



Drive for Growth

Mid-Term Plan(FY2017-FY2019)

October 18, 2017
Mitsubishi Motors Corporation



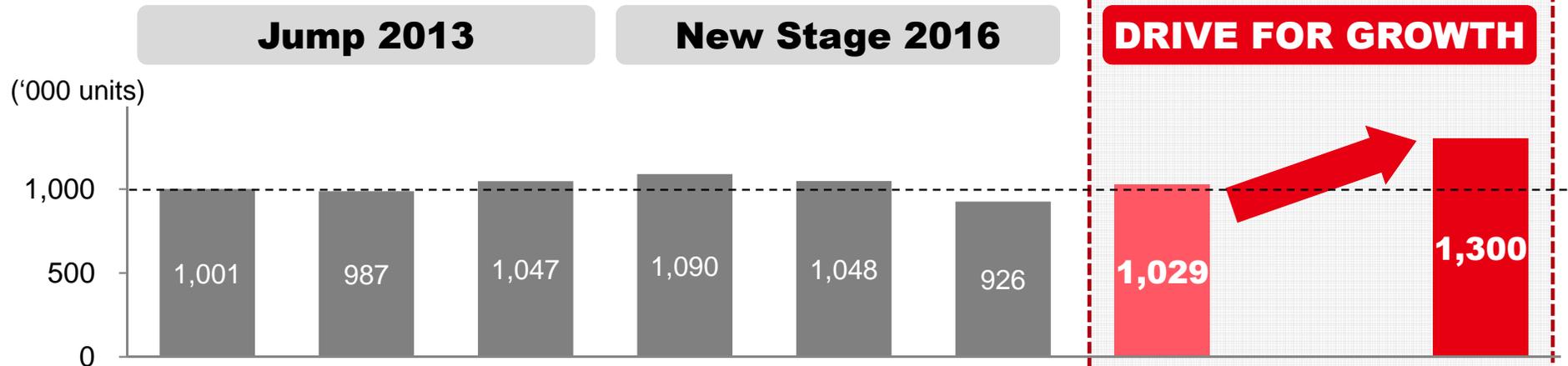
DRIVE FOR GROWTH

FY2017-FY2019

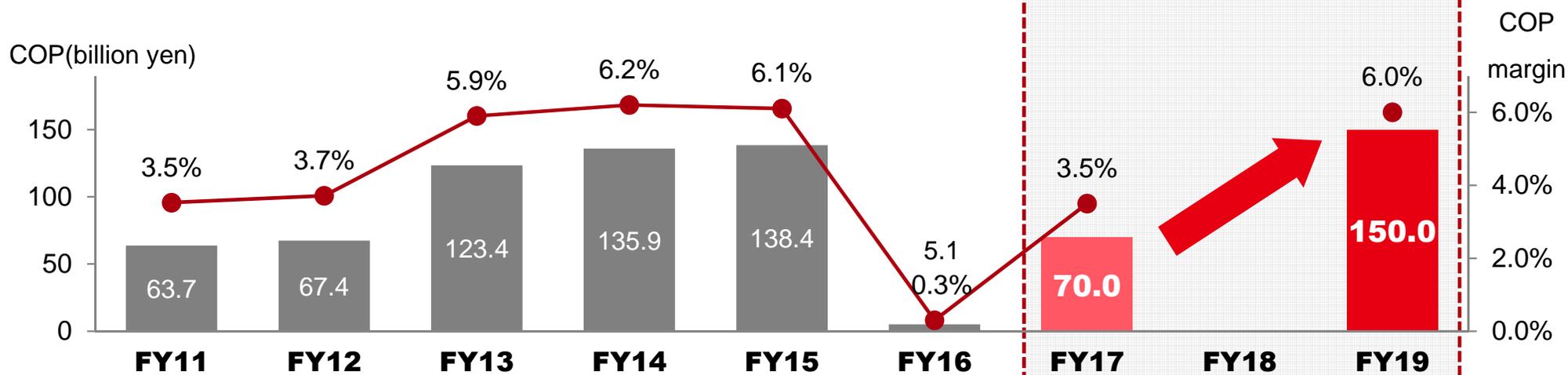
Performance Review



Retail volume



COP/COP margin



FX	FY11		FY12		FY13		FY14		FY15		FY16		FY17		FY18		FY19	
	(JPY/USD)	79	82	100	109	121	109	105	110	(JPY/EUR)	111	105	134	139	133	119	115	123

DRIVE FOR GROWTH

DRIVE FOR GROWTH

Alliance Synergies

Foundation

FOUNDATION
(FY17 – FY19)



Alliance Synergies



Foundation

ACCELERATION
(FY20 – FY22)

DRIVE FOR GROWTH – Overall Framework



DRIVE FOR GROWTH (FY17 - FY19)

KPI

FY19
Retail sales: 1.3 M
(+40% vs. FY16)

FY19
Net revenue:
2.5 trillion JPY
(+30% vs. FY16)

FY19
COP: 6% or more

FY17-19
Positive free cash
flow

Strategic
Levers

Product renewal

Revenue growth
through focus on core
markets

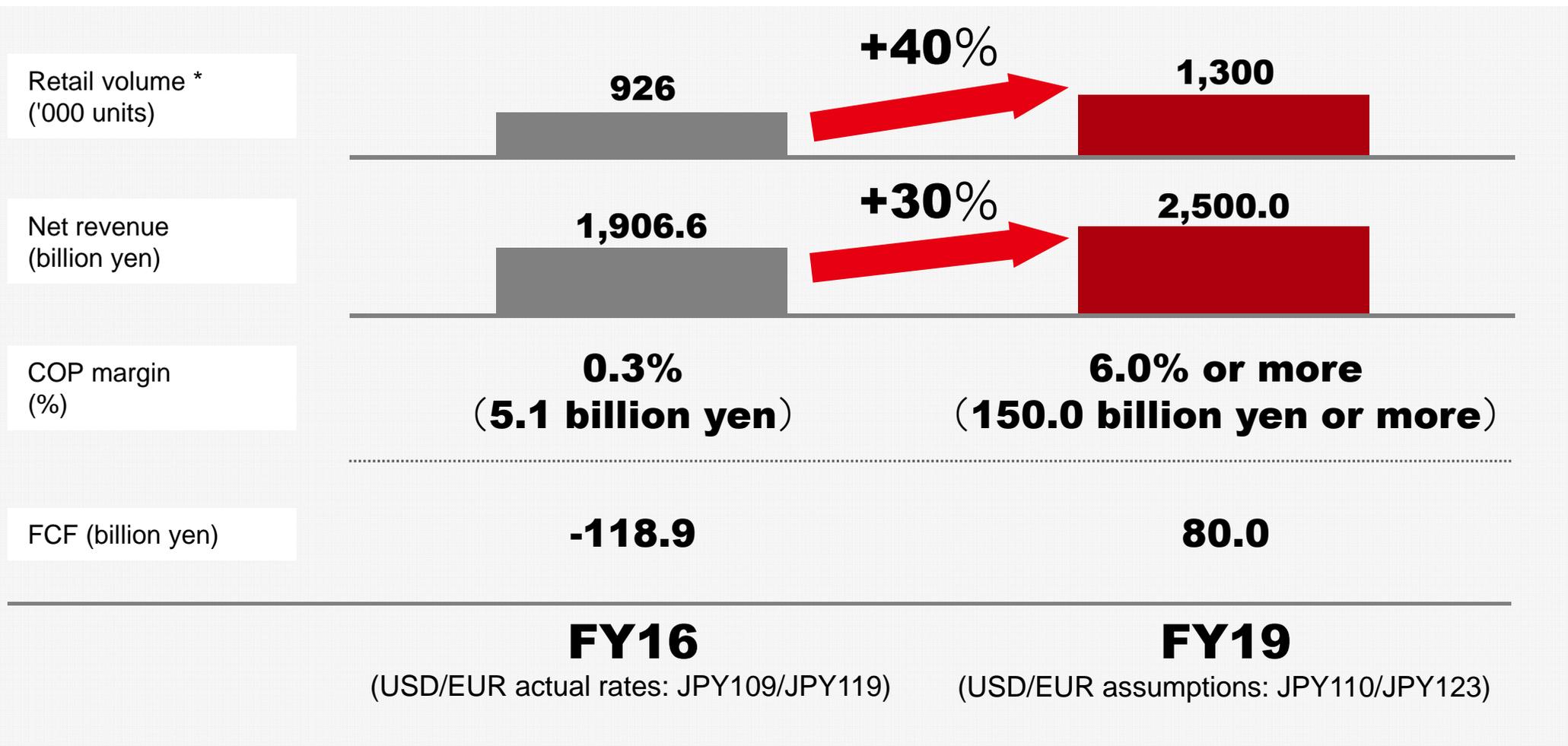
Cost optimization

Foundations

Organizational enablers for sustainability

Alliance leverage for long-term growth

Major KPIs – Increase COP from volume, revenue and investment

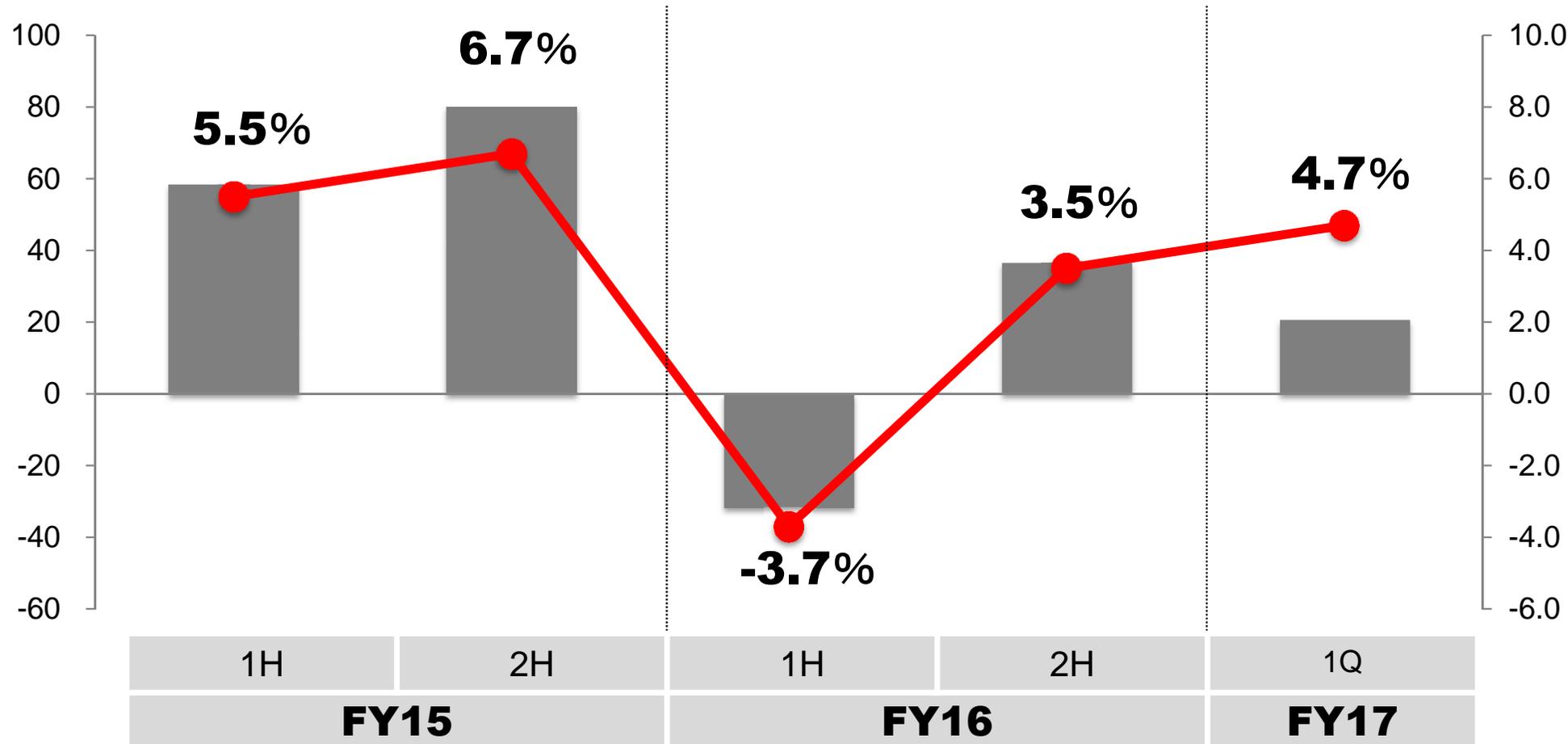


* Retail volume includes volume of equity-method affiliates, incl. GAC Mitsubishi Motors, a JV with Guangzhou Automobile Group Co in China (MMC has a 30% stake).

V-shaped recovery already started

(COP :billion yen)

(COP margin : %)



DRIVE FOR GROWTH – Overall Framework



DRIVE FOR GROWTH (FY17 - FY19)

KPI	FY19 Retail sales: 1.3M (+40% vs. FY16)	FY19 Net revenue: 2.5 trillion JPY (+30% vs. FY16)	FY19 COP: 6% or more	FY17-19 Positive free cash flow
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Strategic Levers	Product renewal	Revenue growth through focus on core markets	Cost optimization
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Foundations	Organizational enablers for sustainability
	Alliance leverage for long-term growth

Strategic levers – Strengths of MMC – our history in 4WD



1999 WRC



2002 Paris Dakar



45-degree hill climbing demonstration



Pajero



Pajero Sport



Outlander

No.1 PHEV in Japan/ Europe



(Aggregate sales volume by FY16 / according to MMC research)

New models off to a good start



XPANDER



Eclipse Cross

Strategic levers – product renewal

11 new models set to launch during mid-term plan

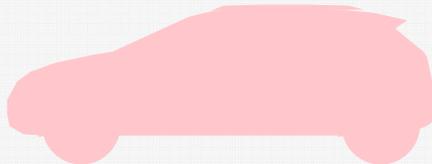
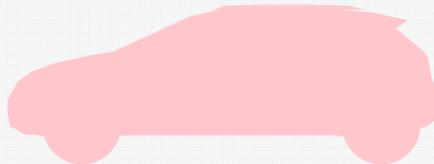
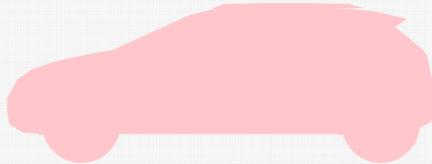
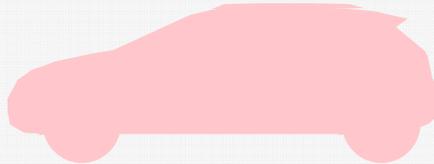
New models/full model changes



XPANDER



Eclipse Cross

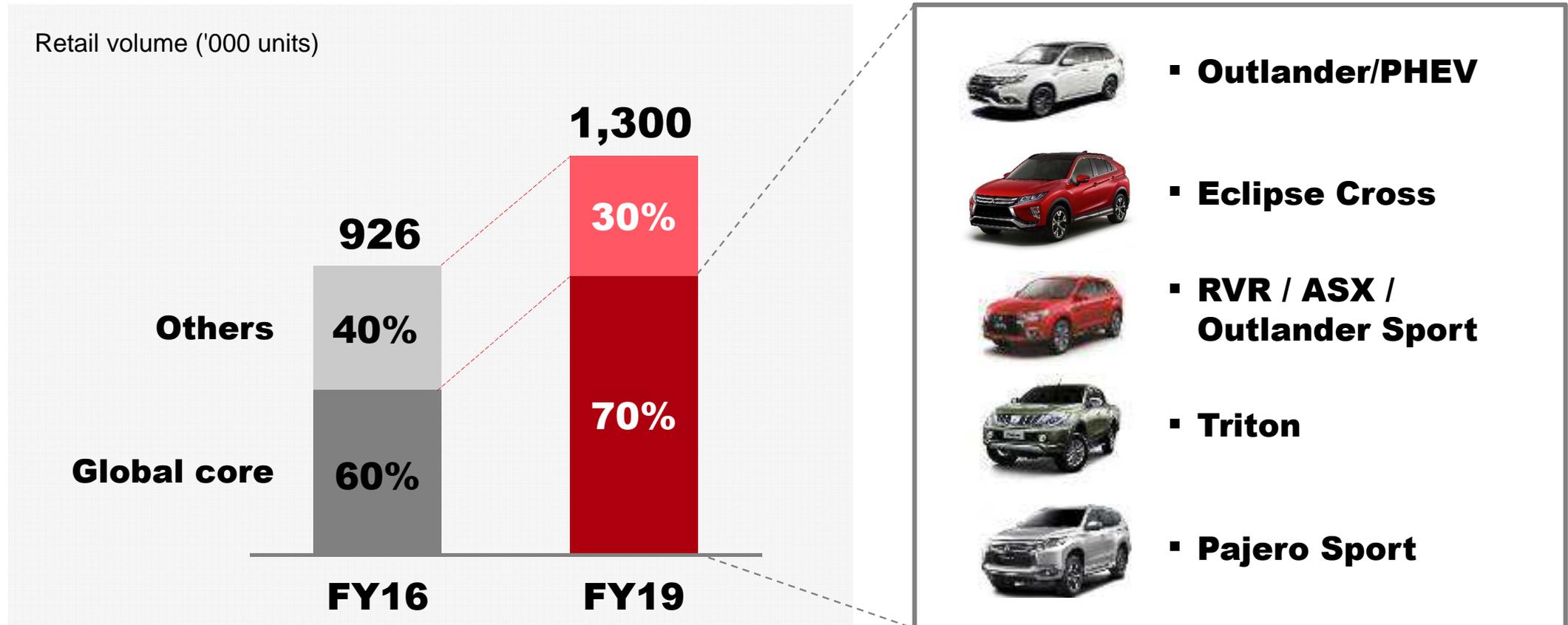


Minor changes

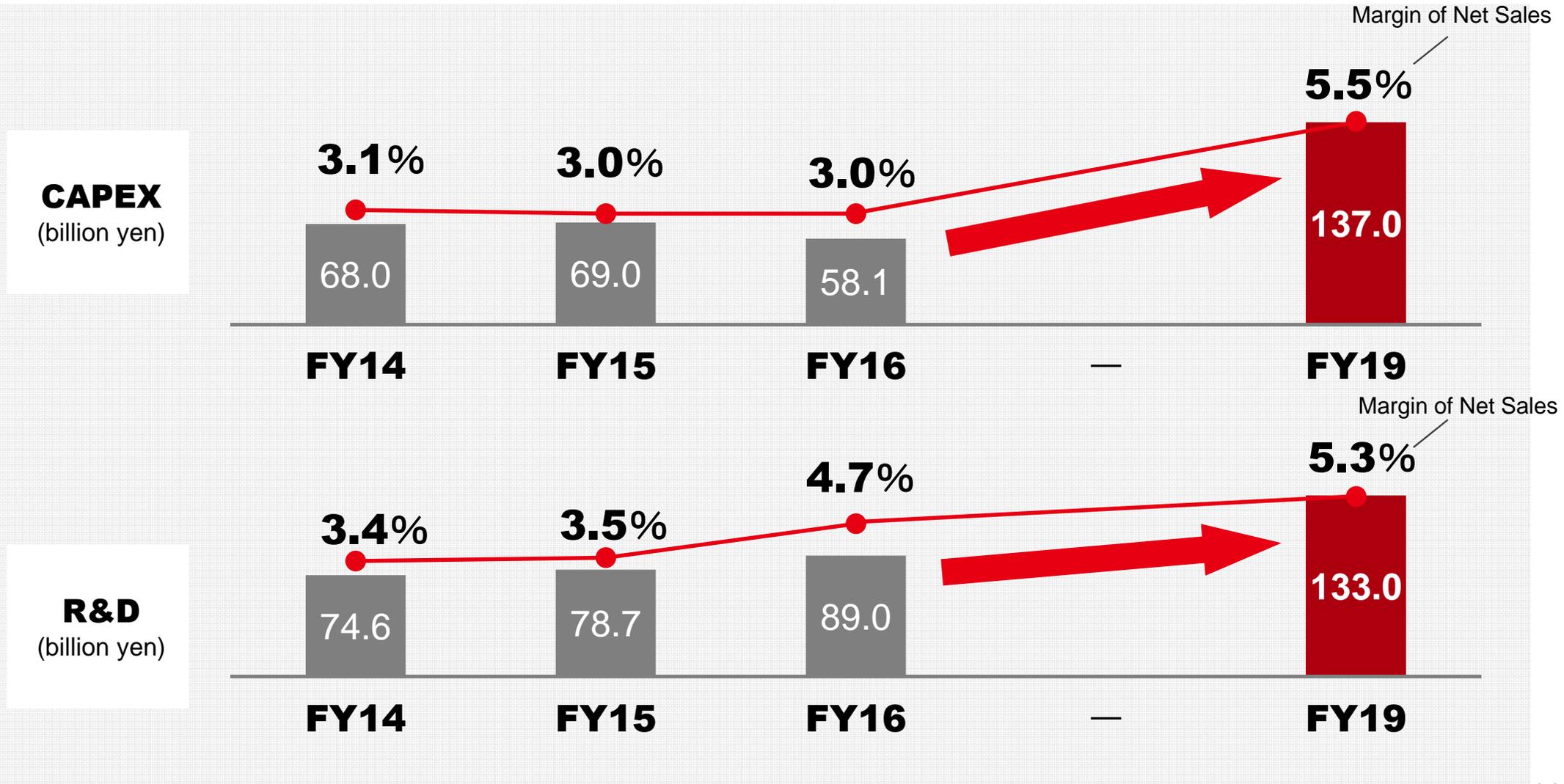


Strategic levers – product renewal

Volume contribution of top 5 global models to 70%



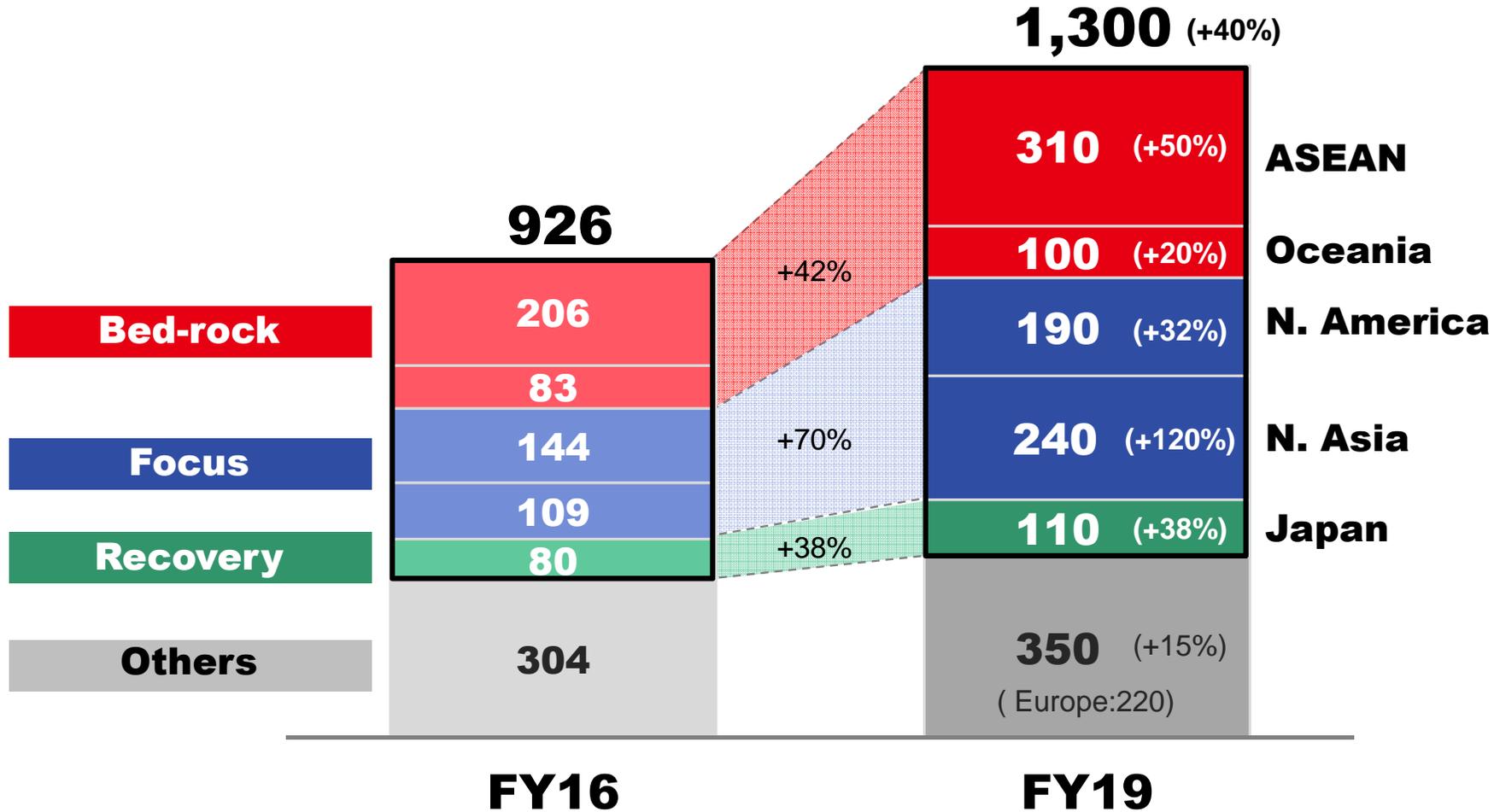
Strategic levers – Increase CAPEX and R&D investments



Strategic levers – regional strategy – focus on core markets



Retail volume ('000 units)



Strategic levers – Revenue Optimization



Sales Value Chain Management - Reinforce overall management -

Improve
brand value

Enhance
dealer
network

Optimize
product mix
/ pricing
strategy

Improve
customer
service
quality

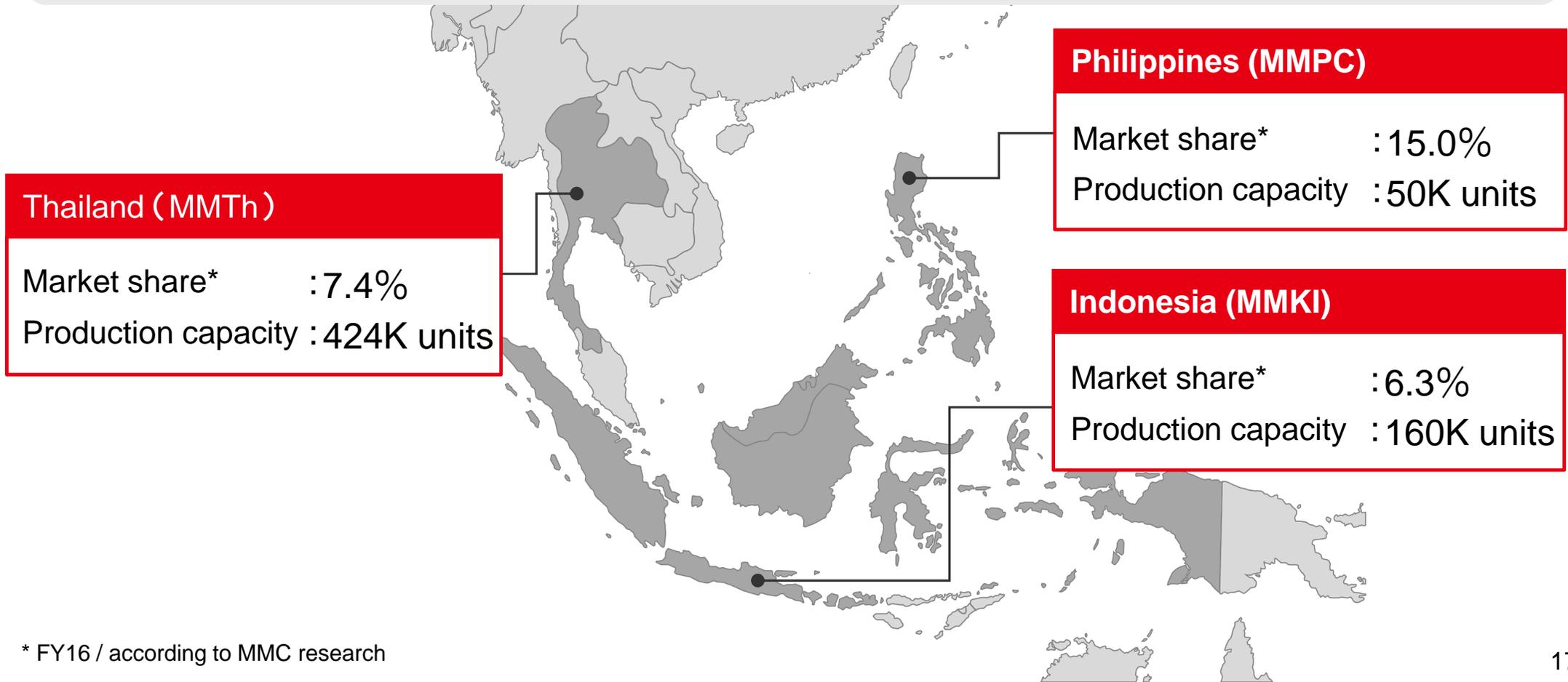
Reinforce
after sales



**Know-how and best practices
acquired by the alliance**

Strategic levers – Regional Strategy (Strengths of MMC: ASEAN)

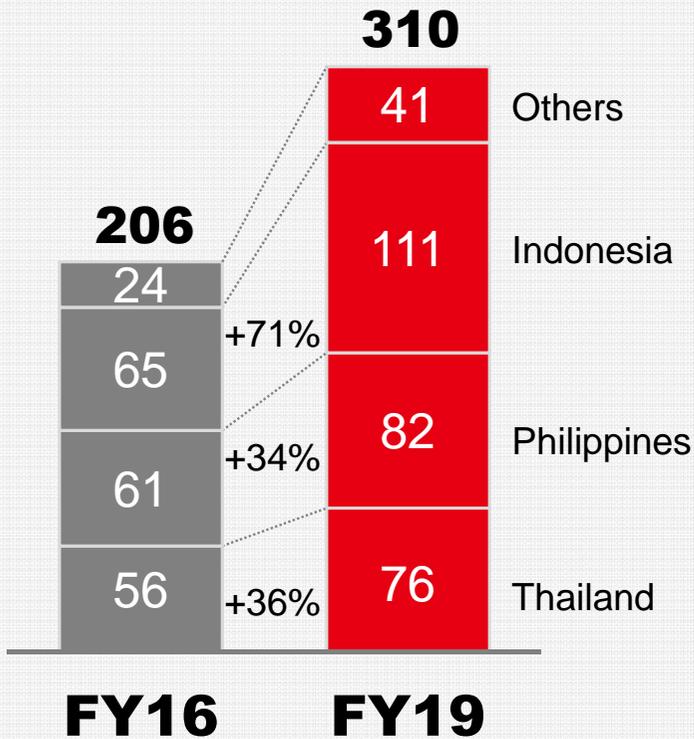
- **MMC is a well-established brand with over 50 years of history**
- **ASEAN provides 40% of global manufacturing capacity**



* FY16 / according to MMC research

Strategic levers – Regional Strategy (ASEAN)

Retail volume ('000 units)



Market share*

8.3%

10%

* According to MMC research. Thailand, Indonesia and the Philippines.

- Successful launch of XPANDER
- Frequent changes to existing models
- Raise customer satisfaction to improve retention
- Cost reduction for local plants



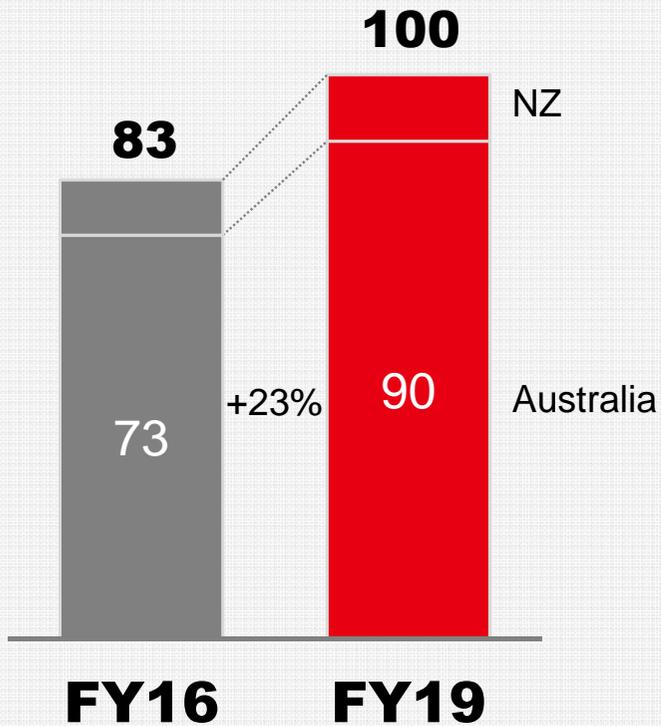
XPANDER



Indonesia plant

Strategic levers – Regional Strategy (Oceania)

Retail volume ('000 units)



Market share*

6.4%

7.6%

* According to MMC research

- Launch new products (Eclipse Cross in FY17)
- Maximize volumes of global core models
- Attractive sales finance plans launched



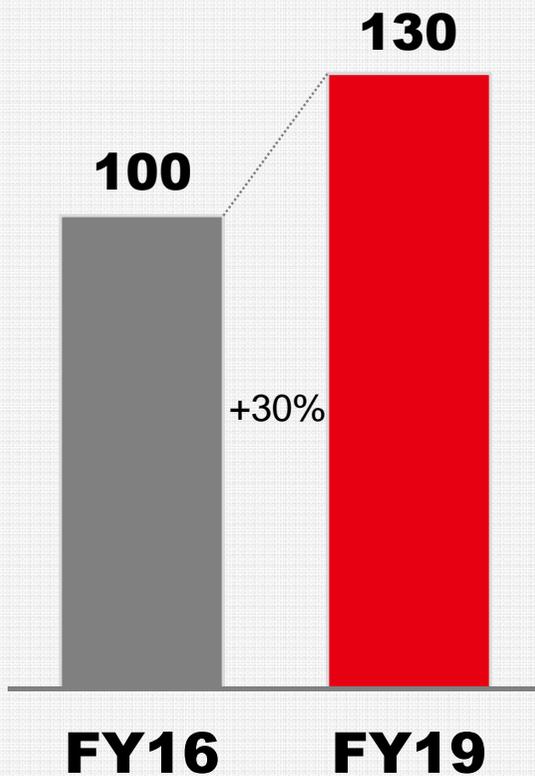
Outlander



Triton

Strategic levers – Regional Strategy (U.S.)

Retail volume ('000 units)



Market share*

0.6%

0.8%

* According to MMC research

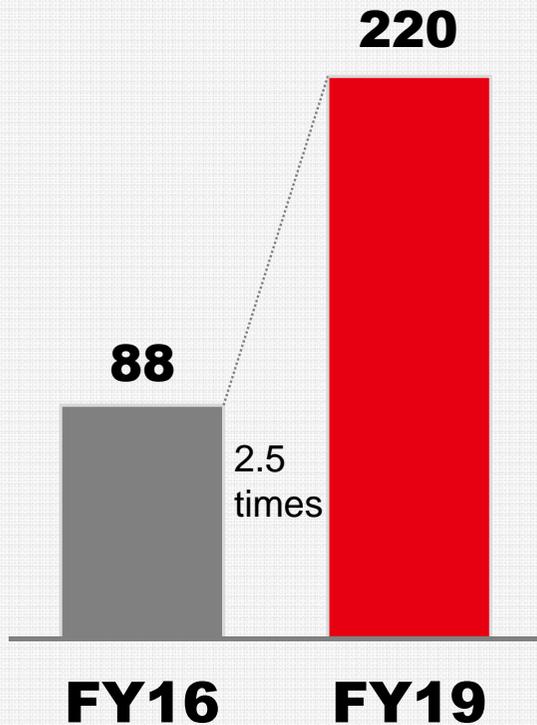
- Launch new products - Eclipse Cross and Outlander PHEV in FY17
- Maximize volumes of global core models
- Expand and improve dealer coverage



Eclipse Cross

Strategic levers – Regional Strategy (China)

Retail volume ('000 units)



Market share*

0.3%

0.7%

* According to MMC research

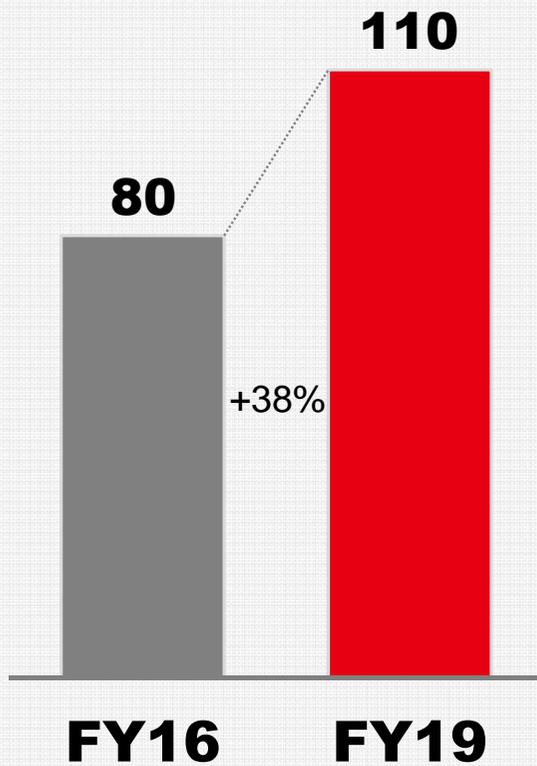
- Increase sales of localized Outlander
- Enhance product lineup: Eclipse Cross
- Double size of dealer network (to 400 in FY19)



GMMC dealer

Strategic levers – Regional Strategy (Japan)

Retail volume ('000 units)



Market share*

1.6%

2.2%

* According to MMC research

- Launch new products: Eclipse Cross
- Full model changes: Delica D:5 and Kei
- Improve brand loyalty
- Increase Dendo Drive Stations



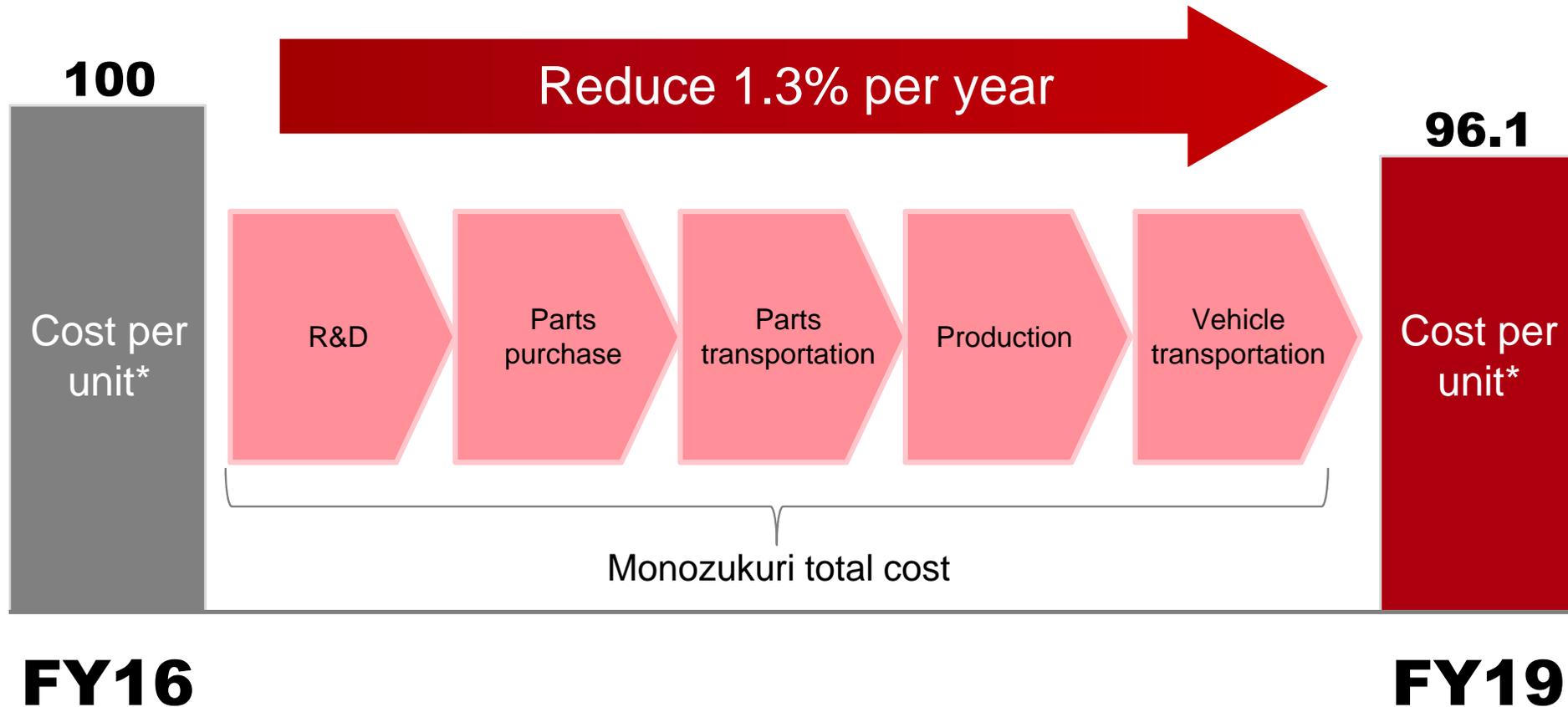
Delica D:5 "ACTIVE GEAR"



Dendo Drive Station

Strategic levers – cost optimization

Monozukuri total cost reduction incl. R&D increases



* Index using : "Cost per unit" in FY16 = 100 (excl. marketing and sales costs)

DRIVE FOR GROWTH – Overall Framework



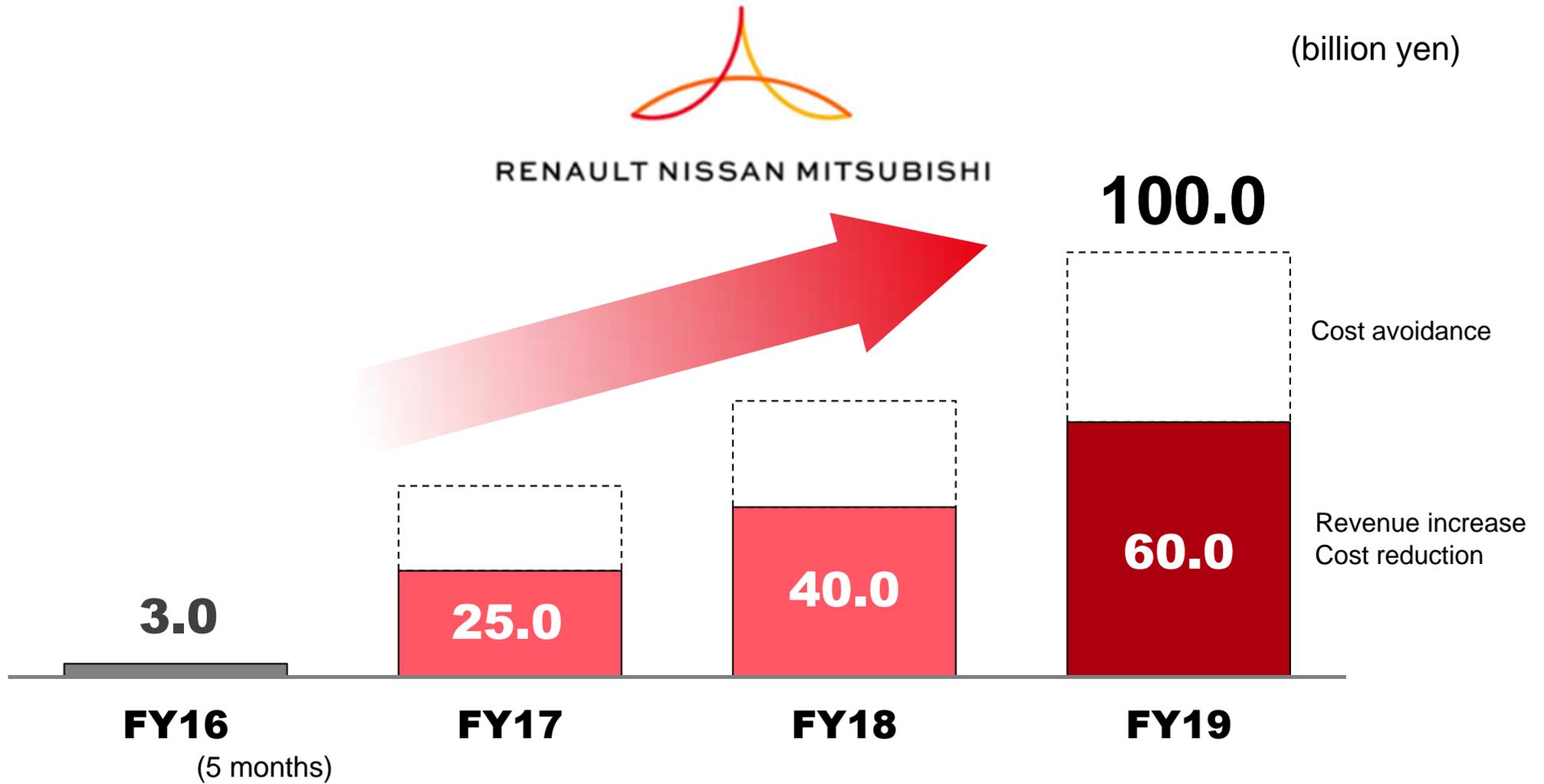
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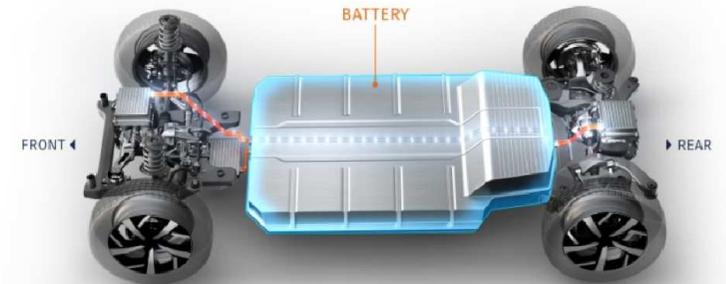
Foundations – synergy optimization



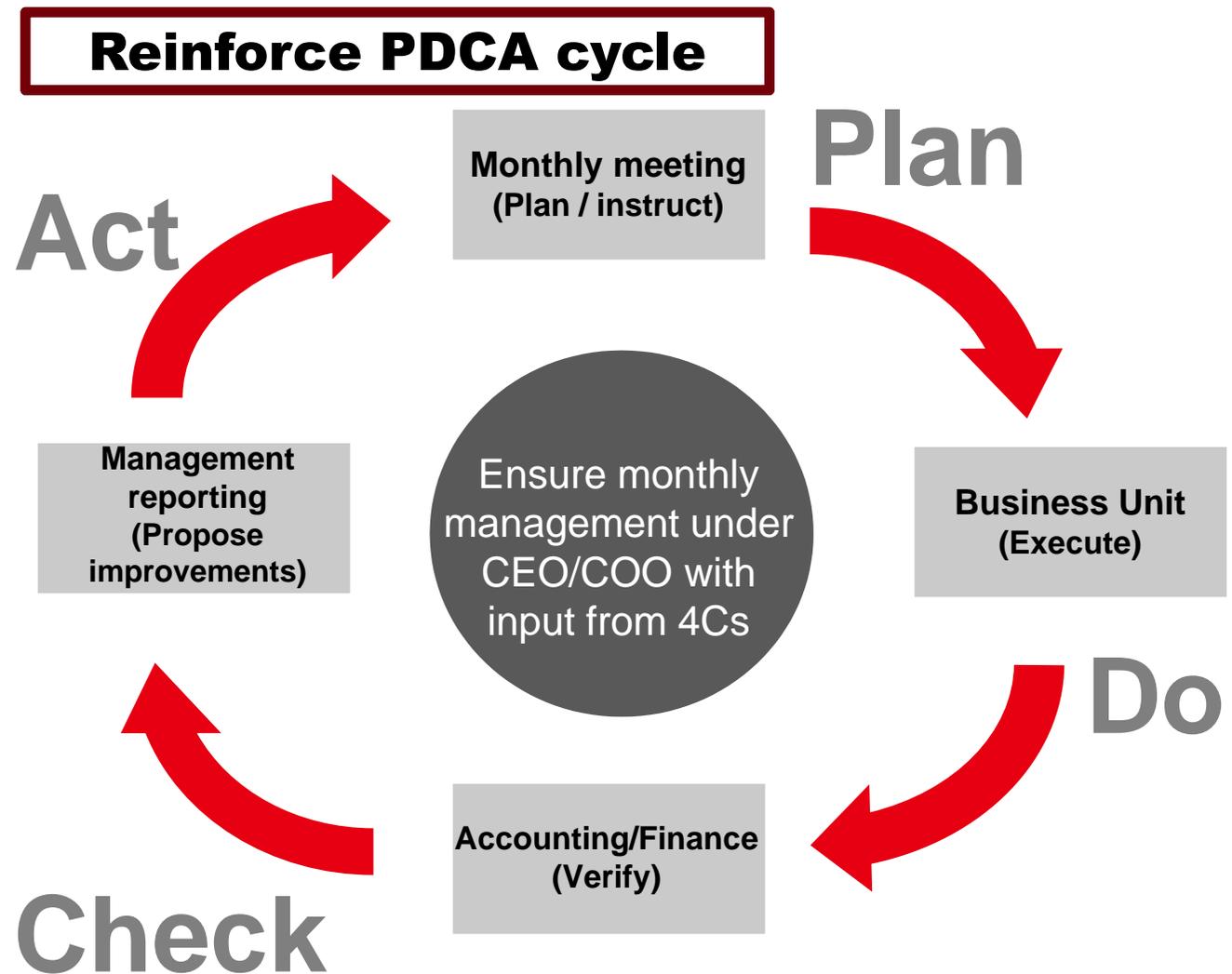
Foundations – synergy optimization



RENAULT NISSAN MITSUBISHI



Foundations – organizational enablers for sustainability



Foundations – organizational enablers for sustainability

■ Strengthening culture

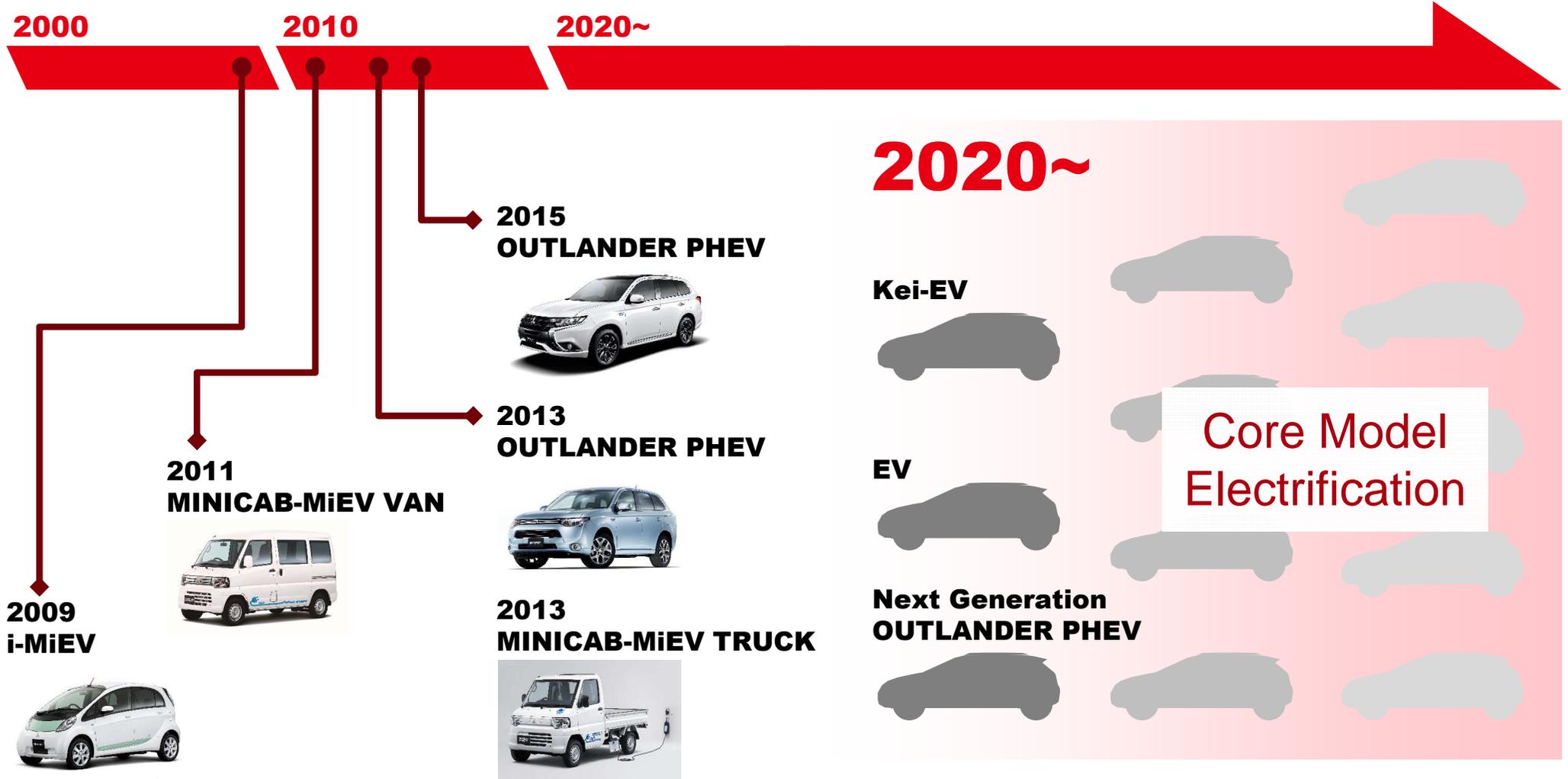




**DRIVE FOR
GROWTH**

FY2017-FY2019

Foundations - Electrification strategy (EV&PHEV)



Towards the future



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