

# FY2011 First Half Results



**Mitsubishi Motors Corporation**

**October 28, 2011**

# Summary of FY2011 First Half Results and FY2011 Forecast



*MINICAB-MiEV (prototype)*

**Shuichi Aoto**

**Managing Director**

Head Officer of the Headquarters CSR, Corporate Affairs,  
Controlling & Accounting Group Headquarters

# FY2011 1H Results Summary (vs. FY2010 1H Actual)

**Increased Year-on-year Sales Volume, Revenue, and Profit Despite the Harsh Business Environment Affected by the Historically Strong Yen**

	FY10 1H Actual	FY11 1H Actual	Change	(100 million yen/000 units) Aug 1 FY11 1H Forecast
Revenue	8,647	9,075	+428	8,800
Operating Income	69	342	+273	180
Ordinary Income	70	233	+163	130
Net Income	- 49	106	+155	0
Sales Volume (Retail)	476	519	+43	518
Sales Volume (wholesale)	521	530	+9	510

Note: Sales volume is counted by the "New Calculation Method". (see p.16) Sales volume of FY2011 1H refers to preliminary results.

# FY2011 1H Regional Sales Volume (vs. FY2010 1H Actual)

Japan	North America	Europe	Asia & others	Total
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FY11 1H Actual vs. FY10 1H Actual

**-17**  
**(-19%)**

**+18**  
**(+41%)**

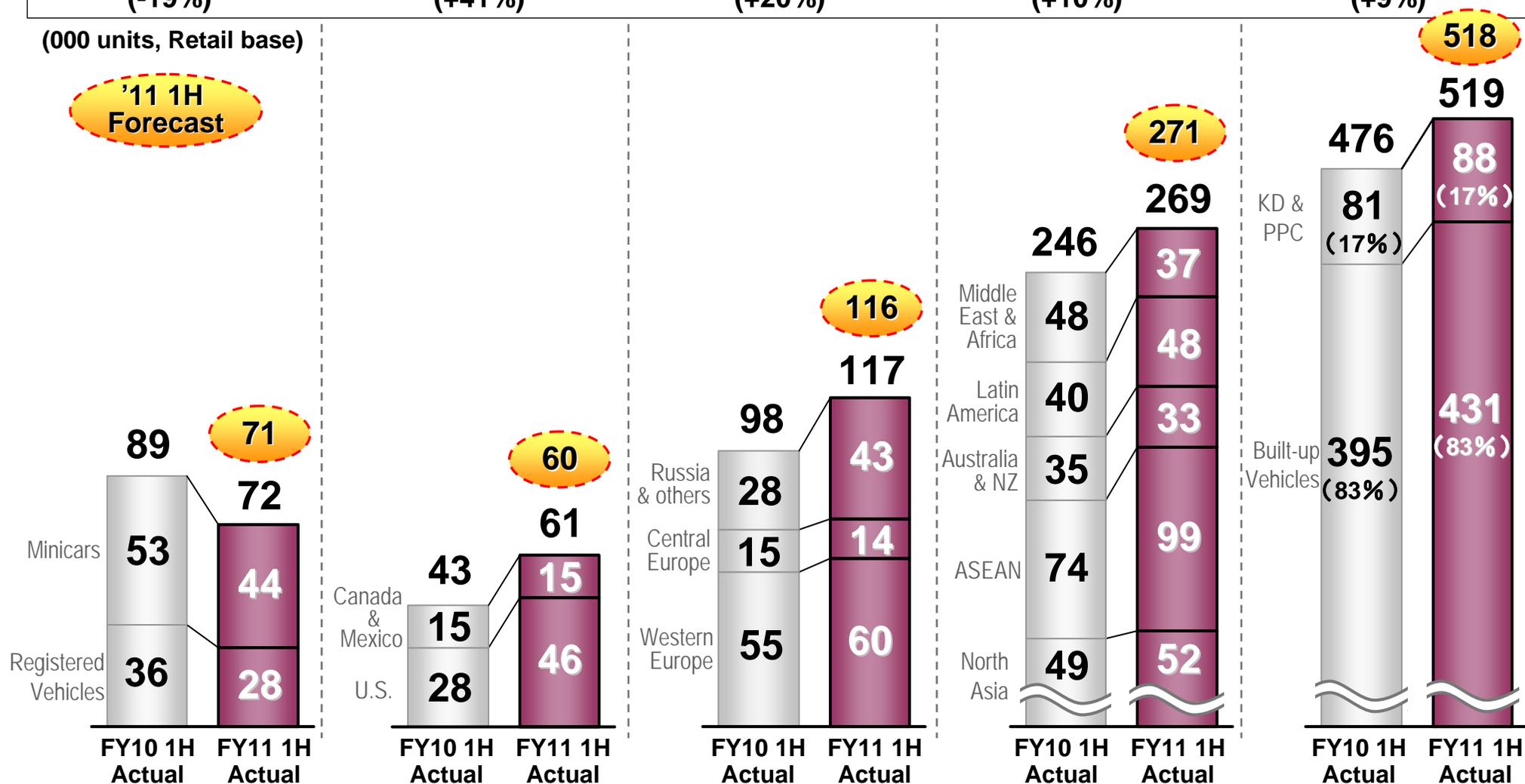
**+19**  
**(+20%)**

**+23**  
**(+10%)**

**+43**  
**(+9%)**

(000 units, Retail base)

'11 1H  
Forecast



Note: Sales volume is counted by the "New Calculation Method". (see p.16) Sales volume of FY2011 1H refers to preliminary results.

# Analysis of Operating Income (vs. FY2010 1H Actual)

(100 million yen)

**FY10 1H Actual**



**FY11 1H Actual**

**By region:**

Japan	- 60
North America	+ 26
Europe	+156
Others	+105



**Forex booking rate, in yen**

	FY10	FY11
USD	89	80
EUR	114	116
AUD	80	86

**Main items:**

-R&D expenses	- 34
-Indirect labor cost and others	- 42



# Ordinary and Net Income (vs. FY2010 1H Actual)

(100 million yen)

	FY10 1H Actual	FY11 1H Actual	Change	
<b>Operating Income</b>	<b>69</b>	<b>342</b>	<b>+273</b>	
Non-operating Income	1	- 109	- 110	<b>Main items:</b> - Forex - 119 (FY10 1H:27, FY11 1H:-92)
<b>Ordinary Income</b>	<b>70</b>	<b>233</b>	<b>+163</b>	
Extraordinary Income & Tax	- 119	- 127	- 8	<b>Main items:</b> - Extraordinary profit/loss +24 (FY10 1H:-34, FY11 1H:-10) - Corporate tax, - 36 etc. (FY10 1H:-65, FY11 1H:-101)
<b>Net Income</b>	<b>- 49</b>	<b>106</b>	<b>+155</b>	

# Balance Sheet (vs. end of FY2010)

(100 million yen)

	<u>Mar. 2011</u>	<u>Sep. 2011</u>	<u>Change</u>
<b>Total Assets</b>	<b>13,125</b>	<b>12,369</b>	<b>- 756</b>
Cash & cash deposits	3,171	2,930	- 241
Accounts receivable	1,144	1,150	+6
Inventory	1,893	1,722	- 171
PP&E	3,836	3,650	- 186
<b>Total Liabilities</b>	<b>10,644</b>	<b>10,048</b>	<b>- 596</b>
Accounts payable	2,786	2,687	- 99
Interest-bearing debt	3,979	3,615	- 364
<b>Net Assets</b>	<b>2,481</b>	<b>2,321</b>	<b>- 160</b>

# FY2011 Regional Sales Volume Forecast (vs. Jun 13 FY11 Forecast)

Japan	North America	Europe	Asia & others	Total
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Oct 28 FY11 Forecast vs. Jun 13 FY11 Forecast

- 6  
(- 3%)

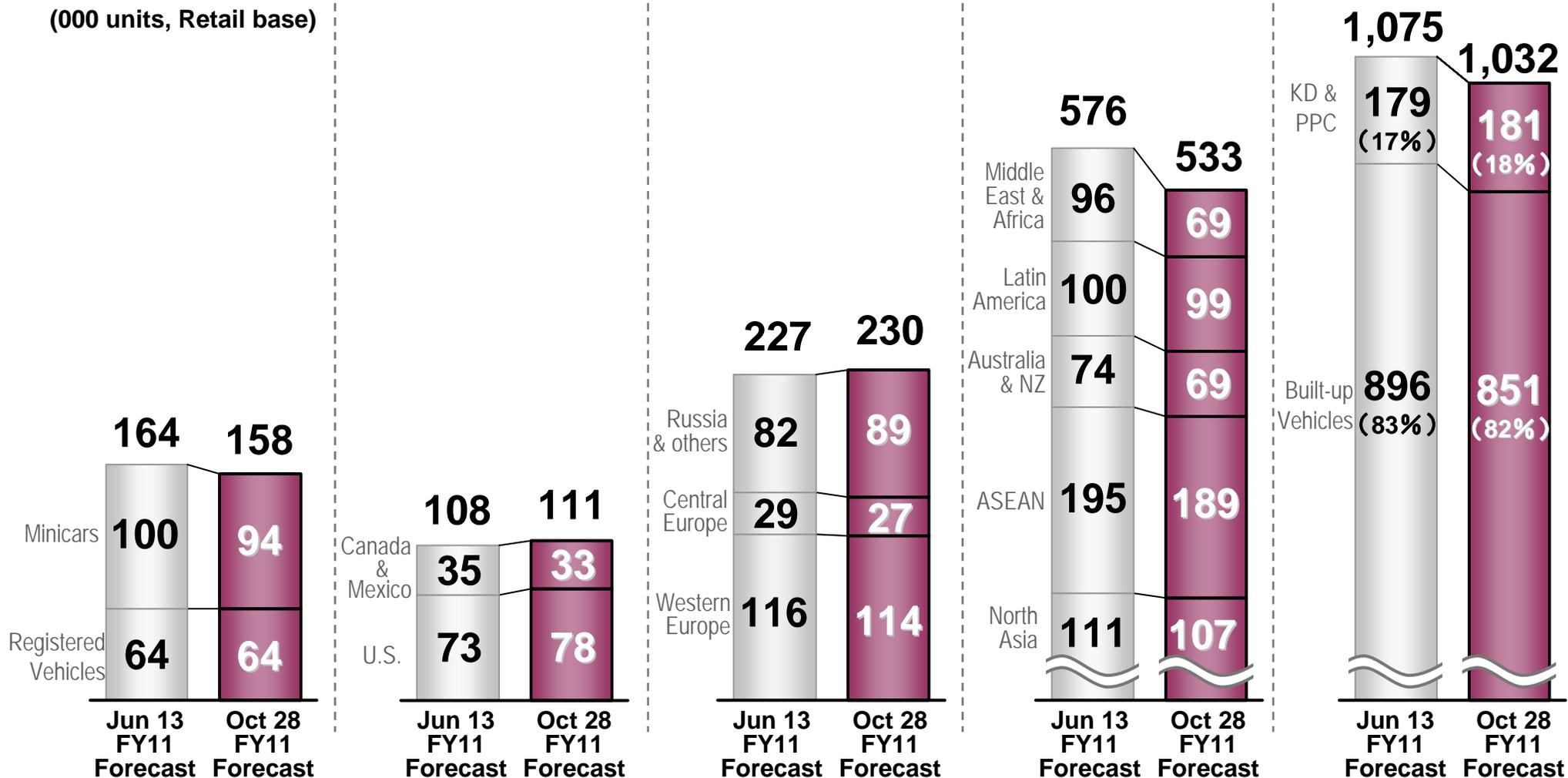
+3  
(+2%)

+3  
(+1%)

- 43  
(- 7%)

- 43  
(- 4%)

(000 units, Retail base)



Note: Sales volume is counted by the "New Calculation Method". (see p.16)

# FY2011 Results Forecast Summary (vs. Jun 13 Forecast)

**Maintain Profit Targets Through Further Cuts in Operating Costs / Expenses to Offset the Impact of the Stronger Yen and Flooding in Thailand**

- Continuously strive for year-on-year increases in profit -

	FY11				
	Jun 13 Forecast	Oct 28 Forecast	【Reference】 FY10 Actual		
Revenue	19,500	18,200	18,285		
Operating Income	500	500	403		
Ordinary Income	400	400	389		
Net Income	200	200	156		
Sales Volume (Retail)	1,075	1,032	987		
Sales Volume (wholesale)	1,173	1,094	1,098		
(100 million yen/000 units)					
<b>Assumed Forex Rate</b>	<b>USD:</b>	<b>80</b>	<b>1H</b>	<b>2H</b>	<b>FY11</b>
	<b>EUR:</b>	<b>113</b>	<b>80</b>	<b>76</b>	<b>78</b>
	<b>AUD:</b>	<b>83</b>	<b>116</b>	<b>103</b>	<b>110</b>
			<b>86</b>	<b>78</b>	<b>82</b>

Breakdown of change (vs. Jun 13 forecast)	
• Vol/Mix	- 50
• Forex	- 90
• Sales Expenses	+ 30
• Combined impact of raw material price/ Cost reduction	+ 40
• Indirect labor cost/ General Expenses and others	+ 70

Note: Sales volume is counted by the "New Calculation Method". (see p.16)

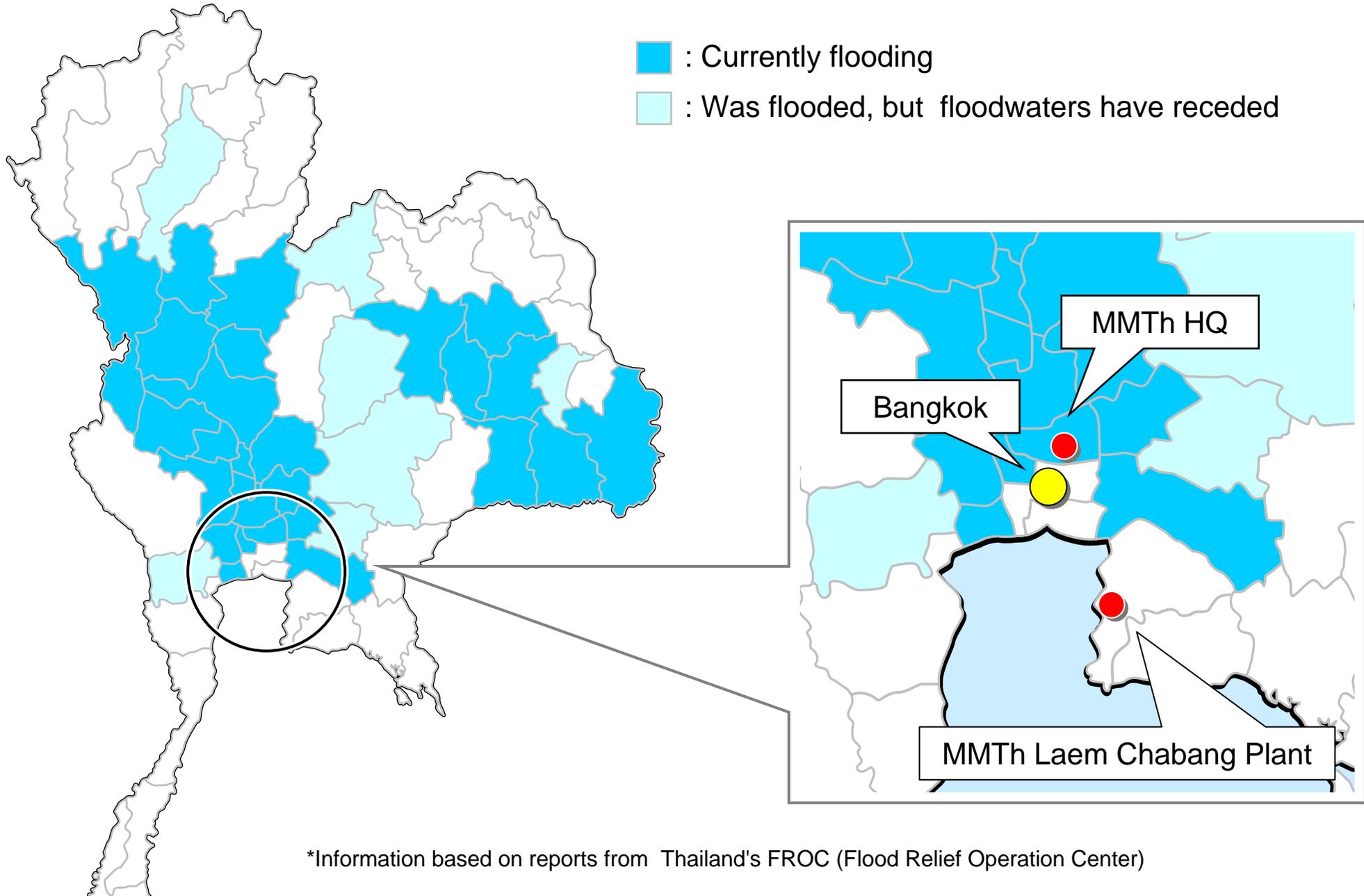
## MMC's Initiatives to Adapt to the Drastically Changing Business Environment



Wide-body *i-MiEV* for North America

**Osamu Masuko**  
**President**

# Flooding in Thailand: Current Situation



\*Information based on reports from Thailand's FROC (Flood Relief Operation Center)

# MMTh (Thailand) Locations and Production Models



## Impact of the Recent Flooding in Thailand

- ❑ No direct damage to MMTh's\* Laem Chabang Plant
  - However, 11,600 units not produced (as of October 28) due to halt in production from the night shift of October 13 to October 29
- ❑ MMTh headquarter staff relocated to safe areas; operations continue
- ❑ Impact on production if parts supply continues to be stalled
  - Possible impact on Japanese factories and knockdown assembly plants

\**MMTh*: Mitsubishi Motors (Thailand) Co, Ltd. (a wholly-owned subsidiary of MMC) that manufactures and sells vehicles, located north of Bangkok in Phatumthani Province

*Laem Chabang Plant*: Located southeast of Bangkok in Chonburi Province; 200,000 units produced as of FY2010

## MMC's Response

- ❑ The Laem Chabang Plant is one of the most important production hubs for MMC as it produces the *Triton* and the *Pajero Sport*
- ❑ First priorities: Support the recovery of our local business partners in Thailand and secure procurement of substitute parts makers
- ❑ Reassess production at the Laem Chabang Plant
  - Watch the situation closely and be prepared to postpone production further if necessary
  - Officially report plant status on MMC home page in a timely manner
  - Put full efforts into working together with local business partners to bring the plant back on line as quickly as possible
  - Should the current halt in production be extended to 1.5 months, MMC estimates an effect of about 35,000 units not produced

## ■ FY2011 1H Consolidated Operating Results

**Increased Year-on-year Sales Volume, Revenue, and Profit Despite the Harsh Business Environment Affected by the Historically Strong Yen**

- Best\* operating and ordinary profit along with net profitability -

- **Retail Sales Volume:** 519K units, increases in N.A., Europe, Asia and Other Regions (9% up YoY)
- **Wholesale Sales Volume:** 530K units, increases in N.A., Europe, Asia and Other Regions (2% up YoY)
- **Net Sales:** Increased revenue as increases in wholesale sales compensated for the impact of the stronger yen (5% up YoY).
- **Operating/Ordinary Profit:** Operating profit quintupled and ordinary profit tripled from the same period last fiscal year. Turnaround in net income from a loss to a profit year-on-year.

\*Since MMC started disclosing 1H results in FY2000

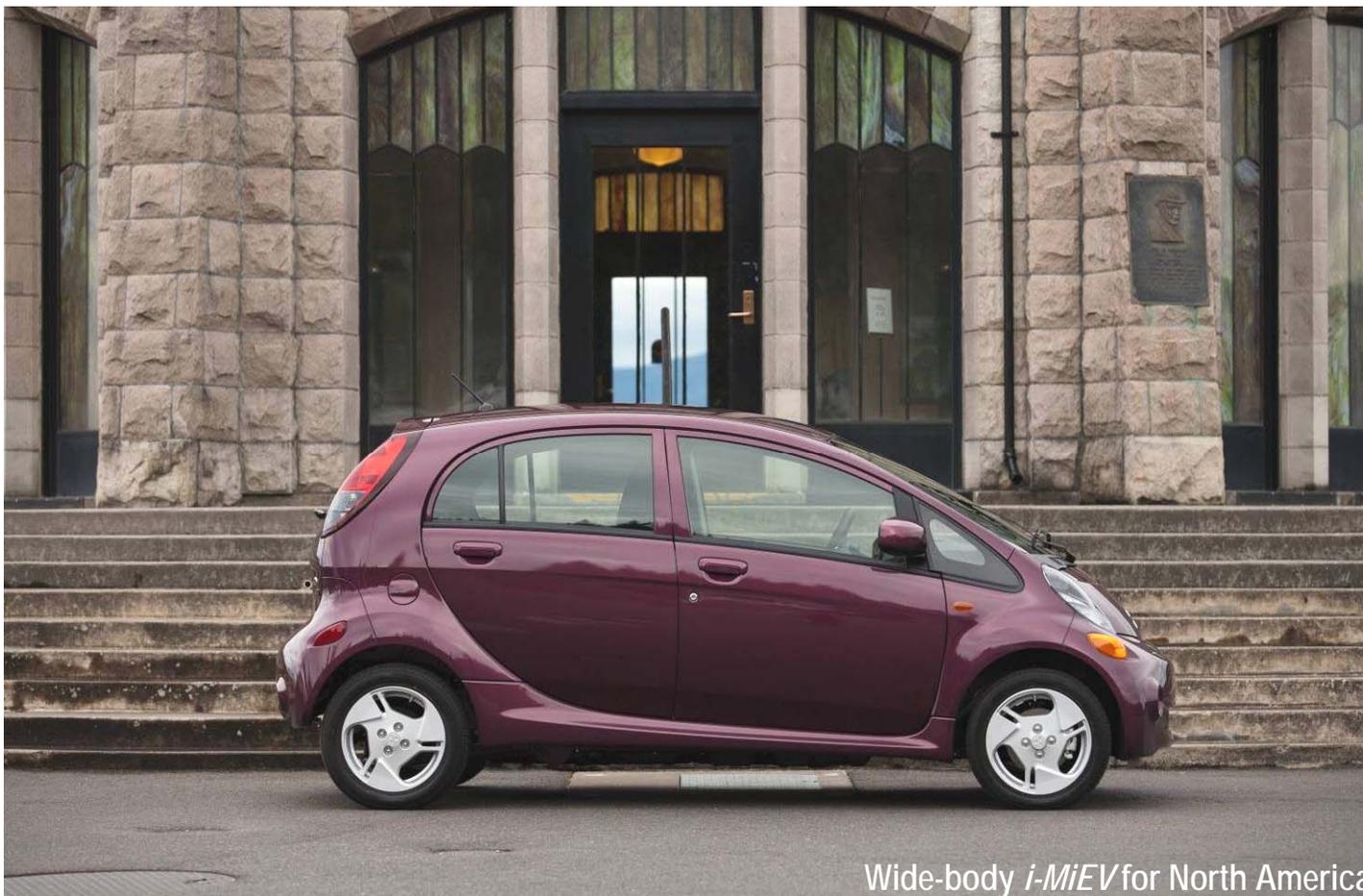
## ■ FY2011 Consolidated Full-year Forecast

**Maintain Profit Targets Through Further Cuts in Operating Costs / Expenses to Offset the Impact of the Stronger Yen and Flooding in Thailand**

- Continuously strive for year-on-year increases in profit -

- **Sales Volume Plan:** Retail Sales Volume: 1,032K units (5% up YoY)  
Wholesale Sales Volume : 1,094K units (no change YoY)
- **Operating Targets:** Maintain original targets announced at the beginning of this fiscal year and continuously strive for year-on-year increases in profit
- Offset the impact of the stronger yen and the flooding in Thailand by further reductions in operating costs and expenses
- Put full efforts into quickly resuming production and returning to normal production levels at the Laem Chabang plant in Thailand

# Additional Information



Wide-body *i-MiEV* for North America

## 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.

<b>FY2010 2Q Results</b> (000 Units)	<u>Former method</u>		<u>Volume Adjustment</u>		<u>New Method</u>
<b>Retail Volume</b>	<b>527</b>	<b>–</b>	<b>51</b>	<b>=</b>	<b>476</b>
<b>Wholesale Volume</b>	<b>495</b>	<b>+</b>	<b>26</b>	<b>=</b>	<b>521</b>

# FY2011 1H Regional Sales Volume (vs. Aug 1 FY2011 1H Forecast)

Japan	North America	Europe	Asia & others	Total
-------	---------------	--------	---------------	-------

FY11 1H Actual vs. Aug 1 FY11 1H Forecast

+ 1  
(+2%)

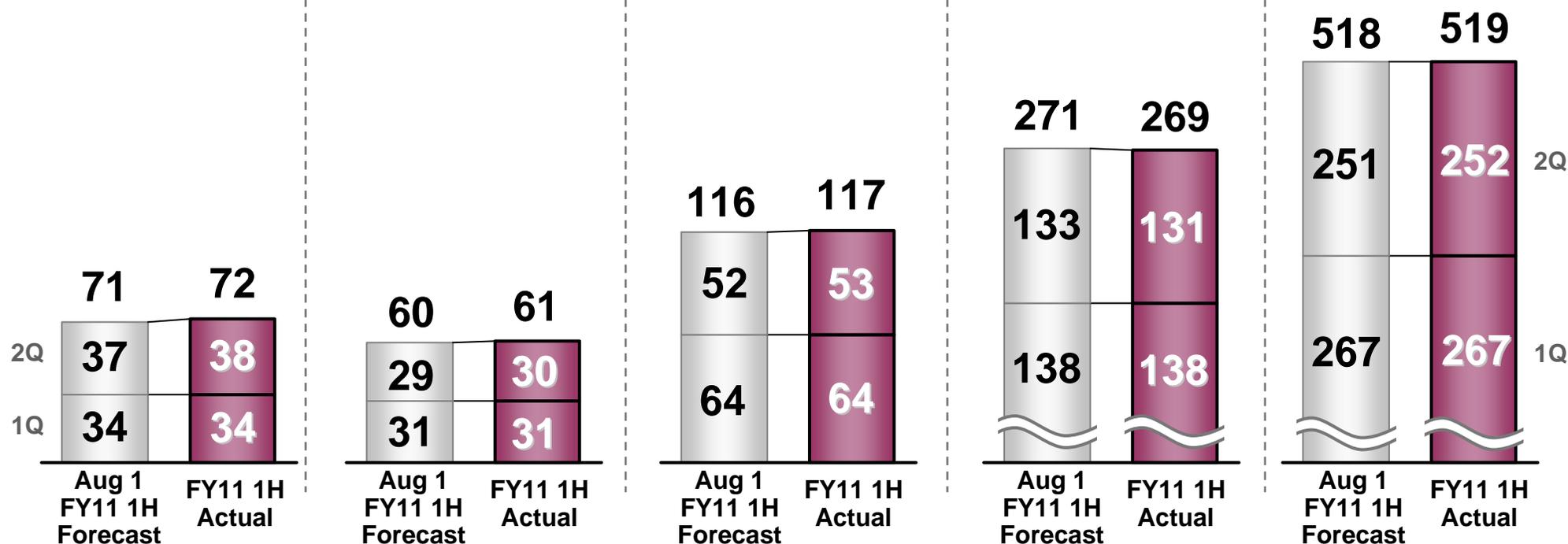
+ 1  
(+1%)

+ 1  
(+1%)

- 2  
(- 1%)

+ 1  
(±0%)

(000 units, Retail base)



Note: Sales volume is counted by the "New Calculation Method". (see p.16) Sales volume of FY2011 1H refers to preliminary results.

# FY2011 1H Regional Sales Volume (vs. FY2010 1H Actual)

Japan	North America	Europe	Asia & others	Total
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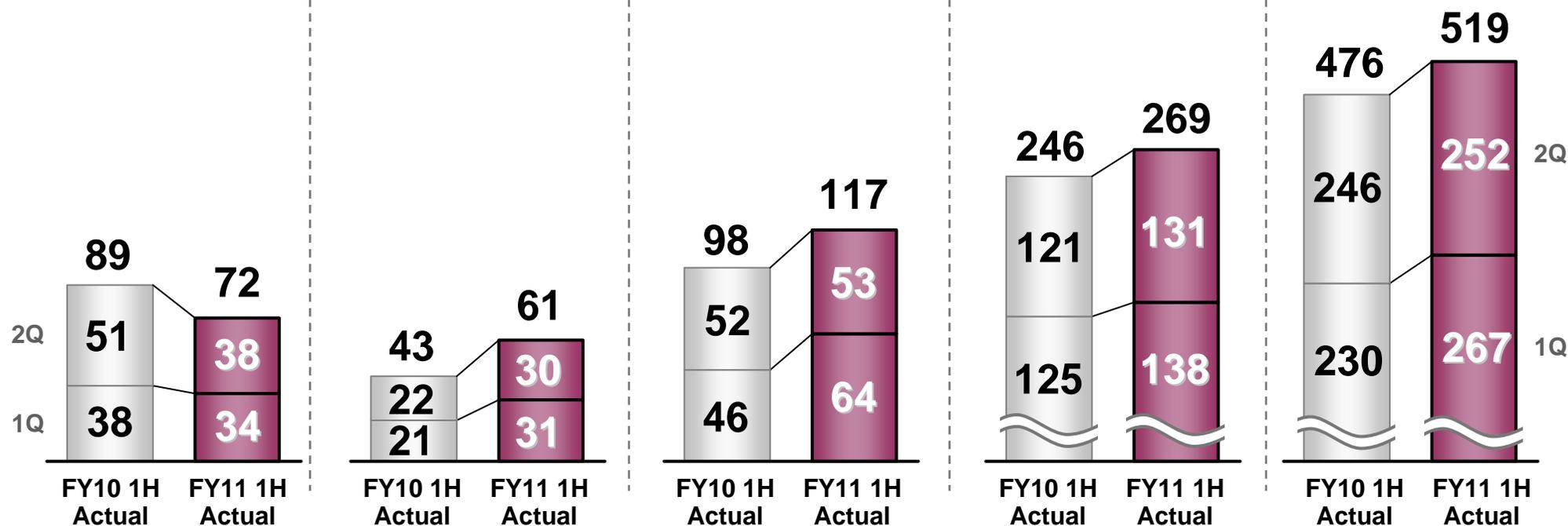
+18  
(+41%)

+19  
(+20%)

+23  
(+10%)

+43  
(+9%)

(000 units, Retail base)



Note: Sales volume is counted by the "New Calculation Method". (see p.16) Sales volume of FY2011 1H refers to preliminary results.

# FY2011 1H Regional Results (vs. FY2010 1H Actual)

(100 million yen)

	FY10 1H Actual	FY11 1H Actual	Change
<b>Revenue</b>	<b>8,647</b>	<b>9,075</b>	<b>+428</b>
Japan	1,911	1,634	-277
North America	821	971	+150
Europe	2,264	2,542	+278
Asia & Others	3,651	3,928	+277
<b>Operating Income</b>	<b>69</b>	<b>342</b>	<b>+273</b>
Japan	23	10	-13
North America	-137	-120	+17
Europe	-193	-88	+105
Asia & Others	376	540	+164

# FY2011 1H Results Summary (by quarter)

(100 million yen/000 units)

	<b>FY11 1Q</b> ( '11/4-6)	<b>FY11 2Q</b> ( '11/7-9)	<b>FY11 1H</b> ( '11/4-9)
<b>Revenue</b>	<b>4,319</b>	<b>4,756</b>	<b>9,075</b>
<b>Operating Income</b>	<b>122</b>	<b>220</b>	<b>342</b>
<b>Ordinary Income</b>	<b>103</b>	<b>130</b>	<b>233</b>
<b>Net Income</b>	<b>43</b>	<b>63</b>	<b>106</b>
<b>Sales Volume (Retail)</b>	<b>267</b>	<b>252</b>	<b>519</b>
<b>Sales Volume (Wholesale)</b>	<b>252</b>	<b>278</b>	<b>530</b>

Note: Sales volume is counted by the "New Calculation Method". (see p.16) Sales volume of FY2011 1H refers to preliminary results.

# FY2011 Regional Sales Volume Forecast (vs. FY2010 Actual)

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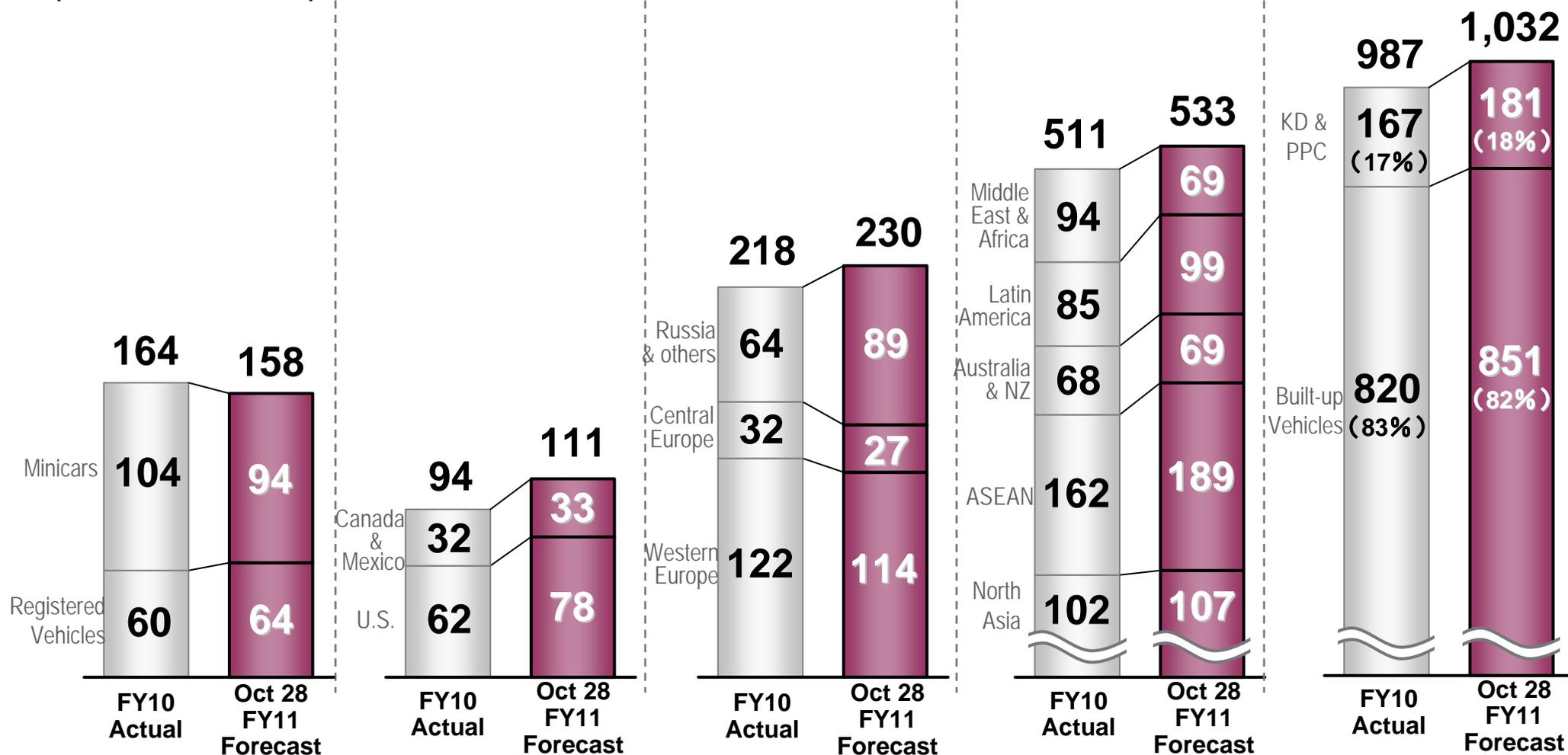
+17  
(+18%)

+12  
(+5%)

+22  
(+4%)

+45  
(+5%)

(000 units, Retail base)



Note: Sales volume is counted by the "New Calculation Method". (see p.16)

# FY2011 Regional Sales Volume Forecast (vs. FY2010 Actual)

Japan	North America	Europe	Asia & others	Total
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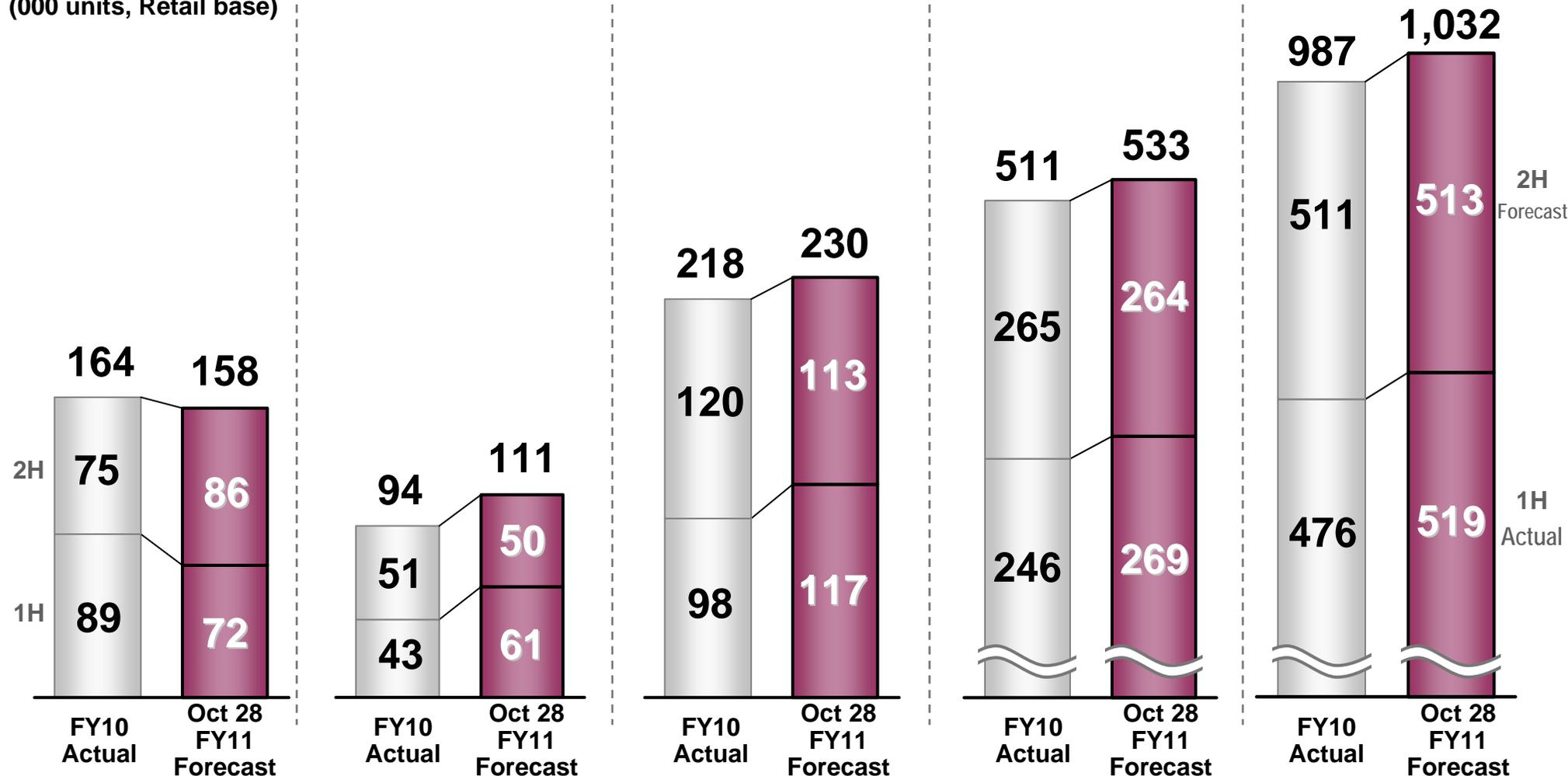
+17  
(+18%)

+12  
(+5%)

+22  
(+4%)

+45  
(+5%)

(000 units, Retail base)



Note: Sales volume is counted by the "New Calculation Method". (see p.16)

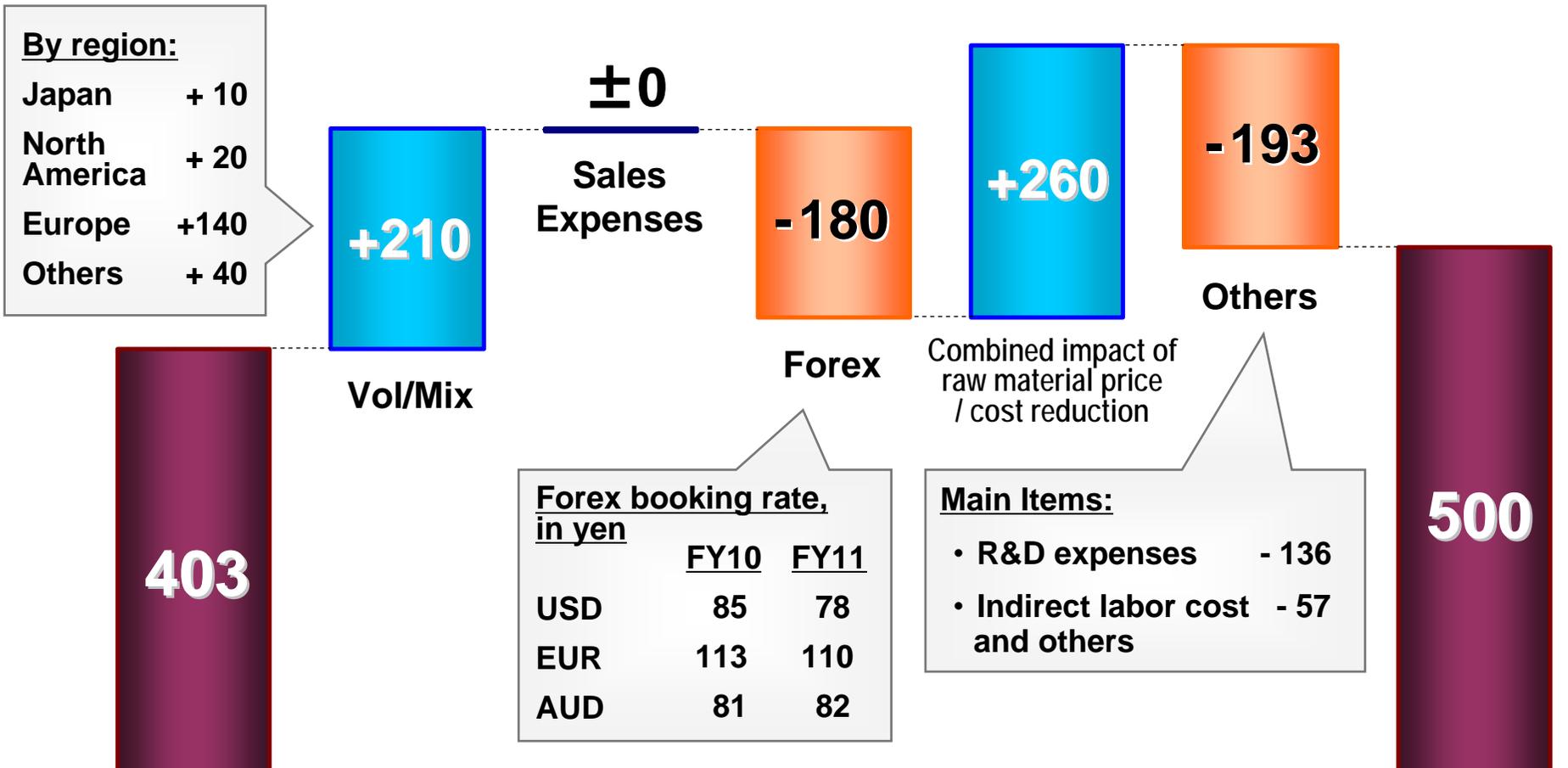
# Analysis of Operating Income (FY2011 Forecast vs. FY2010 Actual)

(100 million yen)

**FY10  
Actual**



**Oct 28  
FY11  
Forecast**



# FY2011 Regional Forecast (vs. FY2010 Actual and Jun 13 FY2011 Forecast)

(100 million yen)

	FY10 Actual	FY11 Jun 13 Forecast	FY11 Oct 28 Forecast
<b>Revenue</b>	<b>18,285</b>	<b>19,500</b>	<b>18,200</b>
Japan	3,633	3,700	3,700
North Americ	1,898	1,900	1,800
Europe	4,900	5,100	4,600
Asia & Others	7,854	8,800	8,100
<b>Operating Incom</b>	<b>403</b>	<b>500</b>	<b>500</b>
Japan	51	70	90
North Americ	-279	-330	-310
Europe	-264	-170	-210
Asia & Others	895	930	930

# FY2011 2H: Initiatives in Major Markets

## ■ Japan

- Introduce models equipped with all-new MIVEC engine and “Auto Stop & Go” (October)
- Expand the *Delica* minivan lineup and expand sales of the *RVR* and *Outlander* core models
- Expand sales of the revamped *i-MiEV* in two trim levels and rollout the *MINICAB-MiEV* in December

## ■ United States

- Expand sales and prepare to start local production of the *Outlander Sport* core model
- Introduce the North American version of the *i-MiEV* (November)



**MINICAB-MiEV**

## ■ Europe

- Expand sales of the popular and revamped *ASX*
- Expand sales of EVs and core models with lower CO<sub>2</sub> emissions



**Japan: RVR  
Europe: ASX  
U.S.: Outlander Sport**

## ■ China

- Move forward to complete joint venture with Guangzhou Automobile Group
- Expand sales of popular SUV models

## ■ Thailand

- Start production at third factory and launch the “Global Small”

## ■ Brazil

- Assess potential impact from the increase in IPI (industrial product tax)



**MITSUBISHI Concept Global Small**

# Measures to Counteract the Historically Strong Yen

## MMC Enhanced Measures to Counteract the Historically Strong Yen in 1H 2011

- ❑ Enhanced measures against yen appreciation and maintained profitability mainly through the below:
  - Increased reductions in operating costs/expenses
  - Expansion of overseas procurement
- ❑ Basic policy to maintain domestic plants remain unchanged

## Actions needed for the long term

- ❑ Create a business structure which is less affected from fluctuations in foreign exchange rates is more urgent than ever.
- ❑ Accelerate initiatives to expand **production in emerging markets** and **overseas procurement** as laid out in JUMP 2013
  - **Production in emerging markets:** Increase production capability in locations closer to target markets / focus on expansion in ASEAN markets
  - **Expansion of overseas procurement:** Accelerate actions to achieve the target to increase overseas procurement rate from 18% in FY2010 to 25% in FY2013

## Expanded OEM Business in Japan with Nissan

- Nissan will provide the Fuga luxury sedan to Mitsubishi Motors starting from summer 2012.
- Started deliberations on the provision of the *MINICAB-MiEV* light commercial EV to Nissan in fiscal year 2012.



*MINICAB-MiEV* (prototype)

## Expansion of Collaboration with PROTON

New items to be deliberated for expansion:

- Joint production of engines in Malaysia
- Consignment production of MMC-brand vehicles at PROTON facilities
- Sharing of major parts and components between the “Global Small”, and PROTON's upcoming “Global Small Car ”
- Provision of MMC's future technologies such as electric, plug-in hybrid vehicle technology



*MITSUBISHI Concept Global Small*

# Development of New MIVEC Engine and New AS&G

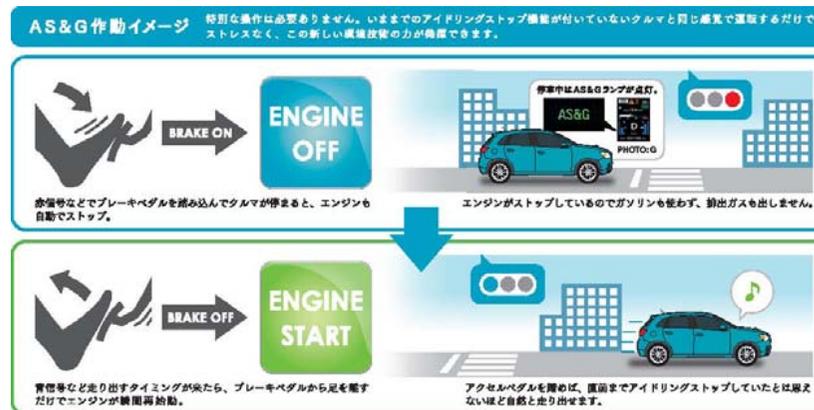
## New MIVEC Engine



The 4J10 1.8L MIVEC Engine



## Auto Stop & Go Idling Stop System



New AS&G is now compatible with CVTs

**12% Increase in Fuel Efficiency for the below three models**  
(at Japanese 10-15 mode)



Japan-market *RVR*  
(ASX/Outlander Sport)



Japan-market *Galant Fortis*  
(Lancer/Lancer EX)



Japan-market *Galant Fortis Sportback*  
(Lancer Sportback)

# Launch of the *Delica D:3* Compact Minivan in Japan

# DELICA D:3

いろいろ 使える、5ナンバーミニバン。



自在に   
**39** パターン\*  
(7人乗り)  
いろいろ使える、  
シートアレンジ!

室内高   
**1.305** m  
地面から荷台まで   
**0.51** m\*  
高い天井、低い床で  
ひろびろ室内!

  
**5** ナンバー  
なのに   
**7** 人\*  
乗り!  
両側スライドドアで、  
乗り降りもスムーズ!

  
**4.4** m の全長  
最小回転半径は   
**5.2** m  
小回りがきいて、  
運転ラクラク!



# 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

## ■ Product Launch

- “Global Small” to be launched in Thailand first
- Other global markets: To be shipped from Thailand



**Third Factory (under construction)**

\*1 : Mitsubishi Innovative Valve timing Electronic Control system

\*2 : Automatic Stop & Go

# Expansion of Electric Vehicle Rollout

	FY2009 Units Sold: 1.6k	FY2010 Units Sold: 8.2k	FY2011 Sales Plan: 21k units (Japan:8k units, Overseas:13k units)
Japan	<p>Fleet Sales From Jul. 2009</p>  <p><i>i-MiEV</i></p> <p>Units Sold : 1.4k</p>		<p>Sales to Individuals From Apr. 2010</p> <p>Roll out of <i>G</i> and <i>M</i> trim levels From Jul. 2011</p>  <p><i>MINICAB-MiEV</i> From Dec. 2011 (now taking orders)</p> <p>Light commercial EV</p>
	<p>From Fall 2009</p>  <p><i>i-MiEV</i> for Europe</p> <p>Units Sold : 0.2k</p>		<p>RHD vehicles (Hong Kong, England, etc.)</p> <p>Europe (LHD markets incl.)</p> <p>OEM to PSA Peugeot Citroën</p> <p>From Oct. 2010</p>  <p><i>i-MiEV</i> for North America From Nov. 2011 (now taking orders)</p> <p>N. America</p>
Overseas	<p>Units Sold : 5.6k</p>		

# Activities for Popularization of Electric Vehicles

## Great Improvements to MIEV



### Well-equipped and longer-range G model

- Range/charge : 180km (JC08 cycle)
  - Rated battery capacity : 16.0kWh
  - Motor maximum output : 47kW [64PS]
  - Battery charging time
    - Home charging : 7 hours (100%)
    - Quick-charging : 30 min. (80%)
  - MSRP : ¥3,800,000
  - Subsidies : ¥960,000
- Mitsubishi Multi-entertainment System (car navigation)  
■ Keyless operation system ■ Driver/passenger heated seats  
■ Leather-wrapped steering wheel and shifter knob

### ¥1.88 million yen\* entry-level M model

- Range/charge : 120km (JC08 cycle)
- Rated battery capacity : 10.5kWh
- Motor maximum output: 30kW [41PS]
- Battery charging time
  - Home charging : 4.5 hours (100%)
  - Quick-charging : 15 min. (80%)
- MSRP : ¥2,600,000
- Subsidies : ¥720,000



\* Subsidies included

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

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

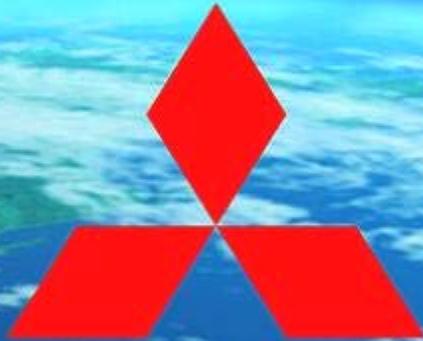
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- Feasibility of each target and initiative as laid out in this presentation;**
- Fluctuations in interest rates, exchange rates and oil prices;**
- Changes in laws, regulations and government policies; and**
- Regional and/or global socioeconomic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

**Potential risks and uncertainties are not limited to the above and MMC is not under any obligation to update the information in this presentation to reflect any developments or events in the future.**

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