

FY2011 Business Plan



Mitsubishi Motors Corporation

June 13, 2011

Positioning for FY2011



- Recover production by overcoming the effects of the March disaster
- Retain the goals set in “Jump 2013”

“Jump 2013” Mid-term Business Plan for FY2011 - FY2013
Focus: “Growth and Leap Forward”

Business Strategy

- Concentrate business resources in emerging markets and environmental initiatives
- Drastically reform the cost structure
- Pursue business alliance opportunities for profit increase
- Reinforce business foundation

FY2013 Goals

Sales Volume: 1.37 million units
Revenue: 2.5 trillion JPY
Operating Income: 90 billion JPY
Net Income: 45 billion JPY

Production to Rebound and Exceed Pre-disaster Plan - Output normalization in 2H to make up for low 1H output -

■ Global Output (6% increase YoY)

- Output plan for FY2011: 1.17 million units

■ Domestic Output (Small YoY % increase overall (1H: 20% down, 2H 20% up))

- Output against plan*1 : April: 62% actual, May: 110%, June: 115% forecasted
- Constraints on products and specifications will remain, but 1H 90% against plan
- Output will rebound in 2H and exceed plan and offset 1H's low output
- Full-year production to just about reach pre-disaster planned levels

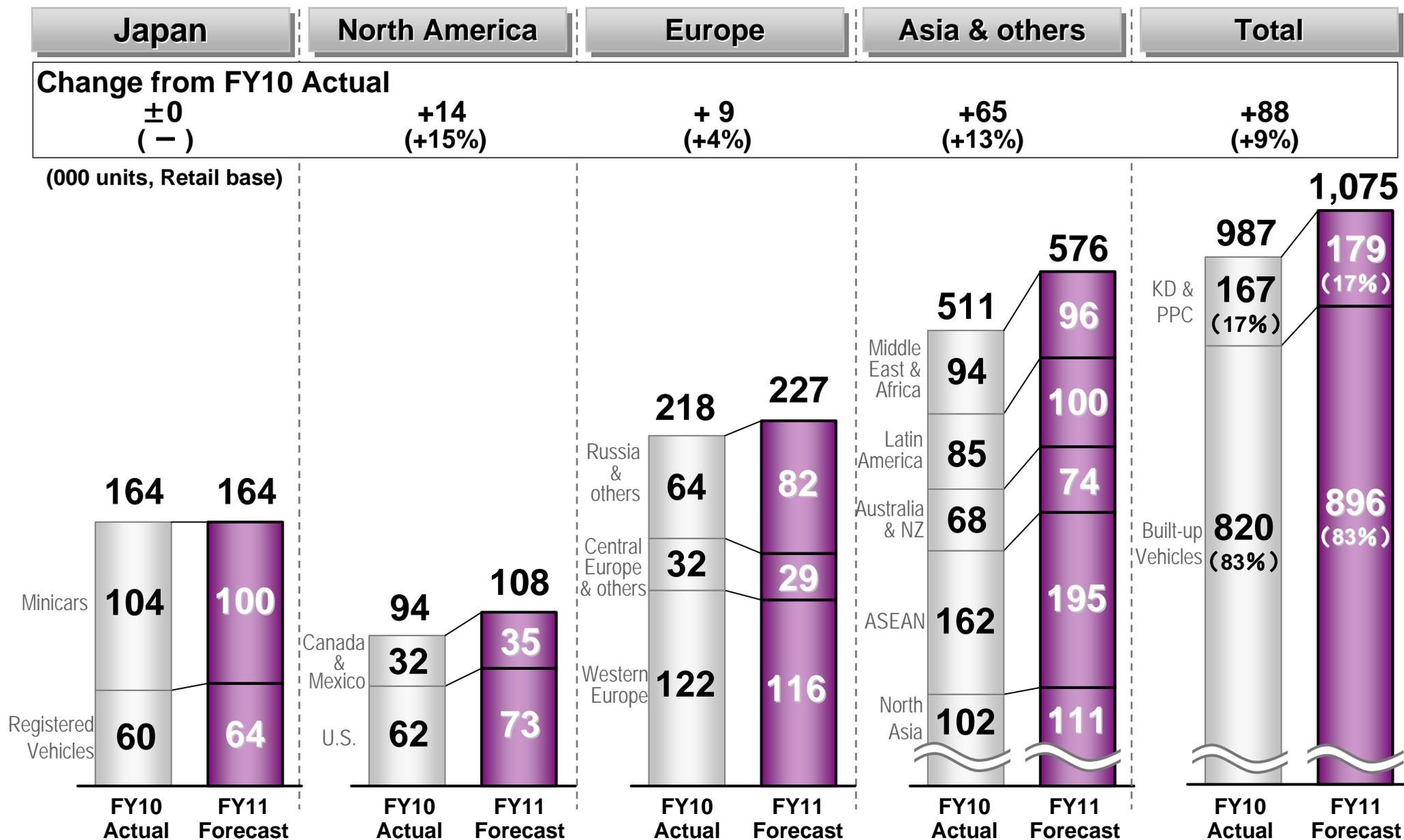
*1 pre-disaster plan

■ Overseas Output (About a 10% YoY increase both 1H/2H)

- Output to exceed pre-disaster plan in both 1H and 2H

(Footnote: FY2010 Output: 1.1 million units*2) *2 This amount excludes non-MMC brand vehicles made overseas from the previously announced amount of 1.18 million units.

FY2011 Regional Sales Volume Forecast (vs. FY2010 Actual)



Note: Sales volume is counted by the "New Calculation Method" (see p.13)

Initiatives in Major Markets for FY2011

■ Japan

- Rebuild sales network in disaster areas
- Expand sales of the *Delica D:2* (released February 2011) as well as the *RVR* and *Delica D:5* mainstays
- Release the *MINICAB-MiEV* 100% electric LCV in CY2011



Delica D:2

■ United States

- Expand sales of the *Outlander Sport*, released last October
- Introduce wide-body North American-spec *i-MiEV* (Nov. 2011)

■ Europe

- Expand sales of the popular *ASX*
- Expand production of SUVs at Russian Factory
- Expand EV sales and lower CO₂ emissions of mainstays



Outlander Sport (USA)
ASX (Europe)
RVR (Japan)

■ China

- Set up joint venture with Guangzhou Automobile Group
- Introduce the *Pajero Sport* (Fall 2011)

■ Thailand

- Boost production and sales of the *Triton* and *Pajero Sport* mainstays
- Complete third factory and introduce “Global Small” (March 2012)

■ Brazil

- Look for ways to strengthen relationship with local partner including new product introduction



Pajero Sport

FY2011 Forecast Summary (vs. FY2010 Actual)

Aiming for Increases in Sales Volume, Revenue and Profit

(100 million yen/000 units)

	FY10 Actual	FY11 Forecast	Change
Revenue	18,285	19,500	+1,215
Operating Income	403	500	+97
Ordinary Income	389	400	+11
Net Income	156	200	+44
Sales Volume (retail)	987	1,075	+88
Sales Volume (wholesale)	1,098	1,173	+75

Note: Sales volume is counted by the "New Calculation Method" (see p.13)

FY2011 Analysis of Operating Income (vs. FY2010 Actual)

(100 million yen)

**FY10
Actual**



**FY10
Forecast**

By region:

Japan:	+ 10
North America:	+ 10
Europe:	+120
Others:	+120

+260

Vol/Mix

- 30

**Sales
Expenses**

-90

Forex

+220

**Combined
impact of raw
material price
/ cost reduction**

-263

Others

403

Forex booking rate, in yen

	<u>FY10</u>	<u>FY11</u>
USD	85	80
EUR	113	113
AUD	81	83

Main items

- R&D expenses	-146
- Indirect labor cost and others	-117

500

Adapting to Environmental Issues

ZERO running CO₂ emissions
The “ultimate eco-car”

About 10,000 sold (mainly in Japan and Europe) as of March 2011

⇒ Lauded by customers for its environmental efficiency



Contributing to Energy Issues

***i-MiEV* comes to the rescue:**

About 90 *i-MiEVs* dispatched to disaster areas for disaster relief efforts

⇒ Opinions gathered to influence development of EVs

Future of Electric Vehicles

- Ability to store and supply electricity
 - A mobile power source
 - Energy stored in EVs/PHEVs can be used to power small appliances, etc.
 - Ability to power bigger 1,500W appliances on the horizon
- Smart Grid compatibility
 - Electricity stored in EVs at night will be able to be utilized during the day, lessening peak-hour electric usage.

Expansion of Electric Vehicle Rollout

	FY2009 Units Sold: 1,600	FY2010 Units Sold: 8,200	FY2011 Sales Plan: 25,000 units
Japan	From Jul. 2009 Fleet Sales		
	From Apr. 2010 Sales to Individuals		
	 Units Sold : 1,400	 Units Sold : 2,600	MINICAB-MiEV From 2011 (now taking orders) Light commercial EV
Overseas	From Fall 2009 RHD vehicles (Hong Kong, England, etc.)		
	Europe (LHD markets incl.)		
	OEM to PSA Peugeot Citroën		
	 <i>i-MiEV</i> for Europe Units Sold : 200	From Oct. 2010 Units Sold : 5,600	 <i>i-MiEV</i> for North America From Nov. 2011 (now taking orders) N. America

Pushing Forward with Partnerships

Proactively Pursuing Alliances
- Seizing opportunities for increased profit -



Working Toward a 15% YoY Reduction in Peak Energy Use

- Setup, promotion, and execution of a “Energy Saving Response Office”
- Promoting efforts to conserve energy companywide in Japan

Specific Measures

● Change in Workdays/Holidays Companywide

- Switch to a Saturday – Wednesday workweek from July - September
(Complying with JAMA policy)

● Intensifying Energy-saving Practices

- Adjusting Office Environment (Setting room temperatures to 28°C, reducing lighting, partial shutting down of elevators/vending machines, etc.)
- Switching sales office showroom lighting to LED lamps
- Supporting employees’ home efforts (Education through information sharing and energy-saving competitions, etc.)

● Allowing flexibility for employees in and out of the office

- Accelerated “Cool Biz,” or “No Necktie Necessary” rule
- Measures to make “smart offices” where employees can work in a consolidated area (consolidating energy usage) on company holydays, making it possible for employees to come in earlier when energy usage is lower, etc.

■ FY2011 Forecast

Aiming for Increases in Sales Volume, Revenue and Profit

- Retail Sales Volume: 1,075,000 units, 9% up YoY (North America, Europe, Asia all up YoY)
- Wholesale Sales Volume: 1,173,000 units, 7% up YoY (North America, Asia up YoY)
- Net Sales: 1.95 trillion JPY, up 7% YoY (contributed by increase in wholesale sales volume)
- Profit/Loss: Operating Profit 50.0 billion JPY, Ordinary Profit: 40.0 billion JPY,
Net Profit 20.0 billion JPY, increases of 24%, 3%, and 28% YoY
Offset the effects of the strong yen and increased R&D expenses by increased sales volume and expense/cost reductions.

■ FY2011 Production Forecast

Production to Rebound and Exceed Pre-disaster Plan - Output normalization in 2H to make up for low 1H output -

Additional Information



MITSUBISHI Concept Global Small

Outline

■ New calculation method (from FY2011)

- Retail volume: Count only MMC-brand products
Change “Russia/Ukraine” to “Russia & Others” (Russia, Ukraine, Kazakhstan)
- Wholesale Volume: Include OEM sales in count

■ Former calculation method

- Retail Volume: Included Non-MMC brand products.
- Wholesale Volume: OEM sales were not included.

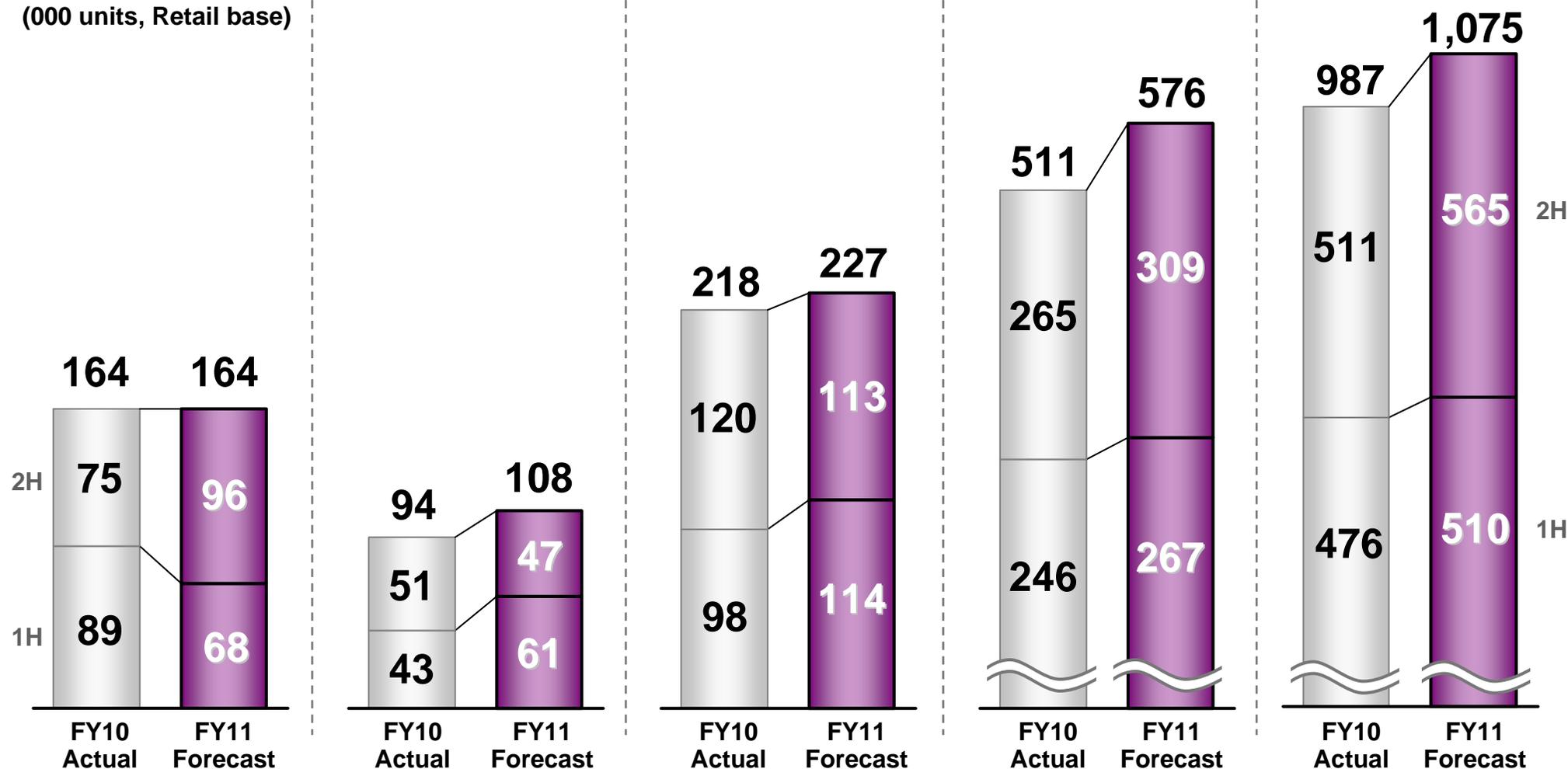
FY2010 Results (000 Units)	<u>Former method</u>		<u>Volume Adjustment</u>		<u>New Method</u>
Retail Volume	1,105	–	118	=	987
Wholesale Volume	1,045	+	53	=	1,098

FY2011 Regional Sales Volume Forecast (vs. FY2010 Actual)

Japan	North America	Europe	Asia & others	Total
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Change from FY10 Actual				
±0	+14	+9	+65	+88
(-)	(+15%)	(+4%)	(+13%)	(+9%)

(000 units, Retail base)



Note: Sales volume is counted by the "New Calculation Method" (see p.13)

FY2011 Forecast Summary (FY10 actual and FY11 forecast, by half and total)

(100 million yen)

	FY2010			FY2011		
	1H Actual	2H Actual	Full-year Actual	1H Forecast	2H Forecast	Full-year Forecast
Revenue	8,647	9,638	18,285	8,600	10,900	19,500
Operating Income	69	334	403	50	450	500
Ordinary Income	70	319	389	0	400	400
Net Income	-49	205	156	-100	300	200
Sales Volume (retail)	476	511	987	510	565	1,075
Sales Volume (Wholesale)	521	577	1,098	505	668	1,173

Note: Sales volume is counted by the "New Calculation Method" (see p.13)

FY2011 Regional Forecast (vs. FY2010 Actual)

(100 million yen)

	FY10 Actual	FY11 Forecast	Change
Revenue	18,285	19,500	+1,215
Japan	3,633	3,700	+67
North America	1,898	1,900	+2
Europe	4,900	5,100	+200
Asia & Others	7,854	8,800	+946
Operating Income	403	500	+97
Japan	51	70	+19
North America	-279	-330	-51
Europe	-264	-170	+94
Asia & Others	895	930	+35

Introduction of “Global Small” Global Strategic Vehicle

■ Global Small concept

- Compact / Affordability / High fuel efficiency
- To be introduced in both emerging markets expected to grow, and advanced markets where demand for smaller vehicles is growing
- Entry model in Mitsubishi Motors' lineup
 - Compact car that can comfortably seat five adults
- New 1.0-liter & 1.2-liter 3-cylinder engines with:
 - Variable valve timing (MIVEC*¹)
 - Idling-stop system (AS&G*²)
 - Regenerative braking system
 - Low aerodynamic drag and lightweight body



MITSUBISHI Concept Global Small

■ Production sites

- Third Factory at MMTh (Thailand, under construction)
- Working toward local production in China

■ Launch date

- Thailand: March 2012
- Other global markets: To be shipped from Thailand



Third Factory (under construction)

*1 : Mitsubishi Innovative Valve timing Electronic Control system

*2 : Automatic Stop & Go

New RVR ROADEST Compact SUV in Japan

RVR
ROADEST

装備のひとつひとつに走りが見える。ROAD to Elegant.
RVR ROADEST 発進



SEAT
FABRIC



New Compact Minivan *Delica D:2* in Japan

Debut!



DELICA
D:2

Big

みんなで乗っても、**広い!**

運転しやすいコンパクトカーなのに、
5人で乗ってもゆったりの室内空間。
Hウォークスルーで、
シート間の移動だってスムーズ。



Useful

お買い物やお出かけにも、**便利!**

両側スライドドアだから、
狭い場所での乗り降りにも便利。
あんなところにも、こんなところにも、
便利な収納スペースがいっぱい。

Eco

おサイフにも、環境にも、**エコ!**

クラストップ*1の低燃費だから、
環境にもやさしくてうれしい。
みんなの安全も考えた、安心機能も充実。

*1: クラス=コンパクトハイブリッドワゴン(燃料消費率1.5L以下・全長1,550mm以上の2列乗員5ドアワゴン)。2011年2月現在、自社調べ。

広くて、使える、コンパクト1BOX

Expanding EV Lineup in Japan – the *MINICAB-MiEV* 20

MITSUBISHI MOTORS

電気自動車なら、“運ぶ”が全て新しくなる。

MINICAB - MiEV 2011年内にデビュー予定



Photo:実証試験車



積載性	最大積載量はガソリン車と同じ350kg(2名乗車時)	たっぷりスペースで荷物がしっかり積める
走行性	モーターは、ゼロ回転から最大トルクを発生	重い荷物を積んでも発進ラクラク
静粛性	モーターだからとっても静か	早朝や深夜でも騒音が気にならない
信頼性	i-MiEVで培った技術が活かしている	毎日安心して乗ることができる
経済性	ガソリン不要でランニングコストを軽減	電気代だけで、経済的



電気自動車なら、“運ぶ”がすべて新しくなる。

MINICAB MiEV

2011年内に、デビュー予定。



The *MINICAB-MiEV* 100% electric LCV (images)

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