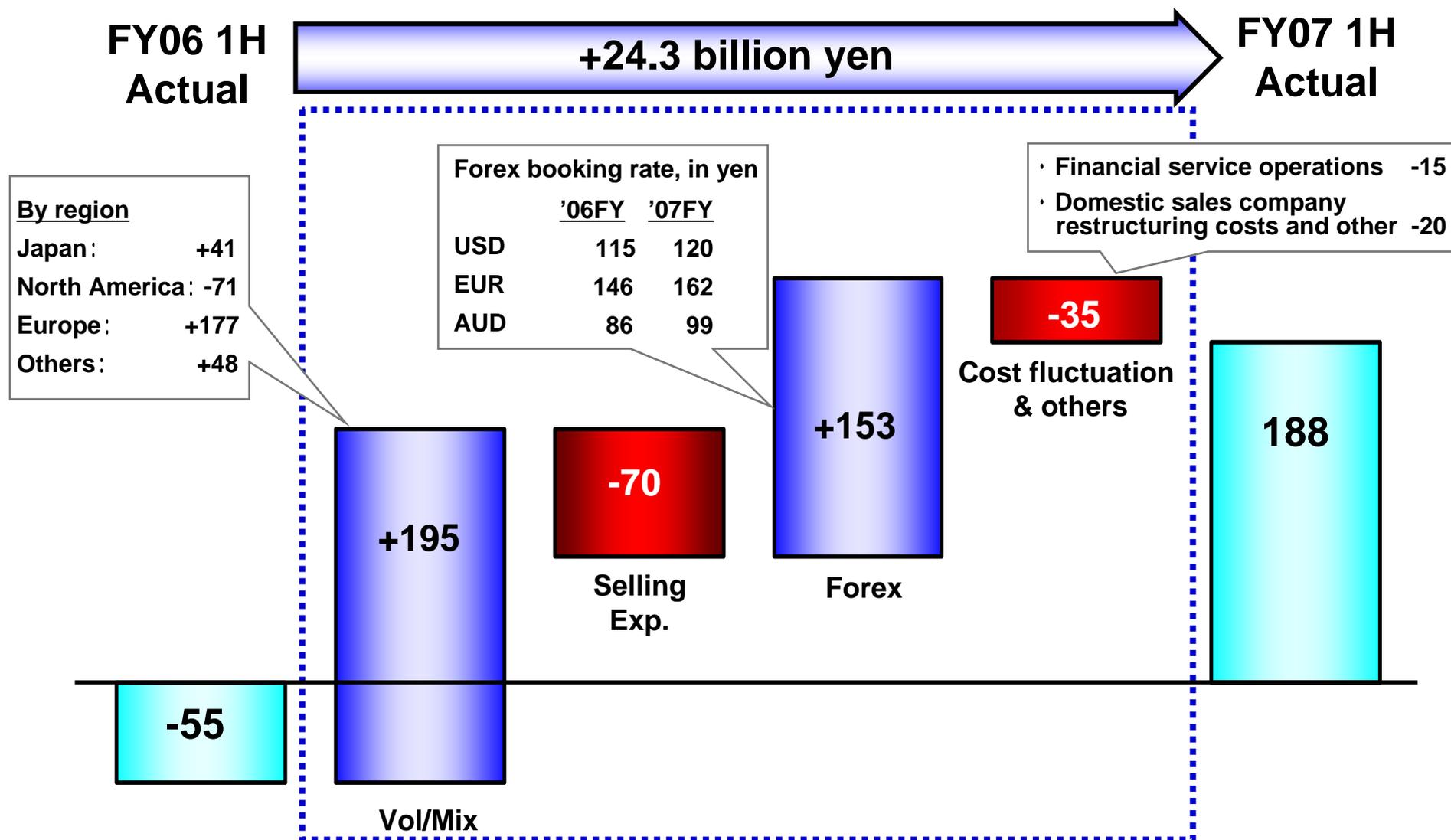
# FY2007 1H Regional Unit Volume (vs. FY2006 1H Actual)



Notes: Unit volume figures exclude OEM volume. Unit volumes of FY2007 1H refer to preliminary results.

# Analysis of Operating Income (vs. FY2006 1H Actual)

**Achieved profitability through improved volume/mix** (100 million yen)



# FY2007 1H Non-operating and Extraordinary Income

(vs. FY2006 1H Actual)

(100 million yen)

	FY06 1H Actual	FY07 1H Actual	Change	
Operating Income	-55	188	+243	<b>Approx. breakdown</b> -Interest Exp. -6 (FY06: -72 => FY07: -78) -Forex -60 (FY06: 9 => FY07: -51)
Non-operating Income	-77	-122	-45	
Ordinary Income	-132	66	+198	
Extraordinary Income & Tax	-29	-122	-93	<b>Approx. breakdown</b> -Extraordinary Income -19 Anonymous union payout +46 Restruc. Costs -33 PCB waste disposal costs -20 -Income Taxes, etc -103
Net Income	-161	-56	+105	

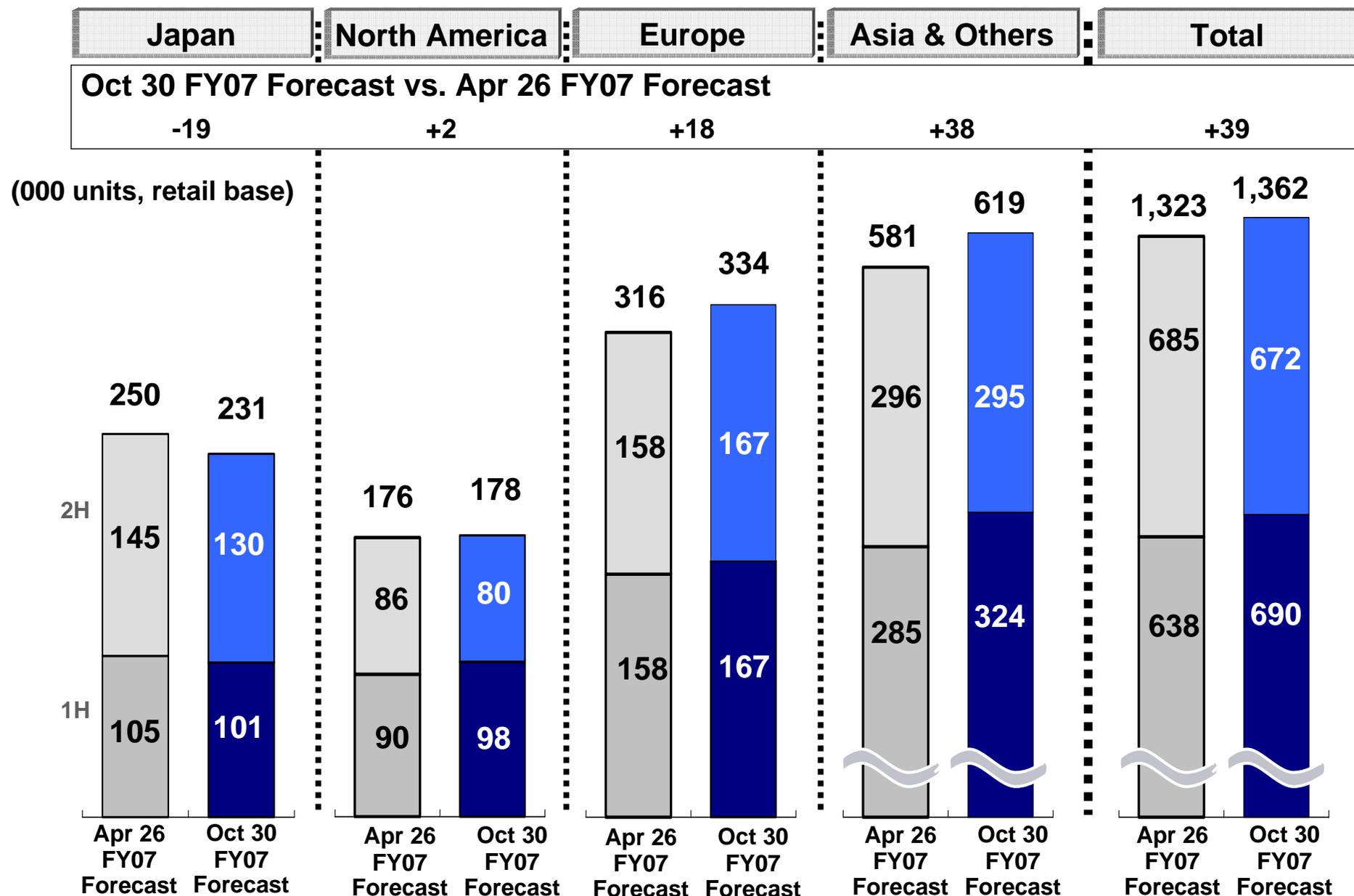
Note: Restruc. Costs: Costs related to the integration of domestic consolidated sales companies in Japan

# Balance Sheet

(100 million yen)

	<u>Mar 2007</u>	<u>Sep 2007</u>	<u>Change</u>
<b>Total Assets</b>	<b>17,787</b>	<b>17,130</b>	<b>-657</b>
Cash and cash deposits	3,581	3,717	+136
Inventories	3,520	3,020	-500
<b>Total Liabilities</b>	<b>14,704</b>	<b>14,004</b>	<b>-700</b>
Interest Bearing Debt	5,038	4,015	-1,023
<b>Net Assets</b>	<b>3,083</b>	<b>3,126</b>	<b>+43</b>

# FY2007 Regional Unit Volume Forecast (vs. Apr 26 Forecast)



Notes: Unit volume figures exclude OEM volume. Unit volumes of FY2007 1H refer to preliminary results.

# FY2007 Results Forecast Summary (vs. Apr 26 Forecast)

**Increase both in sales and profit; steadily moving forward in building solid profitability**

(100 million yen/000 units)

	<b>FY07</b> Apr 26 Fcast	<b>FY07</b> Oct 30 Fcast	<b>Change</b>	[Reference] FY06 Actual
<b>Revenue</b>	<b>24,300</b>	<b>27,000</b>	<b>+2,700</b>	22,029
<b>Operating Income</b>	<b>510</b>	<b>700</b>	<b>+190</b>	402
<b>Ordinary Income</b>	<b>300</b>	<b>470</b>	<b>+170</b>	185
Extraordinary Income & Tax	1H: -100 2H: 0	1H: -122 2H: -148		
<b>Net Income</b>	<b>200</b>	<b>200</b>	<b>0</b>	87
<b>Unit Volume (Retail)</b>	<b>1,323</b>	<b>1,362</b>	<b>+39</b>	1,230
<b>Assumed Forex Rate</b>	115/US\$, 150/EUR	110/US\$, 155/EUR (2H Forecast)		

# FY2007 Business Plan

## Second Half Strategy



**Osamu Masuko**

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**President**

# Global Launch of New Sedan

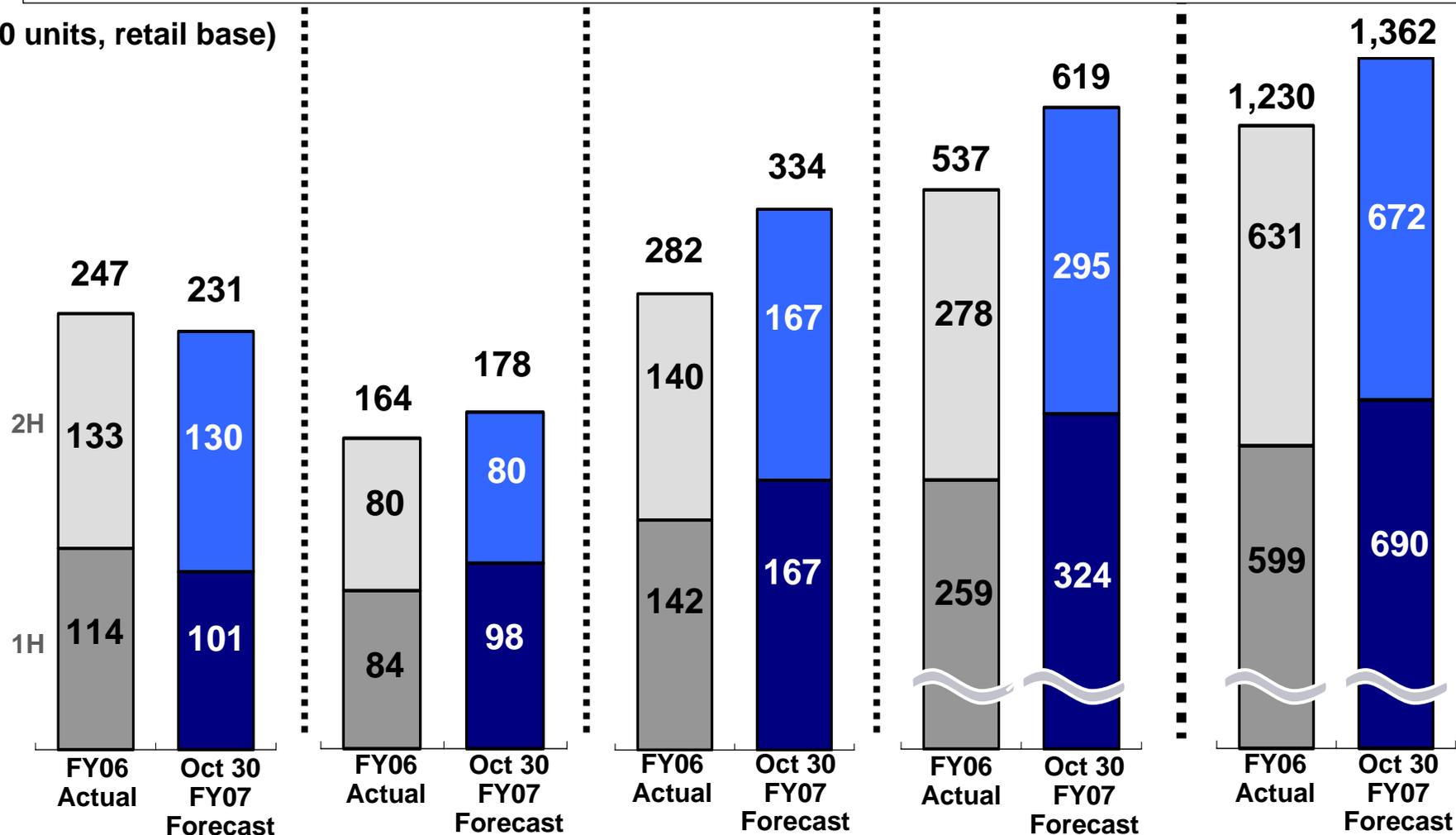
## Strong launch in every region

	07FY/ 1Q	07FY/ 2Q	07FY/ 3Q	07FY/ 4Q
<p><b>Lancer</b></p> <p>* Galant Fortis in Japanese market</p> 	North America			
		Russia & The Ukraine		
			Japan *	
			Asia & Other Regions	
				Europe (Except Russia & The Ukraine)
				Australia
<p><b>Lancer Evolution</b></p> 			Japan	
				North America
<p>To be launched in Europe and Australia from FY08</p>				

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

Japan	North America	Europe	Asia & Others	Total
Oct 30 FY07 Forecast vs. FY2006 1H Actual				
-16	+14	+52	+82	+132
(-6%)	(+9%)	(+18%)	(+15%)	(+11%)

(000 units, retail base)



Notes: Unit volume figures exclude OEM volume. Unit volumes of FY2007 1H refer to preliminary results.

# Regional Business Plan - Japan

## Quality over Quantity

~ Continue profit-oriented sales strategy ~

- Launch of new *Lancer Evolution X* (Oct 07)
- Reinforce product line based on registered vehicles

➤ Expand sales of new sedan

- *Galant Fortis*:

High-end model “SUPER EXCEED” (Oct 07)

- *Lancer Evolution X*:

New twin clutch SST transmission model (Nov 07)

➤ Make SUV models long-sellers

- *Outlander*: V6 3.0L Model (Oct 07)

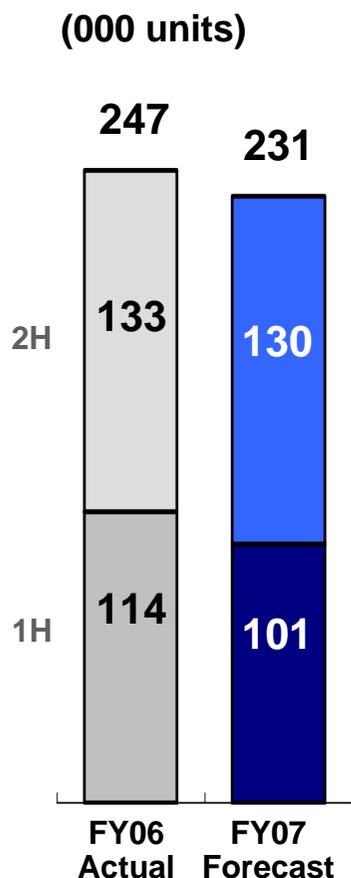
- *Delica D:5*: 4WD model of “ROADEST” aero version (Oct 07)

Special edition for the winter season (Jan 08)

➤ Target women and entry users

Special editions for eK Series, i and Colt (Nov-Dec 07)

- Strengthen dealer sales capabilities



## Brand Building

~ Attract more new customers with new models ~

### ■ Launch of New Models

#### ➤ New *Lancer Evolution*:

first launch in Canada (Feb 08)

#### ➤ Strengthen the lineup of two major models

- *Outlander*: 2.4L model

- *Lancer*: 2.4L High-end model

### ■ Expand sales in U.S.

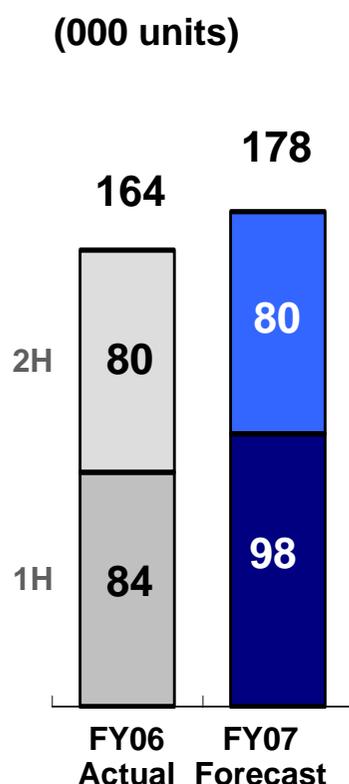
#### ➤ Dealer facility support program

#### ➤ Advertising campaigns for major models and major markets

### ■ Expand sales in Canada

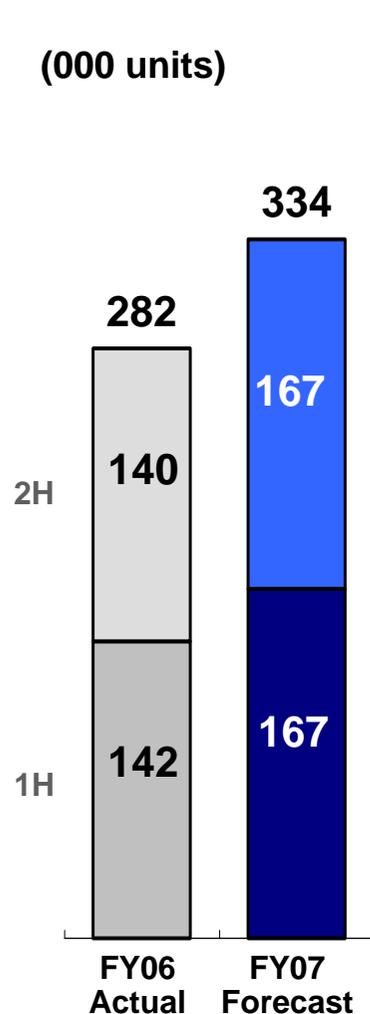
#### ➤ Expansion of sales network:

61 dealers in Apr 07 => 72 dealers in Mar 08



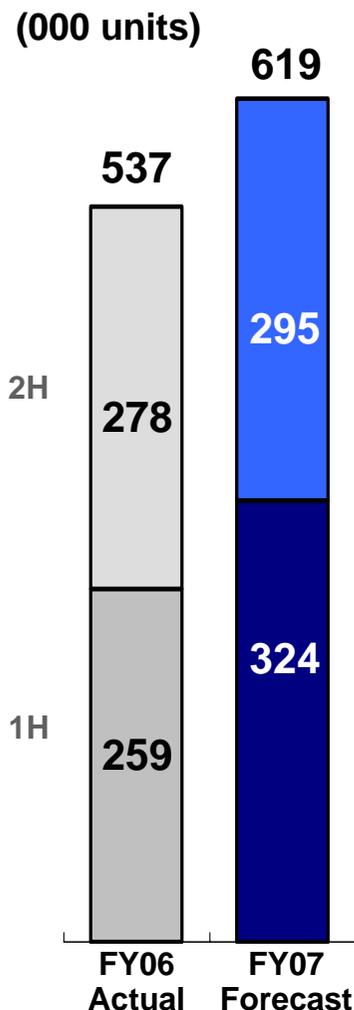
# Regional Business Plan - Europe

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



- **Expansion of global models**
  - **New *Lancer* in Western Europe:**
    - introduce gasoline / diesel models
  - ***Outlander*: 2.4L gasoline / 2.2L diesel models**
- **Expand sales in high-growth markets**
  - **Russia**
    - FY07 Forecast: 105,000 units ( 50% year-on-year growth )
    - Expansion of sales network
      - 84 dealers in Mar 07 => 100 dealers in Dec 07
  - **The Ukraine**
    - FY07 Forecast: 26,000 units (60% year-on-year growth)
    - Put Ukrainian distributor in direct contact with MMC

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



### ■ China

#### ➤ Strengthen imported vehicle business

- Additional launch of 2 new SUV models (Dec 2007, Jan 2008)
- Strengthen sales by increasing the number of Mitsubishi-brand vehicles and by improving the dealer network

### ■ ASEAN countries

#### ➤ Maintain and expand production in Thailand

- Cumulative exports of pick up truck reach one million units

### ■ Australia

#### ➤ Strengthen sales of imported vehicles

- *New Lancer* (Oct 07)

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

#### ➤ Maintain strong sales via new model offensive

- *New Lancer*
- *New Outlander*

## ■ FY2007 First Half Results

Revenue increased; operating and ordinary profitability achieved

- **Unit volume: 15% year-on-year growth**  
Increased in all overseas regions: North America, Europe, Asia and other regions, due to launch of global models. Total international sales grew more than 20%.
- **Revenue: 30% year-on-year growth**  
Revenue grew substantially due to rise in unit volume and forex gains.
- **Profitability: First positive operating and ordinary 1H income since 2002.**  
Net profitability for this term has also improved.

## ■ FY2007 Full Year Forecast

Revised upward

- **Unit volume: 11% year-on-year growth due to continued strong overseas performance.**
- **Revenue: 23% year-on-year growth due to increased sales, etc.**
- **Profitability: Increase profits at all levels; build solid profitability.**  
Operating income: 74% year-on-year growth, Net income: 130% year-on-year growth

## Additional Information



# FY2007 First Half Results Summary

(vs. Apr 26 Forecast and Sep 28 Forecast)

(100 million yen/000 units)

	Apr 26 Fcast	Sept 28 Fcast	FY071H Actual
<b>Revenue</b>	<b>11,700</b>	<b>12,700</b>	<b>13,134</b>
<b>Operating Income</b>	<b>50</b>	<b>150</b>	<b>188</b>
<b>Ordinary Income</b>	<b>-50</b>	<b>-30</b>	<b>66</b>
<b>Net Income</b>	<b>-150</b>	<b>-150</b>	<b>-56</b>
<b>Unit Volume (Retail)</b>	<b>638</b>	<b>680</b>	<b>690</b>

Notes: Unit volume figures exclude OEM volume. Unit volumes of FY2007 1H refer to preliminary results.

# FY2007 First Half Regional Results (vs. FY2006 1H Actual)

(100 million yen)

	FY06 1H Actual	FY071H Actual	Change
<b>Revenue</b>	<b>10,054</b>	<b>13,134</b>	<b>+3,080</b>
Japan	2,237	2,254	+17
North America	2,103	2,281	+178
Europe	2,993	4,549	+1,556
Asia & Others	2,721	4,050	+1,329
<b>Operating Income</b>	<b>-55</b>	<b>188</b>	<b>+243</b>
Japan	-350	-200	+150
North America	43	-44	-87
Europe	65	232	+167
Asia & Others	187	200	+13

# FY2007 First Half Results Summary (by quarter)

(100 million yen/000 units)

	FY07 1Q (‘07/4-6)	FY07 2Q (‘07/7-9)	FY07 1H (‘07/4-9)
<b>Revenue</b>	<b>6,308</b>	<b>6,826</b>	<b>13,134</b>
<b>Operating Income</b>	<b>60</b>	<b>128</b>	<b>188</b>
<b>Ordinary Income</b>	<b>26</b>	<b>40</b>	<b>66</b>
<b>Net Income</b>	<b>-82</b>	<b>26</b>	<b>-56</b>
<b>Unit Volume (Retail)</b>	<b>338</b>	<b>352</b>	<b>690</b>

Notes: Unit volume figures exclude OEM volume. Unit volumes of FY2007 1H refer to preliminary results.

# FY2007 Regional Results Forecast

(vs. FY2006 Actual and Apr 26 FY07 Forecast)

(100 million yen)

	FY06		FY07
	Actual	Apr 26 Forecast	Oct 30 Forecast
<b>Revenue</b>	<b>22,029</b>	<b>24,300</b>	<b>27,000</b>
- Japan	5,060	5,800	5,300
- North America	4,236	4,400	4,300
- Europe	6,628	7,300	9,200
- Asia & Others	6,105	6,800	8,200
<b>Operating Income</b>	<b>402</b>	<b>510</b>	<b>700</b>
- Japan	-438	-200	-200
- North America	6	-140	-100
- Europe	426	430	570
- Asia & Others	408	420	430

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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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