



MITSUBISHI MOTORS

FY2016 First Half Financial Results

Mitsubishi Motors Corporation

October 28, 2016

We again express our deep apologies to all of our customers and all involved for the trouble caused by the improper conduct in fuel economy testing of vehicles manufactured by MMC. MMC also expresses its sincere apologies that this issue has damaged public's trust in the government's certification process for automobiles.

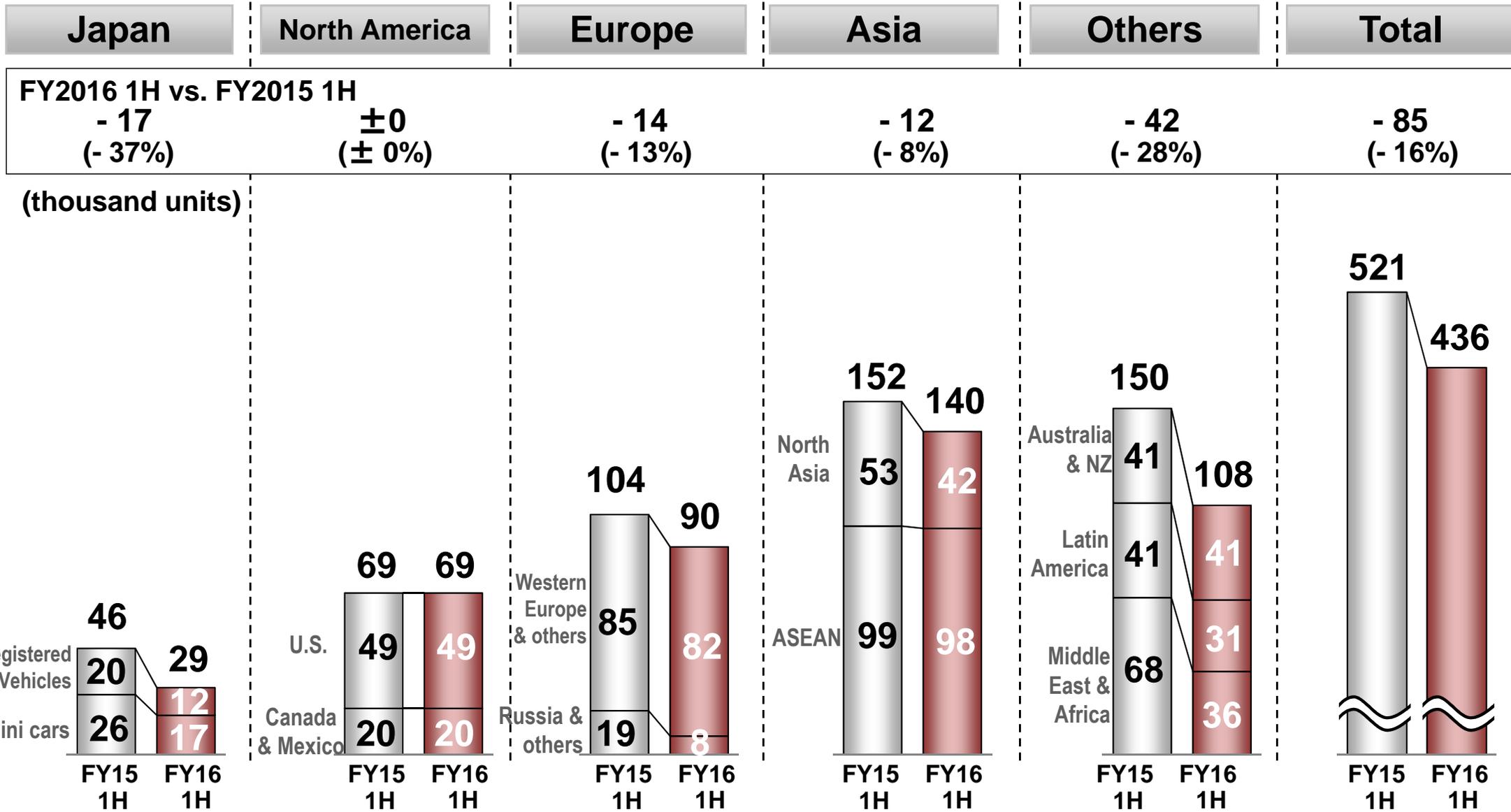
FY2016 1H Results Summary (vs. FY2015 1H)



(billion yen, thousand units)

	FY2015 1H (Apr 2015- Sep 2015) Actual	FY2016 1H (Apr 2016- Sep 2016) Actual	Increase/ Decrease	
			Amount	%
Net Sales	1,069.8	864.9	-204.9	- 19%
Operating Income (Margin)	58.4 (5.5%)	- 31.6 (-3.7%)	-90.0	-
Ordinary Income (Margin)	58.5 (5.5%)	- 28.2 (-3.3%)	-86.7	-
Net income attributable to owners of the Parent (Margin)	52.1 (4.9%)	- 219.6 (-25.4%)	-271.7	-
Sales Volume (Retail)	521	436	-85	-16%

FY16 1H sales volume by region (6 month cumulative; vs. FY15 1H)



Note: Sales volume of FY2016 1H refers to preliminary results.

Analysis of Increase/Decrease of 1st Half Operating Income (vs. FY2015 1H)

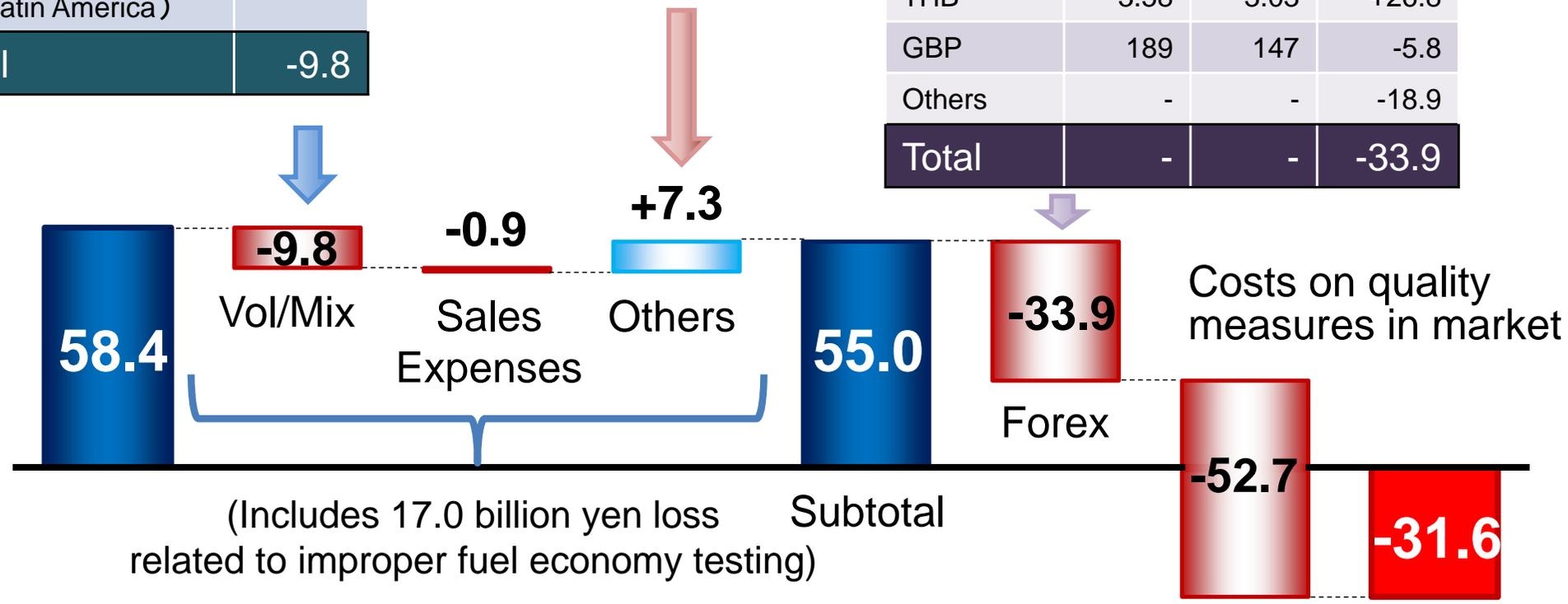


Vol/Mix by region	
Japan	-12.8
North America	+4.0
Europe	+3.3
Asia	-2.9
Others (Mainly Middle East and Latin America)	-1.4
Total	-9.8

Others	
Combined impact of raw material price / cost reduction	+9.1
R&D expenses and others	-1.8
Total	+7.3

Forex effect by main currency			
	Forex rate(yen)		Effect (billion yen)
	FY15 1H	FY16 1H	
USD	122	108	-12.5
EUR	135	119	-12.4
AUD	92	80	-11.1
THB	3.58	3.03	+26.8
GBP	189	147	-5.8
Others	-	-	-18.9
Total	-	-	-33.9

(billion yen)



FY2015 1H
(Apr 2015-Sep 2015)

FY2016 1H
(Apr 2016-Sep 2016)

Extraordinary Loss / Corporate Tax

(billion yen)

	FY2015 1H actual	FY2016 1H actual	Change	Full-year forecast
Ordinary income	58.5	- 28.2	- 86.7	- 28.2
Extraordinary loss	7.8	- 167.1	- 174.9	-175.0
— Fuel economy testing losses (including impairment loss for Mizushima Plant) ※1	0	- 166.2 (- 25.5)	- 166.2 (- 25.5)	- 166.2
— Loss on sale and disposal of fixed assets	7.8	- 0.9	- 8.7	- 8.8
Pre-tax profits	66.3	- 195.3	- 261.6	- 203.2
— Corporation taxes(previous years included) ※2	- 9.6	- 23.5 (- 12.6)	- 13.9 (- 12.6)	- 34.6
Net income attributable to non- controlling interests	- 4.6	- 0.8	+ 3.8	- 1.8
Net income attributable to owners of parent	521	- 219.6	- 271.7	- 239.6

*1...Loss booked taking into consideration future profit outlook for the Mizushima Plant.

*2...Allowance recorded after appraisal of transfer prices outside of Japan.

FY2016 2Q Balance Sheet (vs. end of FY2015)

(billion yen)

	FY15 4Q (end of Mar. 2016) Actual	FY16 2Q (end of Sep. 2016) Actual	Increase/ Decrease
Total assets	1,433.7	1,178.2	-255.5
Cash and deposits	453.4	343.6	-109.8
Total liabilities	748.3	756.0	+7.7
Interest-bearing debt	27.1	33.9	+6.8
Total noncurrent assets	685.4	422.2	-263.2
Shareholders' Equity (Equity ratio)	671.2 (46.8%)	411.0 (34.9%)	-260.2
Net Cash	426.3	309.7	-116.6



○ Progress in 23 measures announced on June 17

Of the 23 preventative measures:

- 1. Full implemented: 7
- 2. Ready for implementation: 9
- 3. Being considered: 7

NB. We will implement the measures in 2. and in 3, at latest, by April 2017

○ Additional measures announced on September 30

We have put together 8 additional measures to deal with the issues pointed out in the “Addressing the improper conduct relating to the fuel economy and emissions testing (additional instructions)” dated September 15. We will implement each measure as appropriate and by April 2017. We will continue to report the progress of all preventative measures to the Ministry of Land, Infrastructure, Transport and Tourism quarterly.

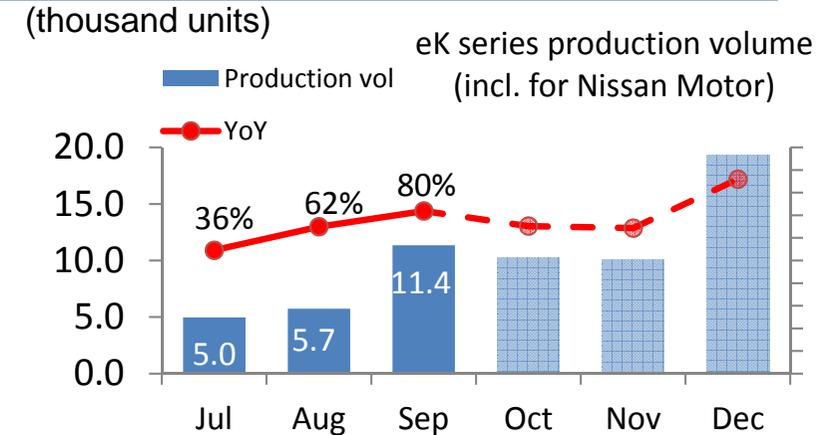
○ Engagement Structural Reform Office

The Office is taking the initiative in the implementation of all 31 measures for preventing a recurrence of the improprieties by focusing its efforts on reforming the Mitsubishi Motors group structure in terms of its organization, systems, culture and technologies with a view to growing the company on a mid- and long-term basis.

Restart of Production and Sales of Related Models in Japan

○ Minicar production

- Production volume has been increasing gradually since the restart of production in July and from September has reached 10,000 units a month on a single-shift basis.
- In line with plans to increase production, two-shift minicar production will restart on Nov 28.



○ Sales outlook for October

- The first YoY sales increase in eight months is expected (104% YoY, as of Oct 24).

○ October orders status (as at October 24)

- Registered cars: 142% YoY
YoY increase expected as orders placed by customers who had been awaiting the restart can be filled as a result of resuming sales the same month.
- Minicars: 105% YoY
YoY increase expected as orders placed by customers, affiliated companies, local authorities and staff sales who had been awaiting the restart can be filled.

EV Drive Station

○The EV Drive Station, next-generation showroom opened in Tokyo, provides all-round EV/PHEV customer experience



Full-year Forecasts



MITSUBISHI XM Concept at Gaikindo Indonesia International Auto Show 2016

FY2016 Sales Volume Forecasts by Region (Retail, vs. FY2015)



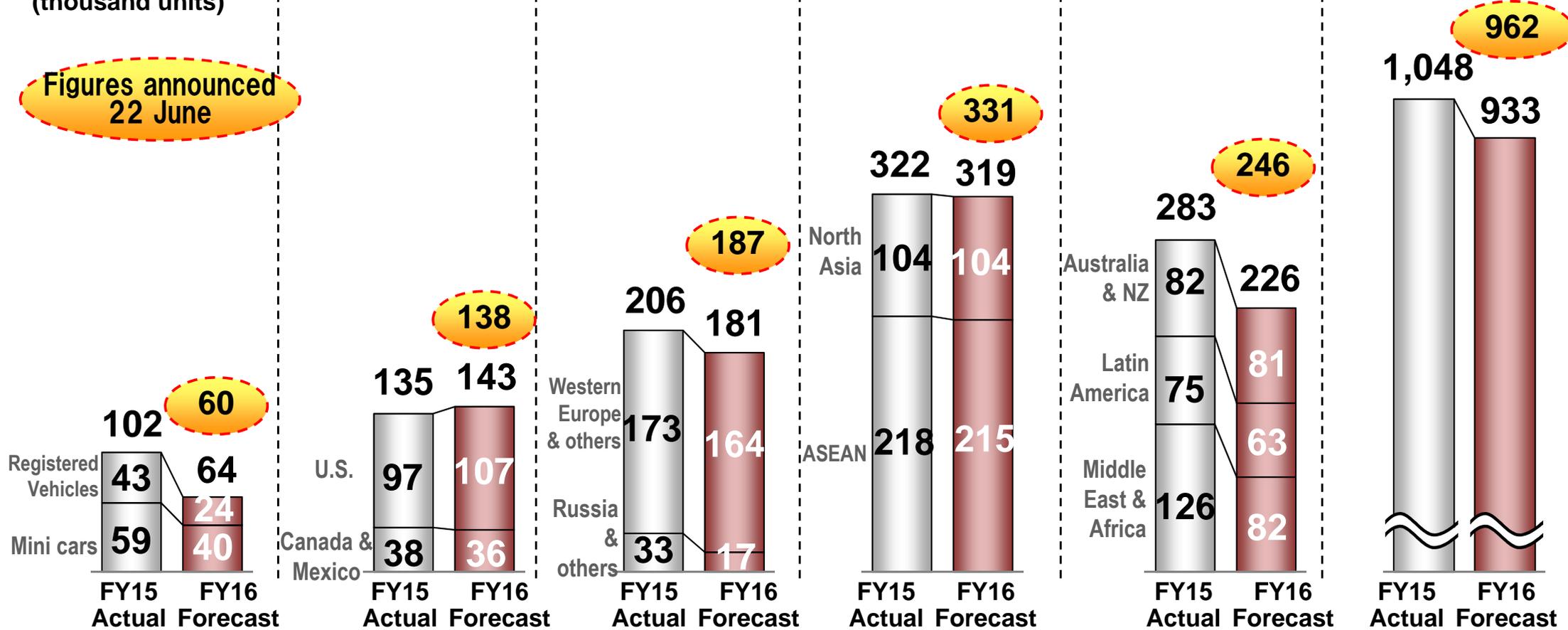
Previously announced forecast (Jun 22) revised downwards

Japan	North America	Europe	Asia	Others	Total
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FY16 (Forecasts) vs. FY15					
- 38	+ 8	- 25	- 3	- 57	- 115
(- 37%)	(+ 6%)	(- 12%)	(- 1%)	(- 20%)	(- 11%)

(thousand units)

Figures announced 22 June



FY2016 Forecasts Summary (vs. FY2015 Actual)

(billion yen)

	FY2015 (Apr 2015- Mar 2016) Actual	FY2016 (Apr 2016- Mar 2017) Forecasts	Increase/Decrease		FY16 Forecasts (Announced on Jun 22)
			Amount	%	
Net Sales	2,267.8	1,840.0	- 427.8	- 19%	1,910.0
Operating Income (Margin)	138.4 (6.1%)	-27.6 (- 1.5%)	- 166.0	-	25.0 (1.3%)
Ordinary Income (Margin)	141.0 (6.2%)	-28.2 (- 1.5%)	- 169.2	-	32.0 (1.7%)
Net income attributable to owners of the Parent (Margin)	72.6 (3.2%)	-239.6 (- 13.0%)	- 312.2	-	- 145.0 (- 7.6%)

Analysis of Increase/Decrease of Full-year Operating Income (vs. FY2015)



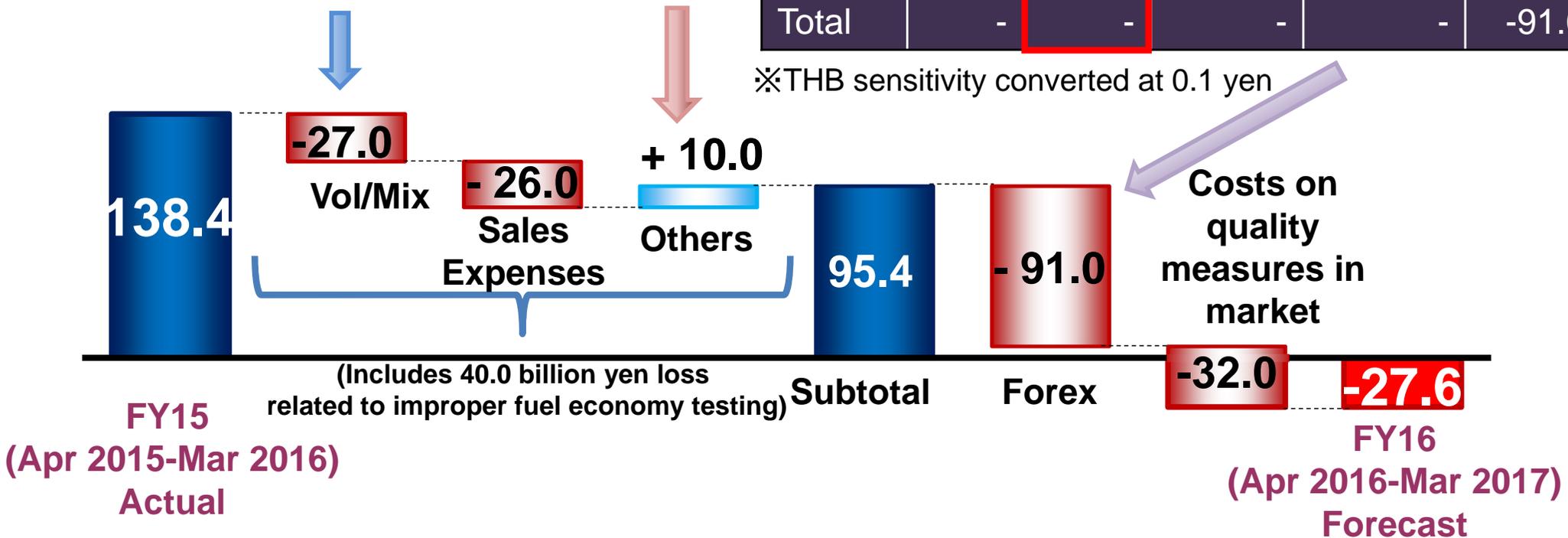
(billion yen)

Vol/Mix by region	
Japan	-20.0
North America	+8.0
Europe	+4.0
Asia	-9.0
Others (Mainly Middle East and Latin America)	-10.0
Total	-27.0

Others	
Combined impact of raw material price / cost reduction	+12.0
R&D expenses and others	-2.0
Total	+10.0

Forex effect by main currency					
	Forex rate(yen)			Annual sensitivity (billion yen)	Effect (billion yen)
	FY15	FY16	FY16 2H		
USD	121	103	100	2.1	-38.6
EUR	133	115	111	1.5	-27.1
AUD	88	79	77	1.7	-15.3
THB	3.44	2.99	2.90	10.0	+48.8
GBP	182	132	125	0.4	-22.0
Others	-	-	-	-	-36.8
Total	-	-	-	-	-91.0

※THB sensitivity converted at 0.1 yen



FY2016 2H forecasts summary

(billion yen, thousand units)

	FY16 1H Actual	FY16 2H Forecast	FY16 Full-year Forecast
Net Sales	864.9	975.1	1,840.0
Operating Income (Margin)	-31.6 (- 3.7%)	4.0 (0.4%)	-27.6 (- 1.5%)
Ordinary Income (Margin)	-28.2 (- 3.3%)	0 (0.0%)	-28.2 (- 1.5%)
Net income attributable to owners of the Parent (Margin)	-219.6 (- 25.4%)	-20.0 (- 2.1%)	-239.6 (- 13.0%)
Sales Volume (Retail)	436	497	933

- ❑ An equity investment of 237.0 billion yen in MMC was completed by Nissan Motor on October 20. Nissan Motor became the largest shareholder, owning 34% of MMC-issued stock.
- ❑ The existing three major shareholders – Mitsubishi Heavy Industries, Mitsubishi Corporation and the Bank of Tokyo-Mitsubishi UFJ – welcomed the investment by Nissan Motor. Nissan Motor and the three Mitsubishi companies together will maintain a 51% or over equity share in MMC.
- ❑ Nominees for new directors from Nissan Motor:
 - Chairman: Carlos Ghosn
 - Director: Hitoshi Kawaguchi
 - Director: Hiroshi Karube
- ❑ The above nominees are scheduled to be appointed at an extraordinary shareholders' meeting on December 14.
- ❑ Trevor Mann announced as Chief Operating Officer.

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□ Synergies will be created, starting in the following areas:

- Joint purchasing cost-reduction
- Platform sharing
- Technology sharing (PHEV, powertrains, autonomous driving)
- Expanded alliance team presence in emerging markets
- The use of the Nissan Sales Finance Company to serve MMC customers in any market where mutually beneficial.
- Joint plant utilization

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Alliance with Nissan Motor

- Achieve a V-shaped recovery through expected financial benefits reaped from synergies, focusing on purchasing.

	FY2017	FY2018	FY2019
Synergy benefits	Approx. 25.0 billion yen (40% from purchasing)	Approx. 40.0 billion yen	-
Improvement in operating profit margin	Approx. 1%	Approx. 2%	> 2%
Income per share	Increase of 12 yen	Increase of 20 yen	-

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Appendix

FY2016 Sales Volume Forecasts by Region (Retail, vs. previous)

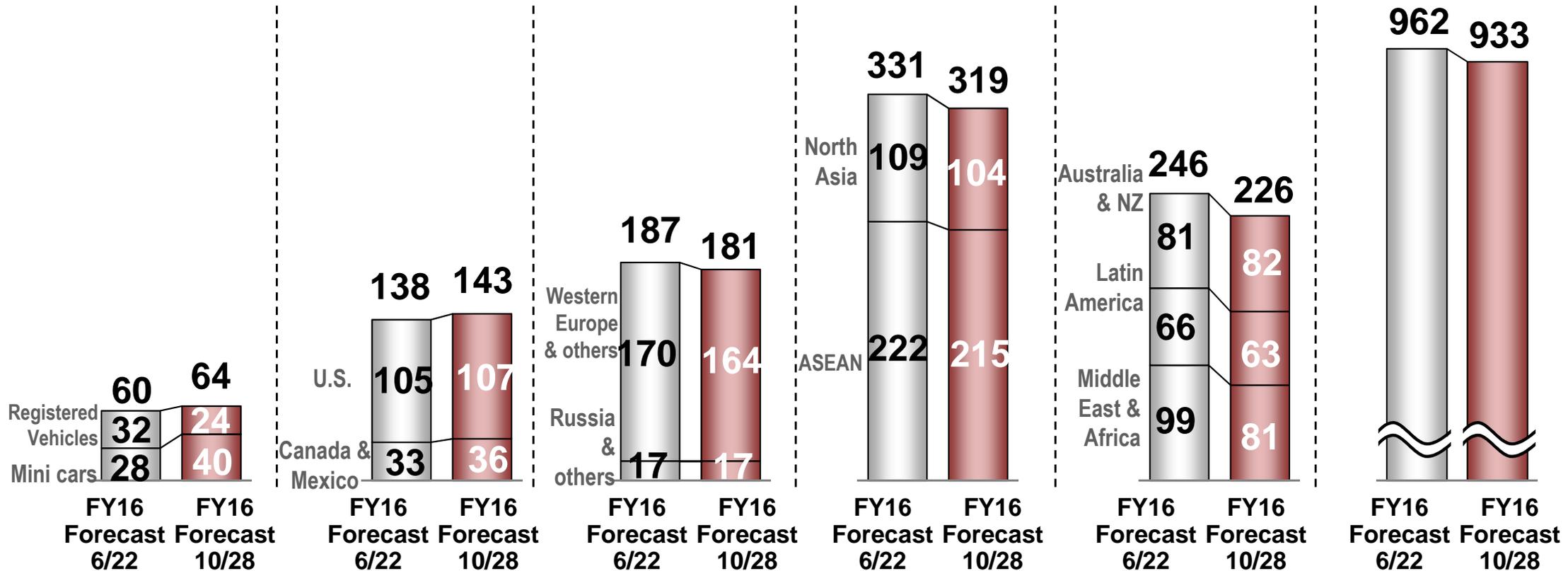


Previously announced forecast (Jun 22) revised downwards

Japan	North America	Europe	Asia	Others	Total
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FY16 (Forecasts)10/28 vs. FY16(Forecasts)6/22					
+ 4	+ 5	- 6	- 12	- 20	- 29
(+ 7%)	(+ 4%)	(- 3%)	(- 4%)	(- 8%)	(- 3%)

(thousand units)



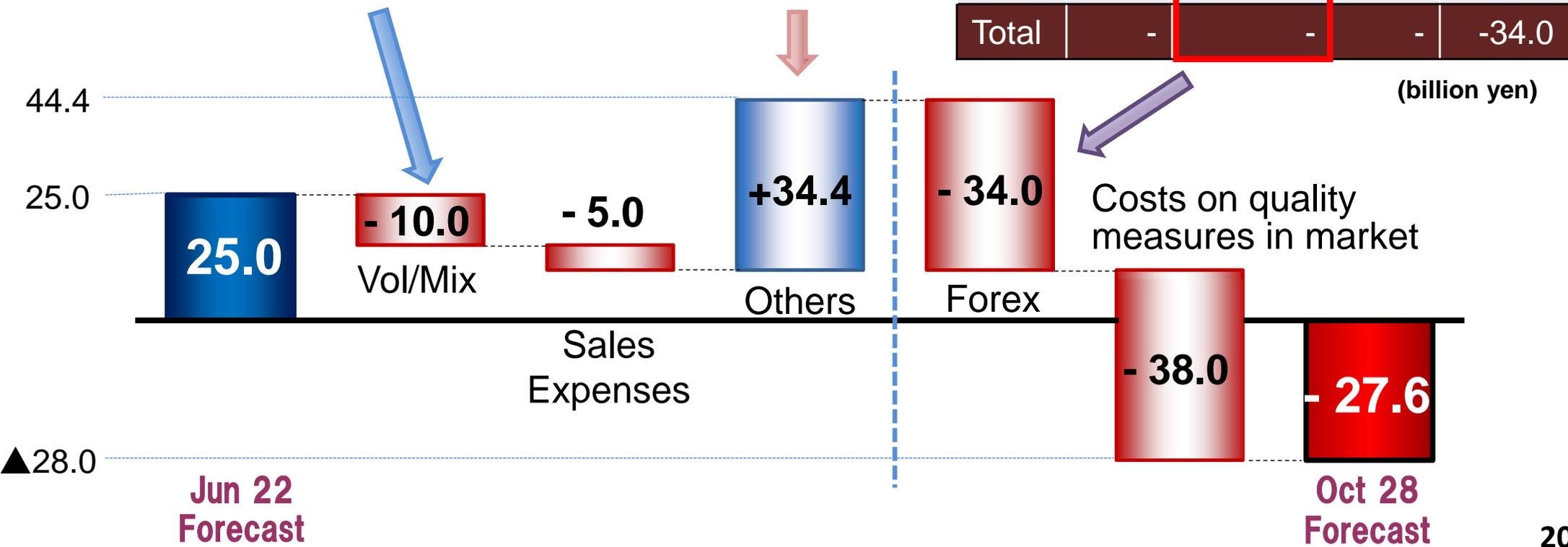
Analysis of Increase/Decrease of Full-year Operating Income (vs. previous)



Vol/Mix by region	
Japan	+2.0
North America	+2.0
Europe	-4.0
Asia	±0.0
Others (Mainly Middle East and Latin America)	-10.0
Total	-10.0

Others	
Combined impact of raw material price / cost reduction	+4.0
Transfer to extraordinary loss	+9.0
General expenses	+13.0
Others	+8.4
Total	+34.4

Forex effect by main currency				
	Forex rate(yen)			Effect (billion yen)
	6/22	10/28 (Full-year)	10/28 (2H)	
USD	106	103	100	-8.0
EUR	123	115	111	-12.0
AUD	82	79	77	-5.0
THB	3.11	2.99	2.90	+15.0
GBP	154	132	125	-9.0
Others	-	-	-	-15.0
Total	-	-	-	-34.0



Analysis of Increase/Decrease of the 2nd Half Operating Income (vs. FY15 2H)

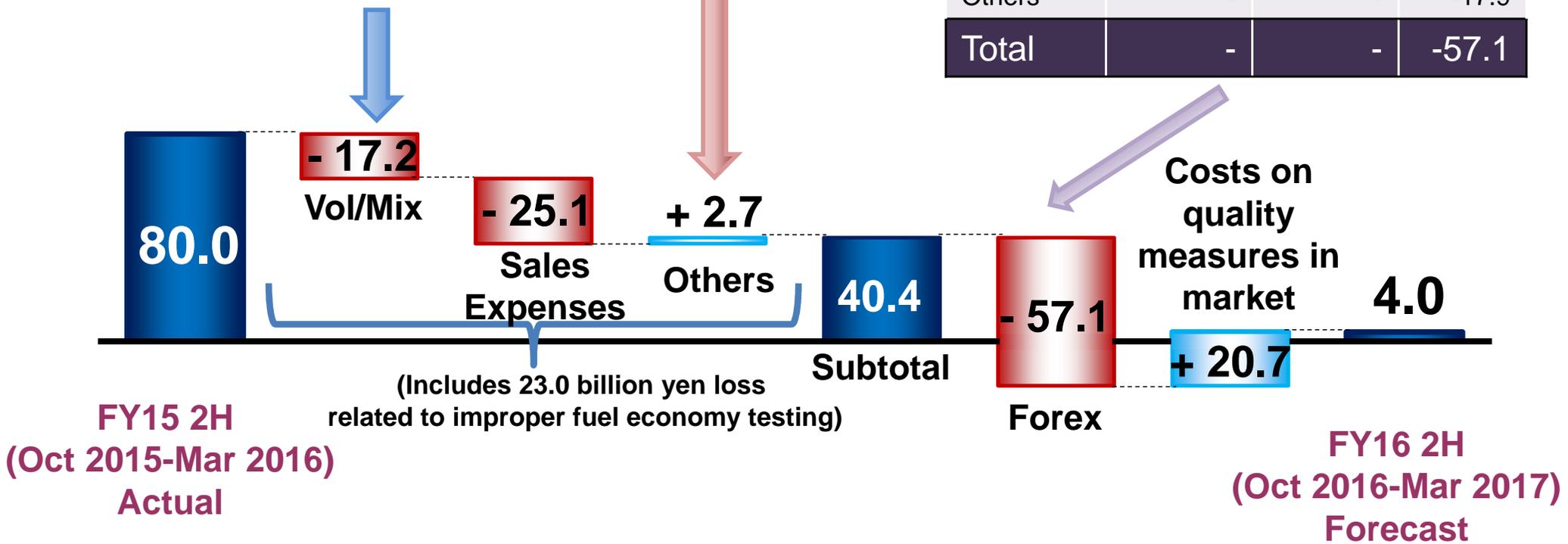


(billion yen)

Vol/Mix by region	
Japan	-7.2
North America	+4.0
Europe	+0.7
Asia	-6.1
Others (Mainly Middle East and Latin America)	-8.6
Total	-17.2

Others	
Combined impact of raw material price / cost reduction	+2.9
R&D expenses and others	-0.2
Total	+2.7

Forex effect by main currency			
	Forex rate(yen)		Effect (billion yen)
	FY15 2H	FY16 2H	
USD	120	100	-26.1
EUR	131	111	-14.7
AUD	85	77	-4.2
THB	3.32	2.90	+22.0
GBP	177	125	-16.2
Others	-	-	-17.9
Total	-	-	-57.1



Impact from improper conduct in fuel economy testing

(billion yen)

Items	1Q	2Q	1H Actual	Forecasts on Oct 28	Forecasts on Jun 22
	Impact on Operating Income	- 6.4	- 10.7	- 17.1	- 40.0
Extraordinary Loss	<u>- 125.9</u>	<u>- 40.3</u>	<u>- 166.2</u>	<u>- 166.2</u>	<u>-150.0</u>
Payments to Customers	(- 52.1)	(- 4.7)	(- 56.7)	(- 56.7)	(-50.0)
Customer service expenses other than those above	(- 12.7)	(- 3.6)	(- 16.4)	(- 16.4)	(-15.0)
Sales-related expenses	(- 38.6)	(- 3.2)	(- 41.8)	(- 41.8)	(-40.0)
Production and purchasing	(- 17.0)	(- 23.5)	(- 40.5)	(- 40.5)	(-35.0)
Other	(- 5.5)	(- 5.3)	(- 10.8)	(- 10.8)	(-10.0)
Total	- 132.3	- 51.0	- 183.3	- 206.2	- 205.0

FY2016 1H Financial Results by Region (vs. FY2015 Actual)

(billion yen)

	FY2015 1H (Apr 2014-Sep 2014)	FY2016 1H (Apr 2015-Sep 2015)	Amount	Excluding impact of market measure costs (for reference only)
Net Sales	1,069.8	864.9	-204.9	—
- Japan	183.9	107.3	- 76.6	—
- North America	179.4	145.5	-33.9	—
- Europe	247.6	215.8	- 31.8	—
- Asia	192.0	191.7	- 0.3	—
- Others	266.9	204.6	- 62.3	—
Operating Income	58.4	- 31.6	- 90.0	55.0
- Japan	- 3.6	- 22.6	- 19.0	- 17.7
- North America	5.9	- 11.1	-17.0	13.8
- Europe	9.5	- 23.7	- 33.2	13.1
- Asia	29.1	20.6	-8.5	25.7
- Others	17.5	5.2	- 12.3	20.1

FY2016 Financial Forecasts by Region (vs. FY2015 Actual)

(billion yen)

	FY2015 Actual	FY2016 Forecasts	Amount	Excluding impact of market measure costs (for reference only)
Net Sales	2,267.8	1,840.0	- 427.8	—
- Japan	412.9	290.0	- 122.9	—
- North America	324.8	280.0	- 44.8	—
- Europe	514.6	410.0	- 104.6	—
- Asia	482.6	420.0	- 62.6	—
- Others	532.9	440.0	- 92.9	—
Operating Income	138.4	- 27.6	- 166.0	95.4
- Japan	-2.4	- 39.0	- 36.6	- 42.2
- North America	6.2	- 19.0	- 25.2	19.2
- Europe	22.1	- 38.0	- 60.1	26.7
- Asia	74.9	46.0	- 28.9	55.8
- Others	37.6	22.4	- 15.2	35.9

FY2016 Financial Forecasts by Region (vs. FY2016 Forecasts on Jun 22)



(billion yen)

	FY2016 Forecasts (Jun 22)	FY2016 Forecasts (Oct 28)	Amount	Excluding impact of market measure costs (for reference only)
Net Sales	1,910.0	1,840.0	- 70.0	—
- Japan	250.0	290.0	+ 40.0	—
- North America	290.0	280.0	- 10.0	—
- Europe	460.0	410.0	- 50.0	—
- Asia	430.0	420.0	- 10.0	—
- Others	480.0	440.0	- 40.0	—
Operating Income	25.0	- 27.6	- 52.6	95.4
- Japan	- 52.0	- 39.0	13.0	- 42.2
- North America	- 7.0	- 19.0	- 12.0	19.2
- Europe	3.0	- 38.0	- 41.0	26.7
- Asia	48.0	46.0	- 2.0	55.8
- Others	33.0	22.4	- 10.6	35.9

Capital expenditure / Depreciation / R&D expense

(billion yen)

	FY2015 2Q (Apr 2015-Sep 2015) Actual	FY2016 2Q (Apr 2016- Sep 2016) Actual	FY2016 (Apr 2016-Mar 2017) Forecasts
Capital expenditure (YoY)	35.4 (+55%)	21.5 (-39%)	71.0 (+3%)
Depreciation (YoY)	25.8 (+2%)	23.8 (-8%)	50.0 (-7%)
R&D expense (YoY)	38.5 (+12%)	40.6 (+5%)	93.0 (+18%)

Dividend per share

	FY2015 (Apr 2015-Mar 2016) Actual	FY2016 (Apr 2016- Mar 2017) Forecast
End of 2Q	8.0 yen	5.0 yen
End of 4Q	8.0 yen	5.0 yen
Total	16.0 yen	10.0 yen

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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