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# **Financial Results for FY2015**

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**Mitsubishi Motors Corporation**  
**April 27, 2016**

## **Improper conduct in fuel consumption testing on products manufactured by Mitsubishi Motors Corporation (MMC)**

In connection with the fuel consumption testing data for the certification process submitted to the Ministry of Land, Infrastructure, Transport and Tourism, it was found that MMC conducted testing improperly.

We express our heartfelt deep apologies to all of our customers as well as those involved for this issue.

First of all, Mitsubishi Motors Corporation would like to express its deep apologies for the major inconvenience caused to our customers and stakeholders with regard to the “improper conduct in fuel consumption testing on the products manufactured by the company.”

We have established a committee consisting only of independent external experts for investigation into this matter, in order to ensure objective and thorough investigation. We will announce the results of the investigation as soon as they are completed.

## FY2015 Results Summary (vs. FY2014 Actual and Feb. 3 FY2015 Forecast)



(billion yen)

	FY14	FY15	Increase/Decrease		Feb. 3 FY15 Forecast	Increase/Decrease	
	(Apr 2014- Mar 2015) Actual	(Apr 2015- Mar 2016) Actual	Amount	%		Amount	%
<b>Net Sales</b>	<b>2,180.7</b>	<b>2,267.8</b>	<b>+87.1</b>	<b>+4%</b>	<b>2,260.0</b>	<b>+ 7.8</b>	<b>0%</b>
<b>Operating Income (Margin)</b>	<b>135.9</b> (6.2%)	<b>138.4</b> (6.1%)	<b>+2.5</b>	<b>+2%</b>	<b>125.0</b> (5.5%)	<b>+13.4</b>	<b>+11%</b>
<b>Ordinary Income (Margin)</b>	<b>151.6</b> (7.0%)	<b>141.0</b> (6.2%)	<b>- 10.6</b>	<b>- 7%</b>	<b>130.0</b> (5.8%)	<b>+11.0</b>	<b>+8%</b>
<b>Net Income<sup>※</sup> (Margin)</b>	<b>118.2</b> (5.4%)	<b>72.6</b> <u>(3.2%)</u>	<b>- 45.6</b>	<b>- 39%</b>	<b>100.0</b> (4.4%)	<b>- 27.4</b>	<b>- 27%</b>

\* Net income attributable to owners of the Parent

Extraordinary loss  
Terminating the production in the U.S. 19.1 billion yen  
Loss on fuel economy test 19.1 billion yen

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First, I am going to present an overview of MMC's financial results for the fiscal year 2015.

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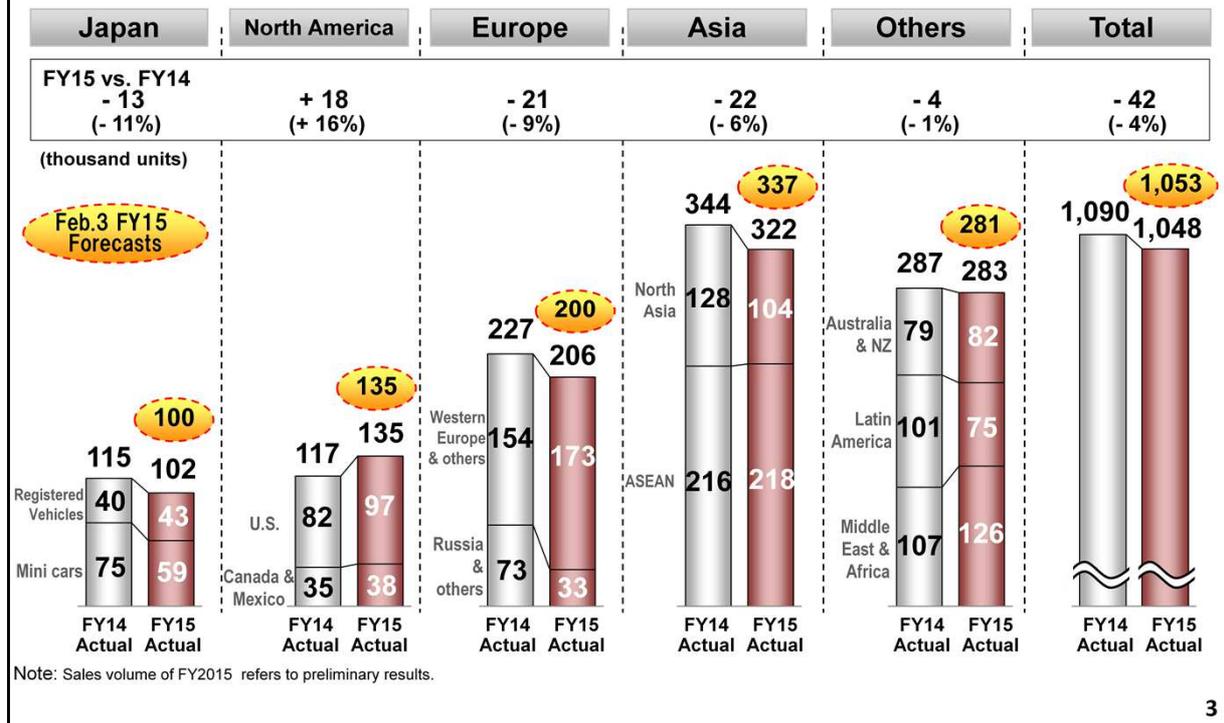
The boxes within the bold frame show the results for the fiscal year 2015.

Net sales were 2,267.8 billion yen.

Operating income, ordinary income and net income were 138.4 billion yen, 141 billion yen and 72.6 billion yen, respectively.

As for net income, we posted an extraordinary loss of 19.1 billion yen related to the termination of production in the United States and 19.1 billion yen as the loss on fuel economy test.

## FY2015 Regional Sales Volume (Retail, vs. FY2014 Actual)



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Next, I am going to present the results of our retail sales volume by region in comparison with the previous fiscal year.

Total sales volume of all regions was 1,048,000 units, which is a decrease of 42,000 units or 4% from the previous year.

In Japan, sales volume of registered vehicles increased but that of mini-cars decreased, resulting in a total sales volume of 102,000 units, a decrease of 13,000 units or 11% year-on-year.

North America showed increased sales driven mainly by the *Outlander* and the *Outlander Sport*, resulting in 135,000 units, an increase of 18,000 units or 16% year-on-year.

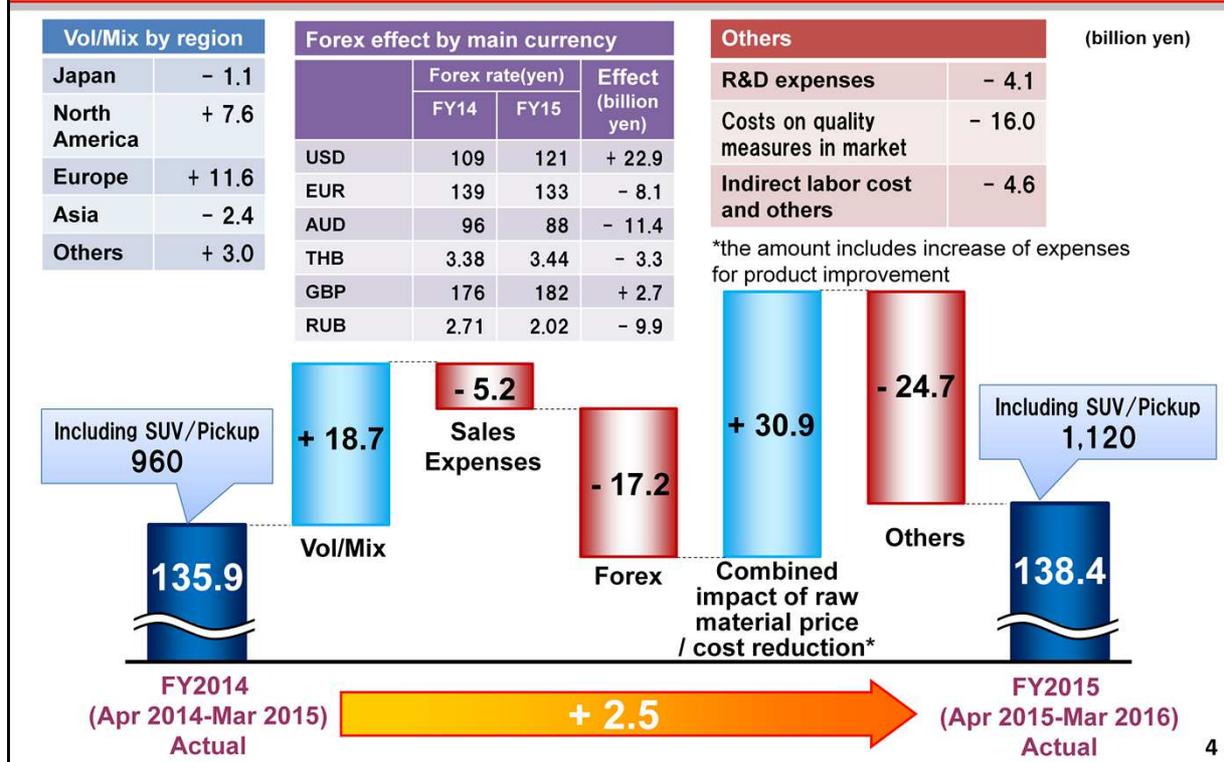
In Europe, sales increased in Western Europe, mainly in Germany and the UK, resulting in a sales volume of 173,000 units, an increase of 19,000 units or 11%.

By contrast, sales volume decreased in Russia due to deterioration of the economic situation and the price increase following the worsening of exchange rate. As a result, regional sales volume in Europe totaled 206,000 units, a decrease of 21,000 units or 9% year-on-year.

Moving on to Asia, sales volume exceeded the level of the previous year in Thailand supported by increased sales of the all-new *Pajero Sport* launched in October last year, but sales decreased in China and Indonesia. As a result, regional sales volume in Asia was 322,000 units, a decrease of 22,000 units or 6% year-on-year.

As you see, our sales volume increased in the United States and Western Europe but decreased in Japan, Russia and China, resulting in a total global sales volume of 1,048,000 units. Sales volume of the *Outlander PHEV* increased by 7,000 units year-on-year to reach 42,000 units globally.

## Analysis of Increase/Decrease of Operating Income (vs. FY2014)



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Next, I am going to present the details of the change in operating income from the previous year.

First, our operating income increased by 18.7 billion yen in the volume and model mix, where the overall wholesale volume decreased but the model mix improved thanks to the increased sales volume of the *Outlander*, the *Outlander PHEV* and the *Pajero Sport*, pushing up the rate of SUVs from 51% in the fiscal year 2014 to 53% in the fiscal year 2015.

In the raw material price and cost reduction, we made an improvement of 30.9 billion yen. Costs for quality measures in market increased by 16 billion yen, which, with other factors, pushed down operating income by 24.7 billion yen.

As you see, despite the worsening of exchange rates and the increased costs for quality measures in market, our operating income increased by 2.5 billion yen, helped by the cost reduction efforts and the improvement in the volume and model mix.

- ✓ FY2016 forecast has not yet been determined.
- ✓ We will disclose information of FY2016 forecast as soon as it is available.

Since we are now carefully assessing the impact of the “improper conduct in fuel consumption testing” on our future operations, we have not determined our financial forecast for the fiscal year 2016.

We will promptly disclose a forecast for the fiscal year 2016 as soon as it is available.

# Appendix

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# FY2015 Results Summary (by quarter)



(billion yen/ thousand units)

	FY15 1Q (Apr-Jun)	FY15 2Q (Jul-Sep)	FY15 3Q (Oct-Dec)	FY15 4Q (Jan-Mar)	FY15 Full year (Apr-Mar)
<b>Net Sales</b>	500.5	569.3	592.2	605.8	2,267.8
<b>Operating Income</b>	18.6	39.8	43.6	36.4	138.4
<b>Ordinary Income</b>	24.1	34.4	48.2	34.3	141.0
<b>Net Income</b> <sup>※</sup>	24.0	28.1	24.6	<u>- 4.1</u>	<u>72.6</u>
<b>Sales Volume (retail)</b>	262	259	266	261	1,048
<b>Sales Volume (wholesale)</b>	291	312	311	326	1,240

## Forex Rate (yen)

<b>USD</b>	121	122	121	118	121
<b>EUR</b>	133	136	133	129	133
<b>AUD</b>	94	90	86	84	88
<b>THB</b>	3.68	3.49	3.41	3.26	3.44

\* Net income attributable to owners of the Parent

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## FY2015 Regional Results (vs. FY2014 Actual)



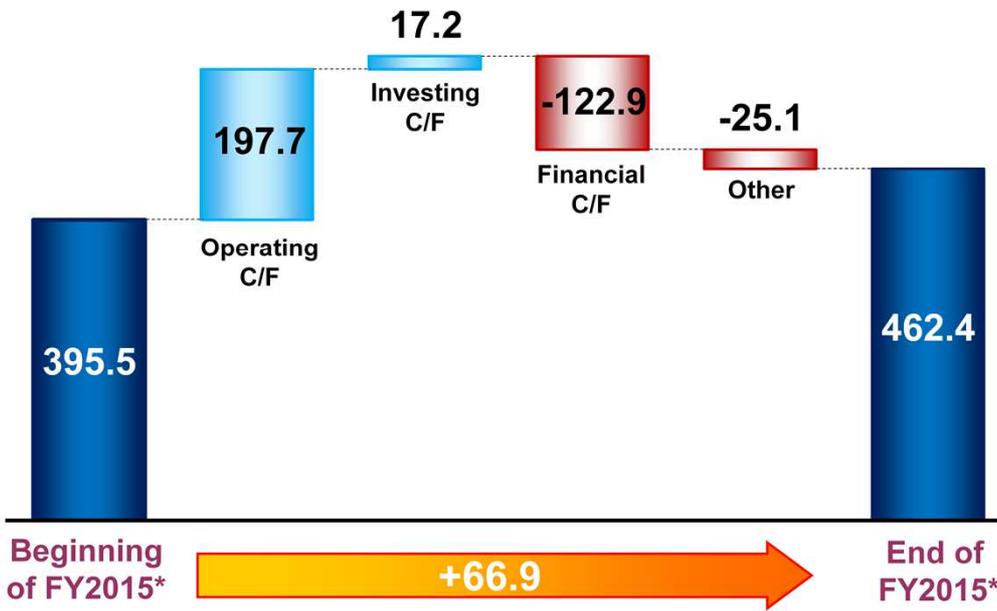
(billion yen)

	FY14 Actual	FY15 Actual	Increase/ Decrease	(Reference) Feb 3 FY15 Forecast
<b>Net Sales</b>	<b>2,180.7</b>	<b>2,267.8</b>	<b>+87.1</b>	<b>2,260.0</b>
- Japan	445.3	412.9	- 32.4	420.0
- North America	275.8	324.8	+49.0	340.0
- Europe	514.4	514.6	+0.2	500.0
- Asia	424.5	482.6	+58.1	470.0
- Others	520.7	532.9	+12.2	530.0
<b>Operating Income</b>	<b>135.9</b>	<b>138.4</b>	<b>+2.5</b>	<b>125.0</b>
- Japan	2.0	-2.4	- 4.4	0.0
- North America	0.5	6.2	+5.7	12.0
- Europe	39.1	22.1	- 17.0	19.0
- Asia	56.6	74.9	+18.3	66.0
- Others	37.7	37.6	- 0.1	28.0

# Cash Flows



(billion yen)



\*Cash and cash equivalents (Excluding time deposits with maturities greater than three months)

## Capital expenditure / Depreciation / R&D expense



(billion yen)

	<b>FY14</b> (Apr 2014-Mar 2015) <b>Actual</b>	<b>FY15</b> (Apr 2015- Mar 2016) <b>Actual</b>
<b>Capital expenditure (YoY)</b>	<b>68.0</b> (- 6%)	<b>69.0</b> (+1%)
<b>Depreciation (YoY)</b>	<b>53.3</b> (+1%)	<b>53.6</b> (+1%)
<b>R&amp;D expense (YoY)</b>	<b>74.6</b> (+11%)	<b>78.7</b> (+5%)

**All statements herein, other than historical facts, contain forward-looking statements and are based on MMC's 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 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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