

FY2017 Third Quarter Financial Results



Mitsubishi Motors Corporation

February 5, 2018

Eclipse Cross

1. FY2017 3Q (Apr-Dec 2017) Results Summary

2. FY2017 3Q (Apr-Dec 2017) Results by Region

3. FY2017 3Q Topics

4. FY2017 Forecast

FY2017 3Q (Apr-Dec) Results Summary

(vs. FY2016 3Q) 

(billion yen, thousand units)

	FY16 (Apr-Dec 2016)	FY17 (Apr-Dec 2017)	Variance	
	Actual	Actual	Amount	Ratio
Net sales	1,341.8	1,518.1	+176.3	+13%
Operating profit (Margin)	-23.2 (-1.7%)	64.6 (4.3%)	+87.8	-
Ordinary profit	-22.2	81.1	+103.3	-
Net income*	-213.3	70.1	+283.4	-
Sales volume (Retail)	673	777	+104	+15%

*Net income attributable to owners of the parent

FY2017 3Q (Apr-Dec) Operating Profit Variance Analysis

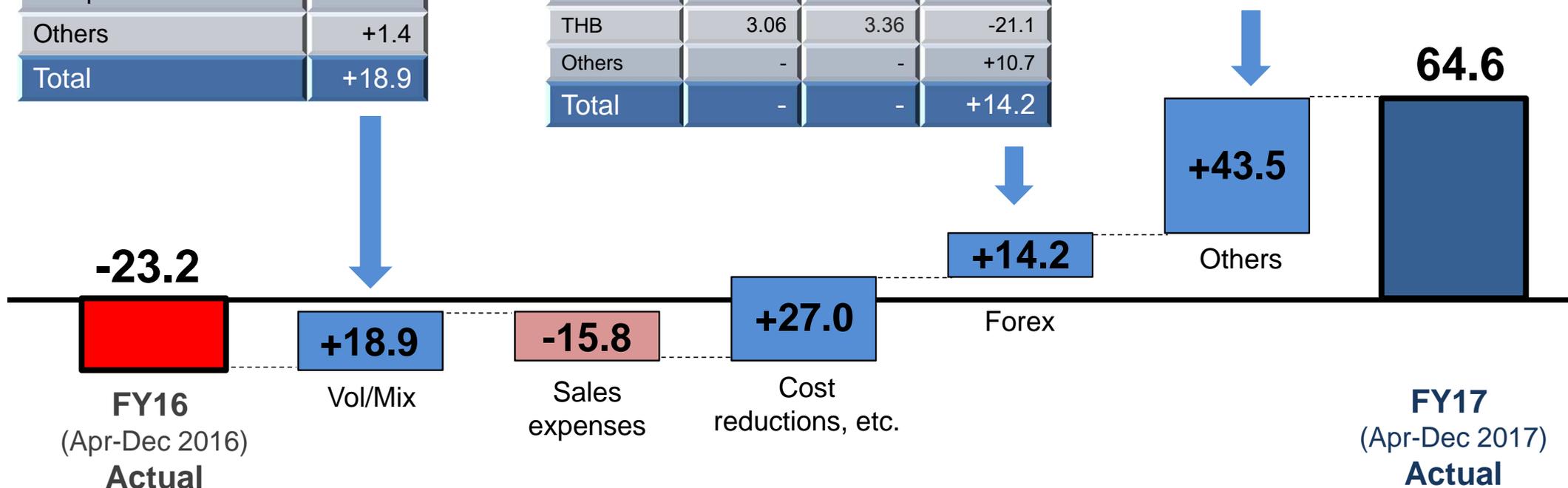
(vs. FY2016 3Q)  MITSUBISHI MOTORS

(billion yen)

Vol/Mix by region	
Japan	+3.1
ASEAN	+13.5
China and others	+2.3
North America	+3.7
Europe	-5.1
Others	+1.4
Total	+18.9

Forex effect by main currency			
	Forex rate(yen)		Effect (billion yen)
	FY16 1-3Q	FY17 1-3Q	
USD	107	112	+5.4
EUR	118	129	+9.6
AUD	80	86	+9.6
THB	3.06	3.36	-21.1
Others	-	-	+10.7
Total	-	-	+14.2

Others	
R&D expenses	-4.5
Cost on quality measures in market and Others	+48.0
Total	+43.5



FY2017 3Q Balance Sheet and Free Cash Flow Summary



(billion yen)

	FY16 Actual (end of Mar. 2017)	FY17 3Q Actual (end of Dec. 2017)	Variance
Total assets	1,484.4	1,562.3	+77.9
Cash and deposits	556.8	534.2	-22.6
Total liabilities	780.9	793.3	+12.4
Interest-bearing debt	15.6	33.1	+17.5
Total net assets	703.5	769.0	+65.5
Shareholders' equity (Equity ratio)	690.5 (46.5%)	751.8 (48.1%)	+61.3
Net cash	541.2	501.1	-40.1
	FY16 3Q Actual (Apr – Dec 2016)	FY17 3Q Actual (Apr – Dec 2017)	Variance
Free cash flow	-118.5	-27.1	+91.4

1. FY2017 3Q (Apr-Dec 2017) Results Summary

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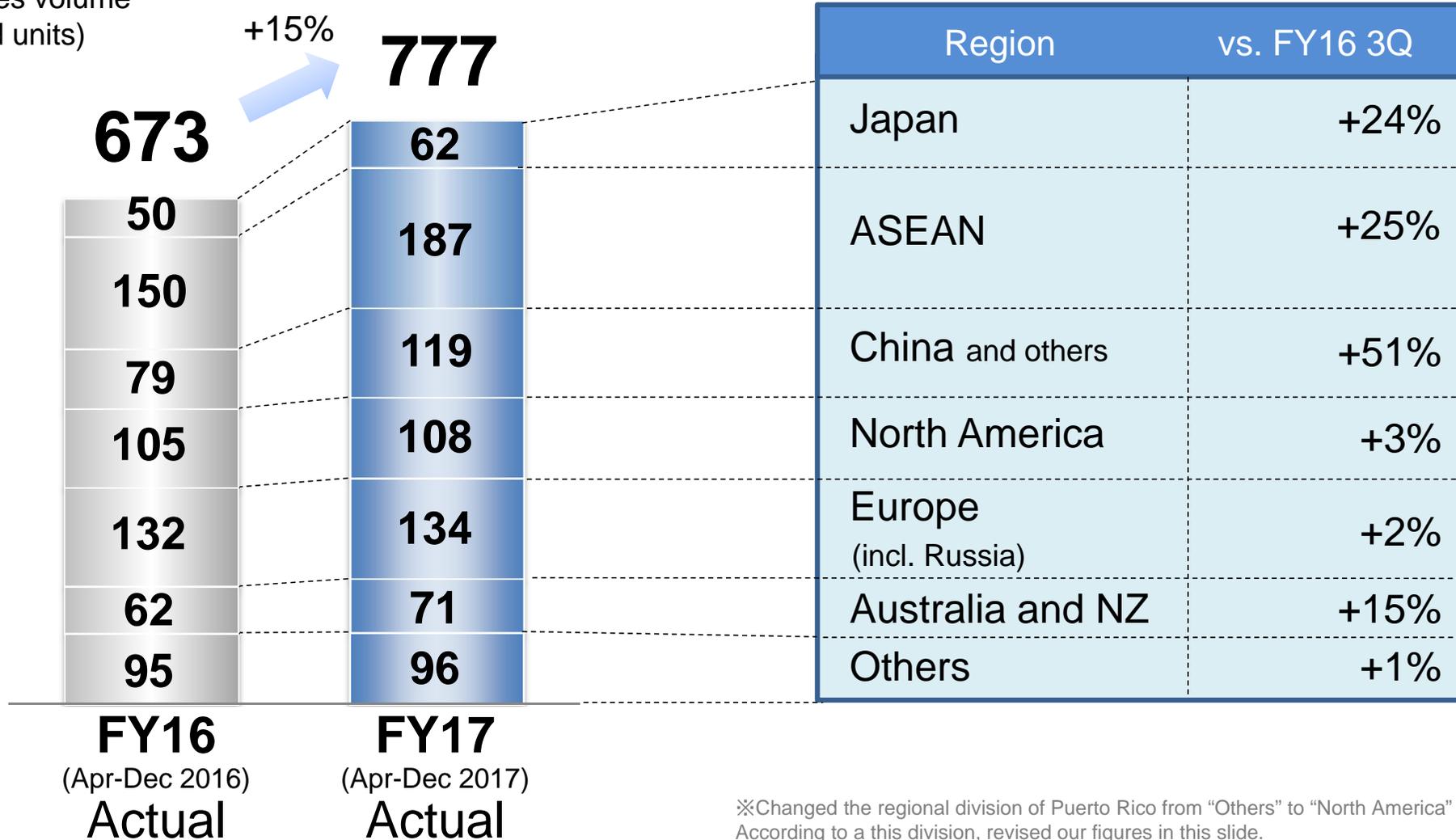
3. FY2017 3Q Topics

4. FY2017 Forecast

FY2017 3Q (Apr-Dec) Retail Sales Volume (vs. FY2016 3Q)



Retail sales volume
(thousand units)

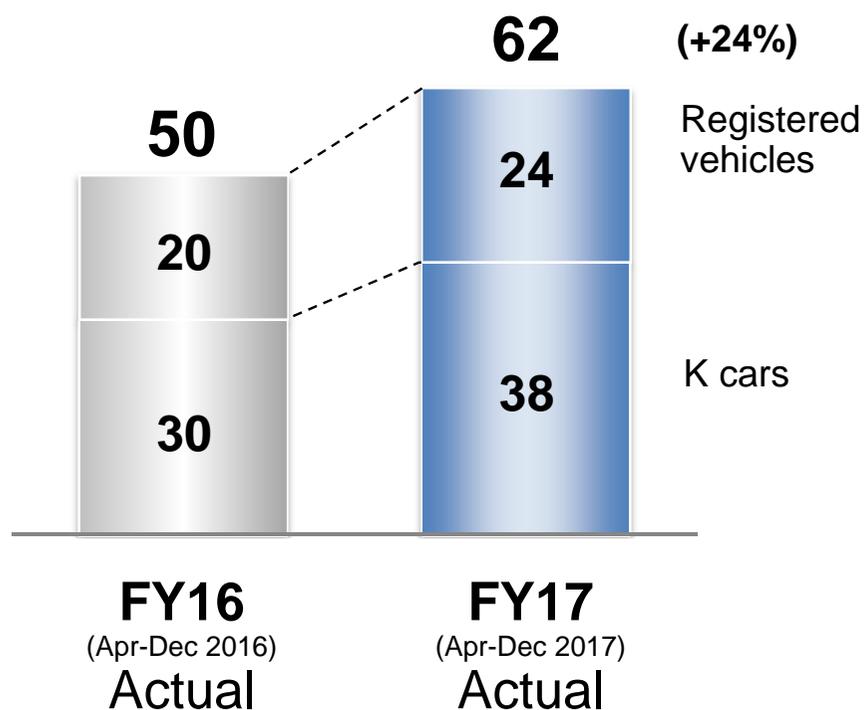


※Changed the regional division of Puerto Rico from "Others" to "North America" from FY2017. According to a this division, revised our figures in this slide.

FY2017 3Q (Apr-Dec) Results by Region: Japan



Retail sales volume (thousand units)



Dendo Drive Station (Left: Kobe, Right: Hokkaido Kitano)

■ Retail sales volume: 62,000 units

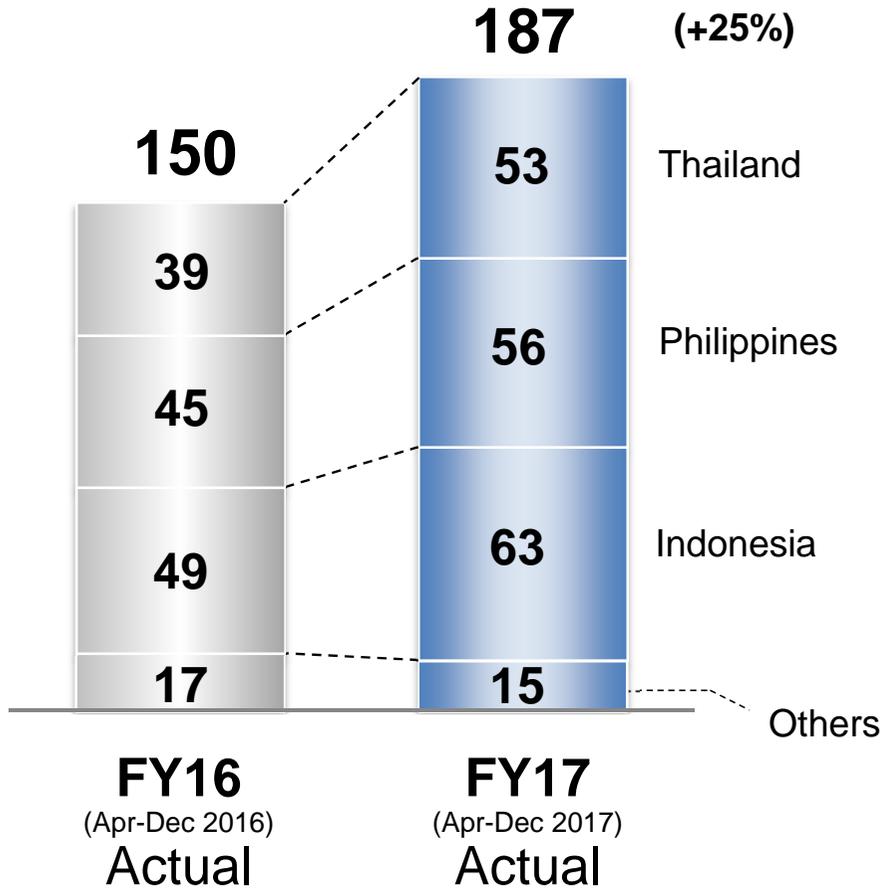
- Sales volume growth driven by the recovery of K cars sales and the ACTIVE GEAR series
- Pre-orders of *Eclipse Cross* (launching in March 2018) started in December
“Night Show Room” : a new style of vehicle selection
- Steady expansion of Dendo Drive Stations

TIV:	3,500	3,656	(+4%)
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TIV : According to our research.

FY2017 3Q (Apr-Dec) Results by Region: ASEAN

Retail sales volume (thousand units)



Indonesian dealer exhibiting *XPANDER*

■ Retail sales volume: 187,000 units

Maintaining strong sales in our main markets

Indonesia:

- Good start of our new structure (manufacturing and selling)
- Strong orders of *XPANDER*

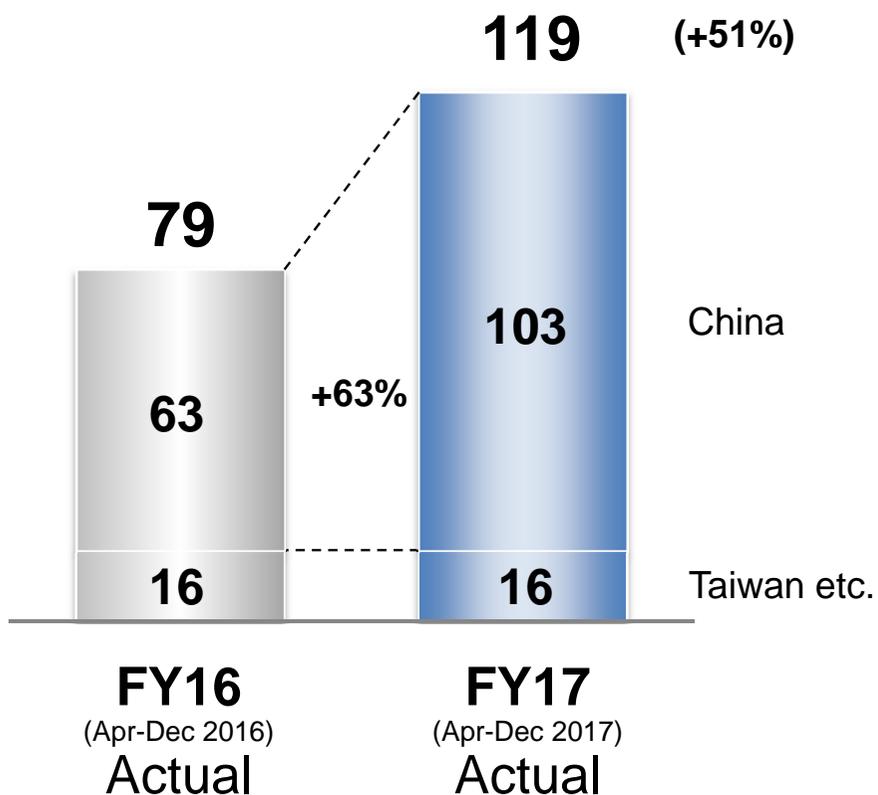
TIV:	1,666	1,775	(+7%)
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TIV : According to our research. * Thailand + Philippines + Indonesia

FY2017 3Q (Apr-Dec) Results by Region: China



Retail sales volume (thousand units)



GMMC factory

- Retail sales volume: 119,000 units
- Sales of *Outlander* remain strong
- Dealer network expansion accelerating
 - Achieved 300 dealer shops (end of Dec. 2017)

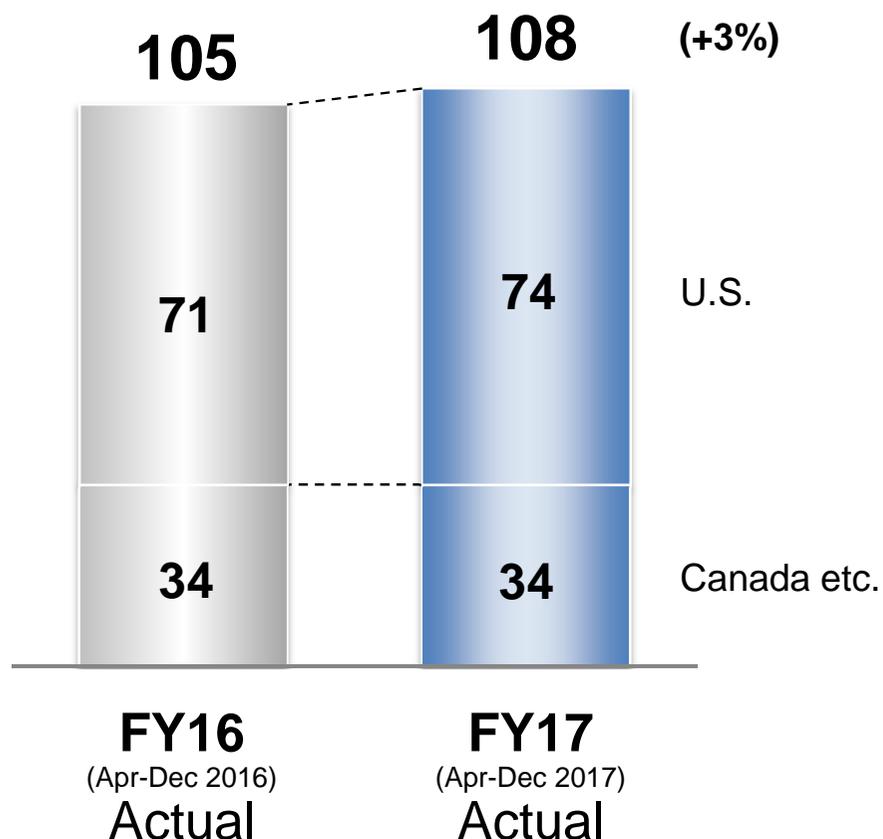
TIV:	21.4 M	21.9 M	(+2%)
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TIV : According to our research. * China

FY2017 3Q (Apr-Dec) Results by Region: North America



Retail sales volume (thousand units)



Outlander PHEV

■ Retail sales volume: 108,000 units

U.S. : TIV declined with ongoing severe competition

- Strong sales year on year driven by *Outlander*
- Launched new cars
 - *Outlander PHEV (Dec. 2017~)*
 - *Eclipse Cross (Jan. 2018~)*

TIV:	13.5 M	13.2 M	(-3%)
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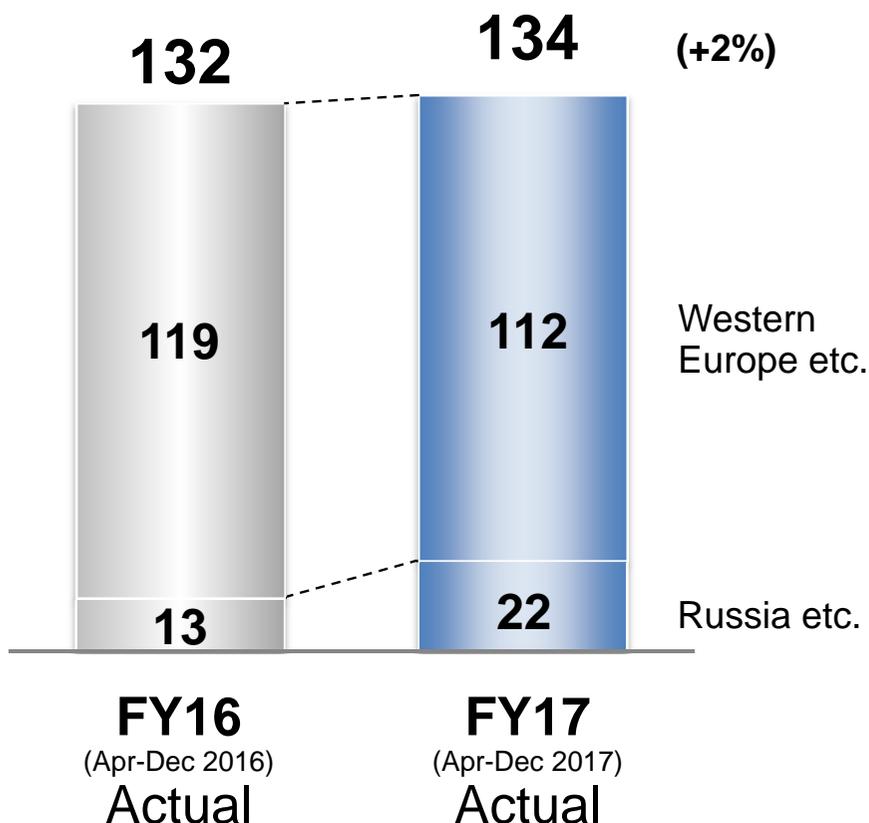
TIV : According to our research. * U.S.

※The regional category of Puerto Rico was changed from "Others" to "North America" from FY2017. FY16 actual numbers above were changed accordingly.

FY2017 3Q (Apr-Dec) Results by Region: Europe (including Russia)



Retail sales volume (thousand units)



Resume production of *Pajero sports* at the Russian Plant

■ Retail sales volume: 134,000 units

<Western Europe>

- Germany and UK maintaining steady sales
- Good start of *Eclipse Cross*

<Russia>

- Production of new *Pajero Sport* resumed
- Sales growth exceeding TIV growth

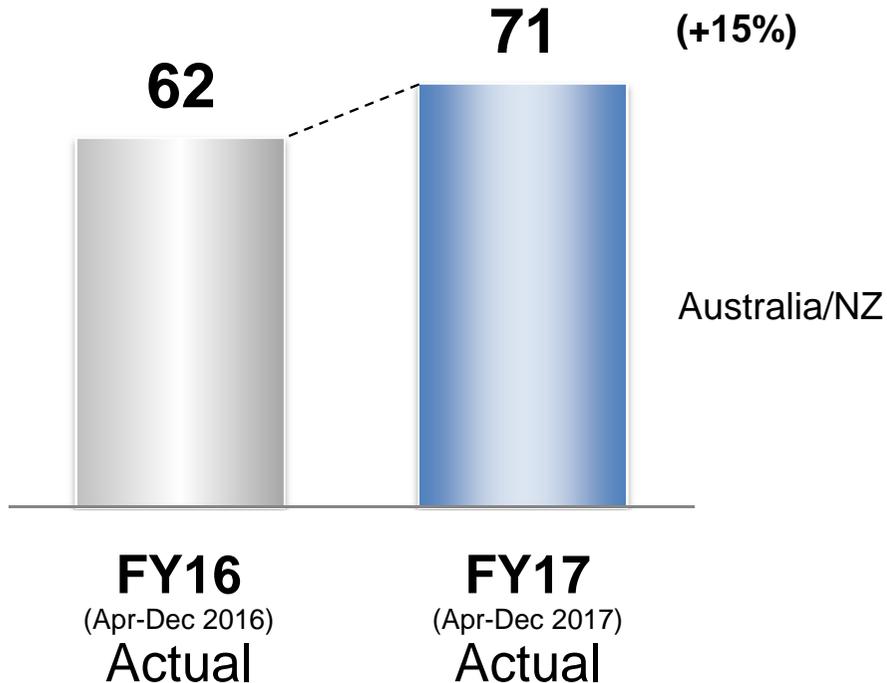
TIV:	12.7 M	12.9 M	(+2%)
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TIV : According to our research. * EU + EFTA

FY2017 3Q (Apr-Dec) Results by Region: Australia/NZ



Retail sales volume (thousand units)



Triton

■ Retail sales volume: 71,000 units

- SUV/LCV*1 markets expanding
- MMC sales remaining strong
- *Outlander PHEV* wins *Green Car of the Year 2017**2 in Australia

*1 LCV : Light Commercial Vehicle

*2 The West Australian "The West Australian's 2017 CARS OF THE YEAR AWARDS"

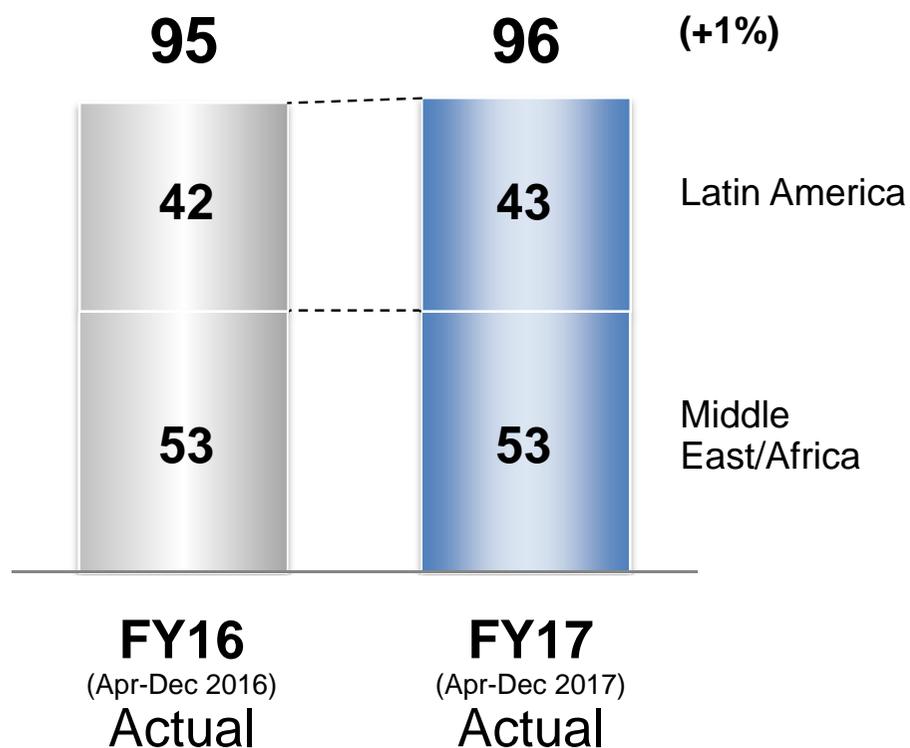
TIV:	975	997	(+2%)
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TIV : According to our research.

FY2017 3Q (Apr-Dec) Results by Region: Latin America and Middle East/Africa



Retail sales volume (thousand units)



Pajero Sport

■ Retail sales volume: 96,000 units

- Increase in volume due to the acquisition of fleet business in the Middle East
- Increase in volume of pickups in Latin America

TIV: 3,895 3,920 (+1%)

TIV : According to our research. * Latin America + GCC

※Changed the regional division of Puerto Rico from “Others” to “North America” from FY2017. According to a this division, revised our figures in this slide.

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Latest Launch of 2 New Models

XPANDER



- Launched in October in Indonesia
- The number of orders has already reached 58,000 units (end of Jan)

ECLIPSE CROSS

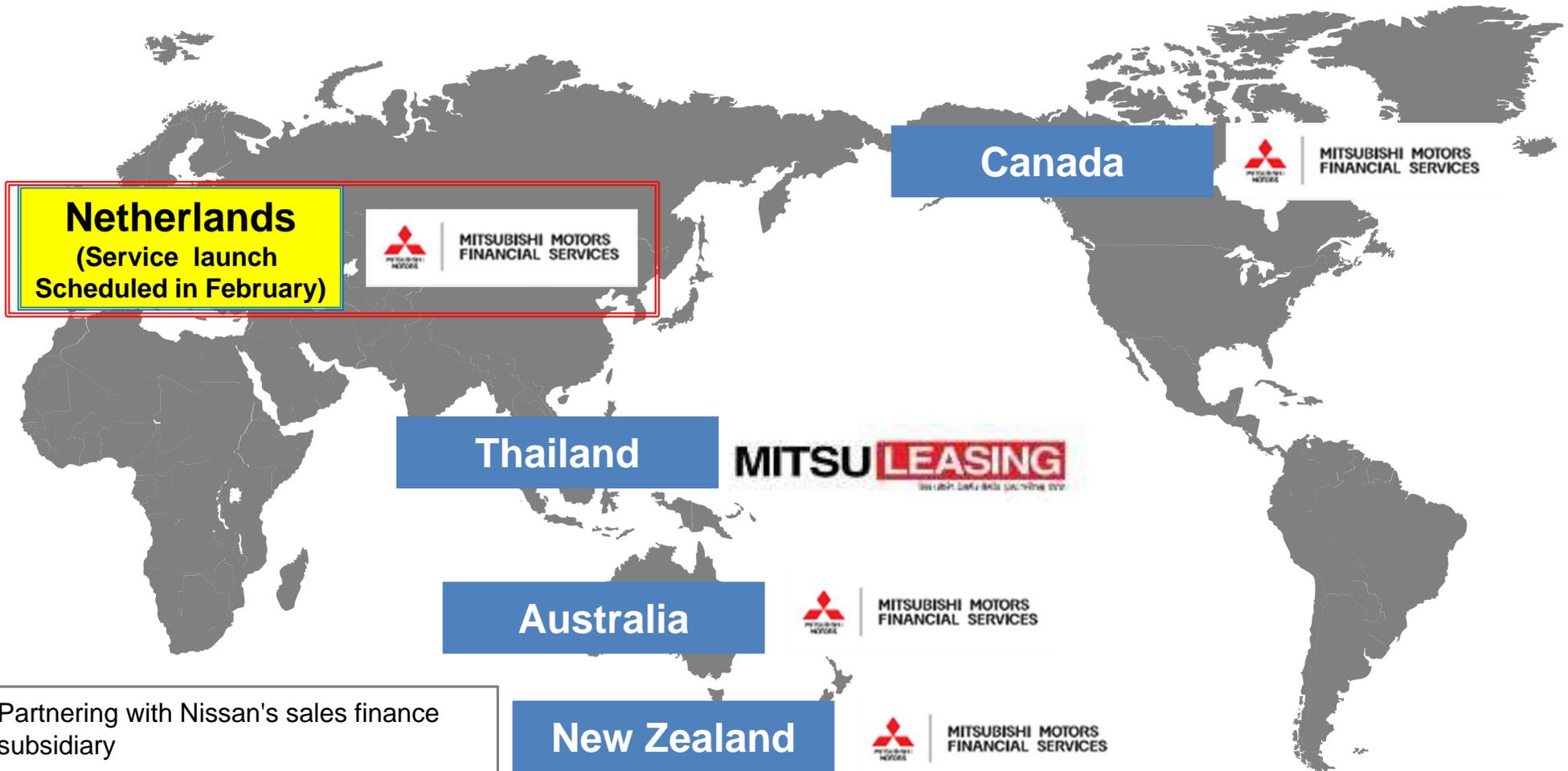


Eclipse Cross at the NIGHT SHOWROOM

- Global: retail sales exceeded 4,000 units (end of Jan)
- Japan: pre-orders exceeded 3,000 units (end of Jan)
- Received *Good Design Award**

*Chicago Atheneum Good Design Award: The world's most historical design award that continues from 1950

Enhance Customer Service: Sales Finance



Partnering with Nissan's sales finance subsidiary



Partnering with Renault's sales finance subsidiary

Production System

Japan



Production of *RVR* was moved from Okazaki Plant to Mizushima Plant on December 20

Indonesia



Strong orders of *XPANDER*:
We have accelerated the launch of the second shift

CAPEX and R&D Expenses

R&D Facilities



New aero-acoustic wind tunnel



New climatic wind tunnel

Dealer Network



Product Renewal

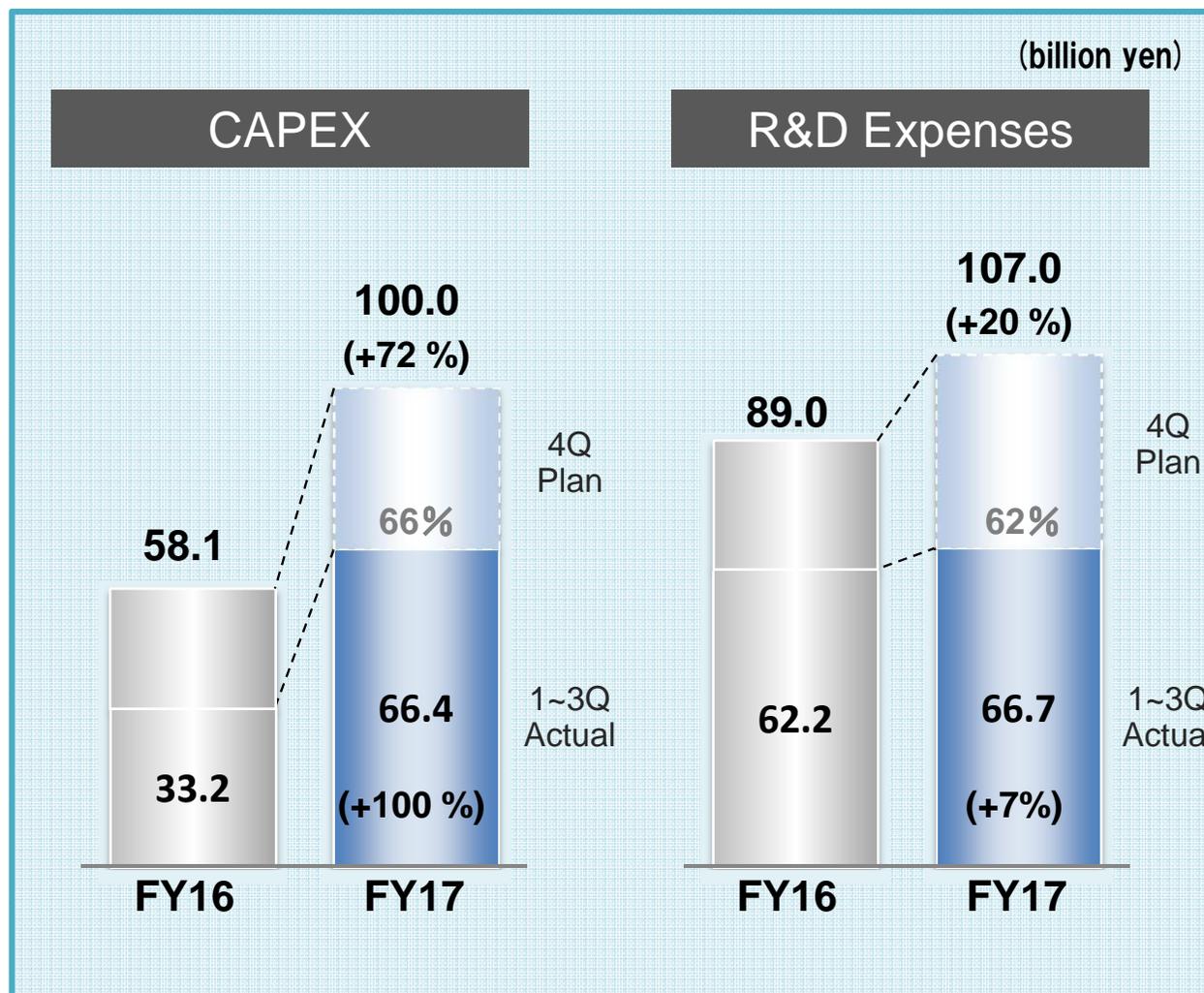


XPANDER



Eclipse Cross

IT Investment



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FY2017 Forecast Summary (vs Previous Forecast)

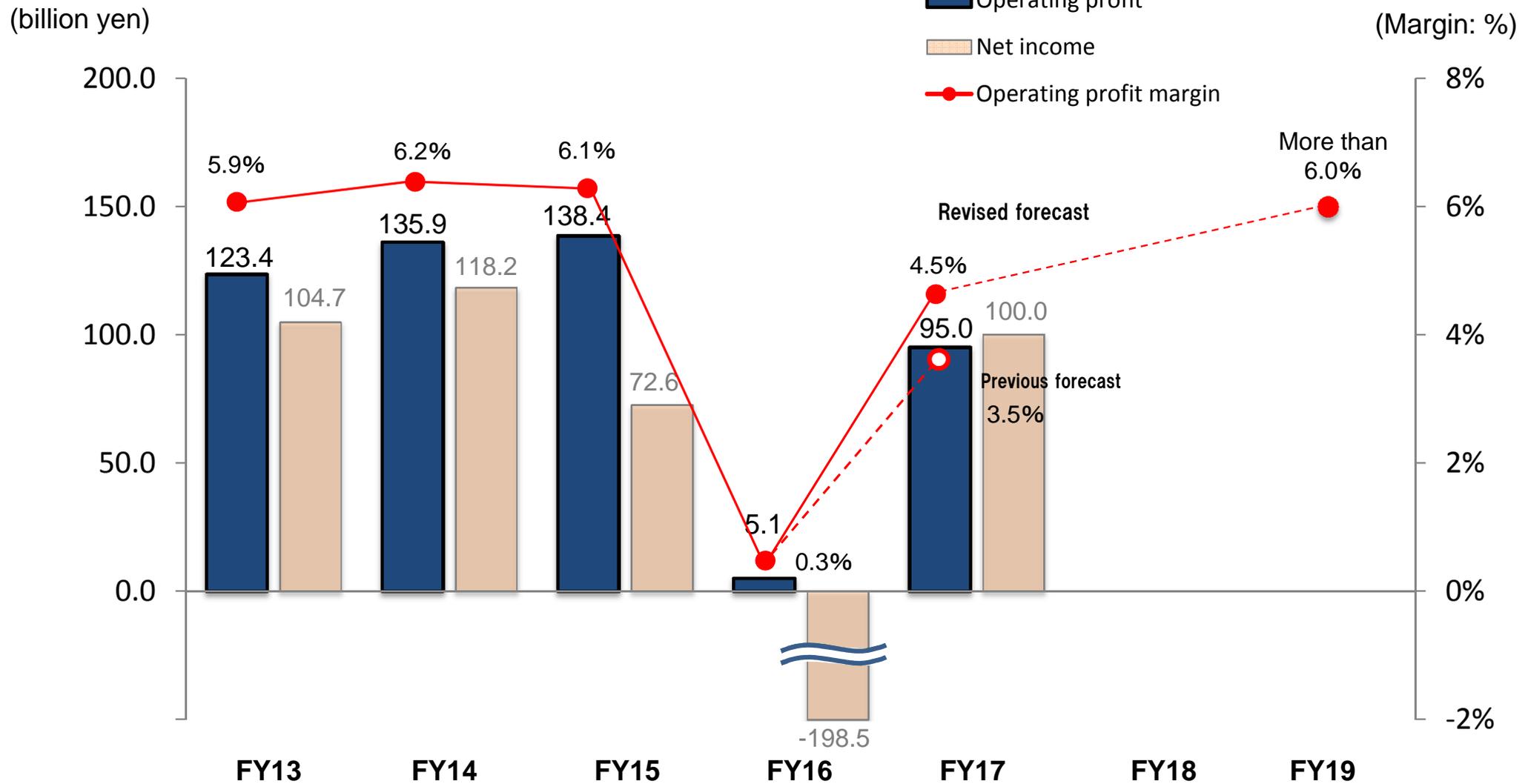


(billion yen, thousand units)

	Previous Forecast (announced in May)	Revised Forecast (announced in Feb)	Variance	
			Amount	Ratio
Net sales	2,000.0	2,100.0	+100.0	+5%
Operating profit (Margin)	70.0 (3.5%)	95.0 (4.5%)	+25.0	+36%
Ordinary profit	79.0	110.0	+31.0	+39%
Net income*	68.0	100.0	+32.0	+47%
Sales Volume (Retail)	1,029	1,090	+61	+6%

*Net income attributable to owners of the Parent

Operating Profit Margin Changes ~Maintain the V-shaped recovery trend~



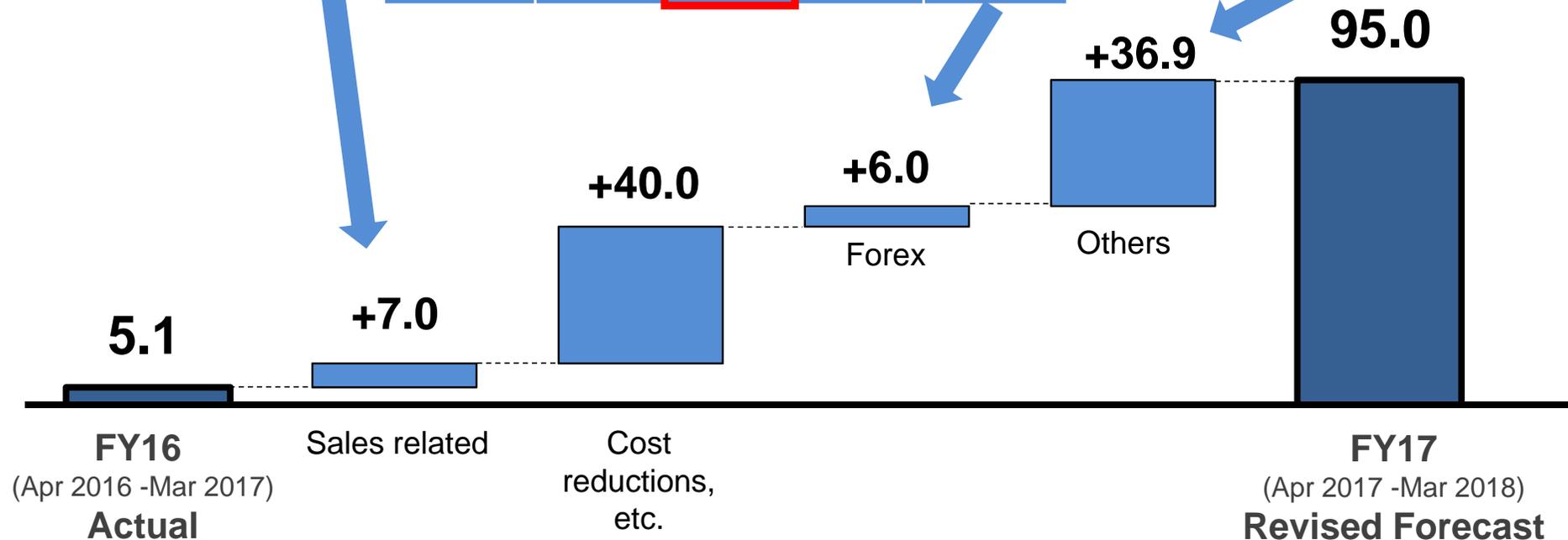
FY2017 Full-Year Forecast (vs. FY2016 Actual)



Sales related	
Vol./Mix	+25.0
Sales expenses	-18.0
Total	+7.0

Forex effect by main currency				
	Forex rate(yen)			Effect (billion yen)
	FY16	FY17	FY17 4Q	
USD	109	110	108	+2.0
EUR	119	131	135	+15.0
THB	3.12	3.39	3.49	-28.5
Others				+17.5
Total	-	-	-	+6.0

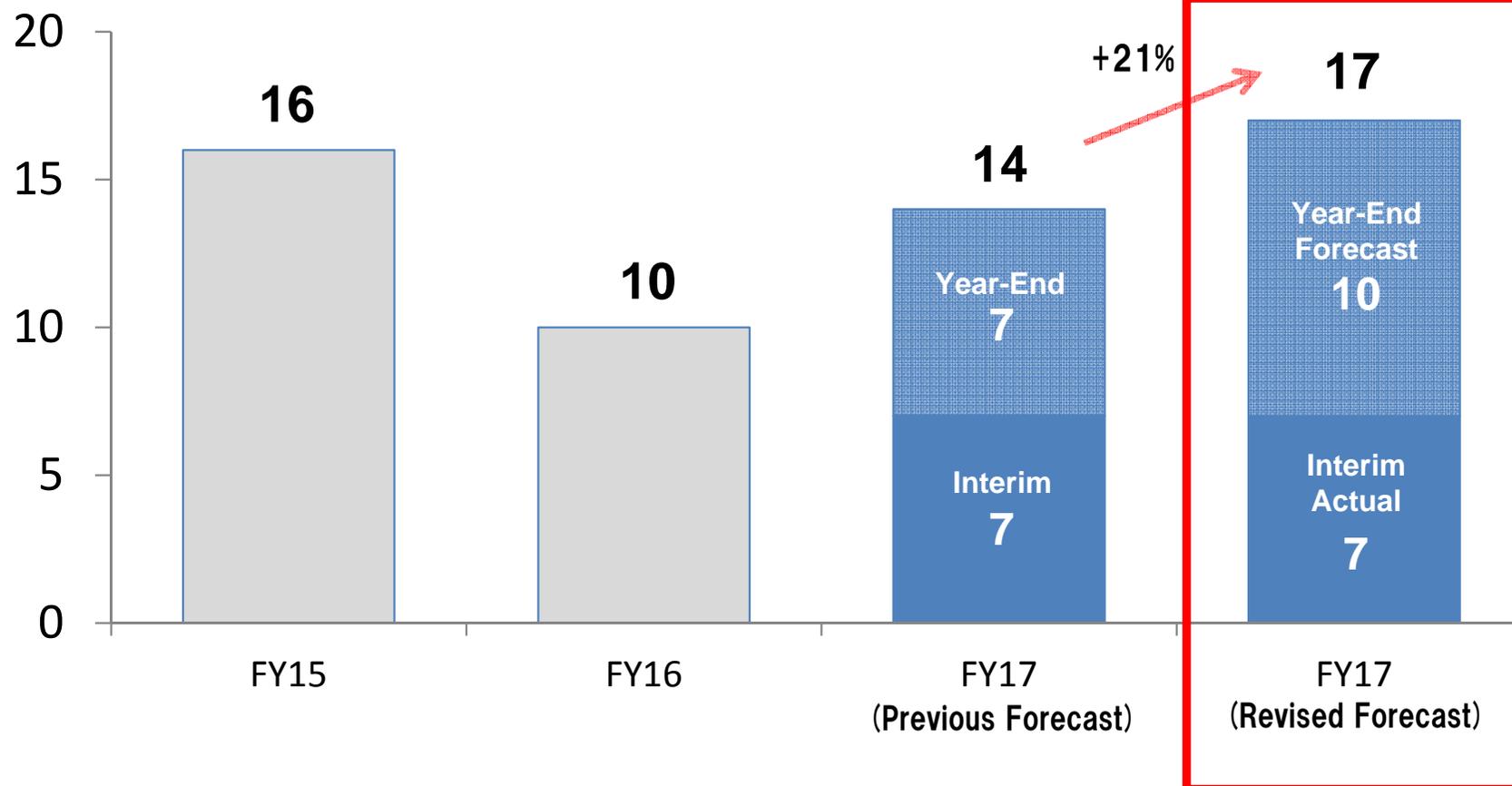
Others (billion yen)	
R&D expenses	-18.0
Cost on quality measures in market and Others	+54.9
Total	+36.9

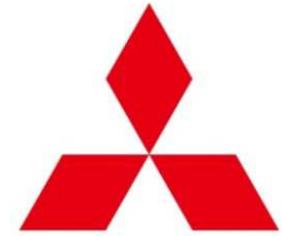


Shareholder Returns

Revised Annual Dividend Forecast to 17 yen (+ 3 yen)

Dividend per share (yen)





**MITSUBISHI
MOTORS**

Drive your Ambition



MITSUBISHI e-EVOLUTION CONCEPT

Appendix

FY2017 Full-Year Operating Profit Forecast Variance Analysis (vs. Previous Forecast)

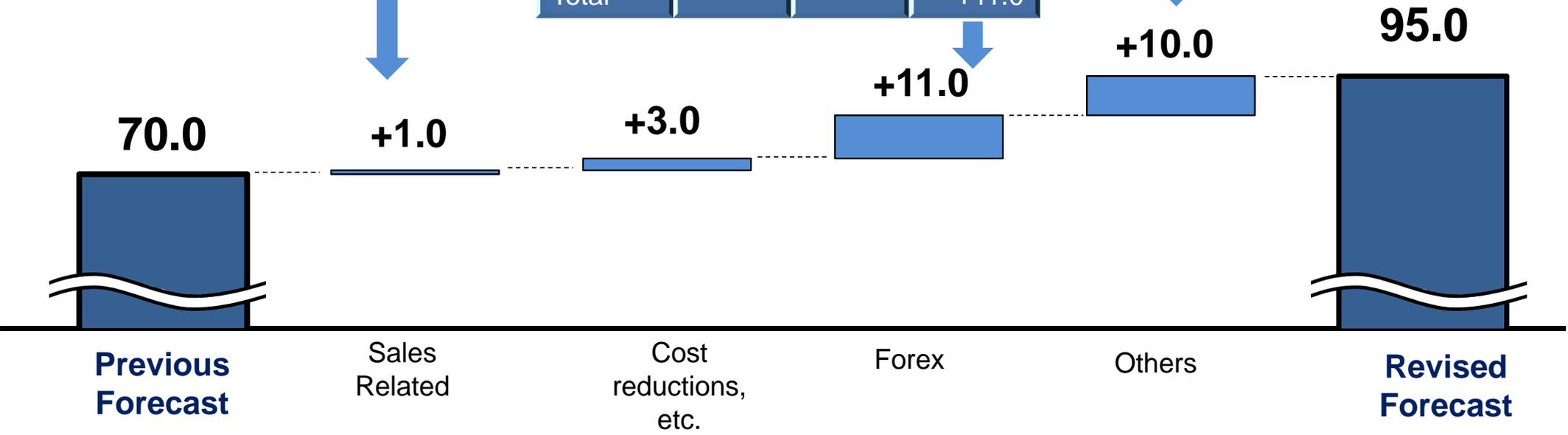


(billion yen)

Sales Related	
Vol/Mix	+4.0
Sales Expenses	-3.0
Total	+1.0

Forex effect by main currency			
	Forex rate(yen)		Effect (billion yen)
	Previous	Revised	
USD	105	110	+10.0
EUR	115	131	+21.0
THB	3.05	3.39	-36.0
Others	-	-	+16.0
Total	-	-	+11.0

Others	
R&D expenses	-2.0
Cost on quality measures in market and others	+12.0
Total	+10.0



FY2017 3Q (Apr-Dec) Regional Performance (vs. FY2016 3Q)



(billion yen)

	Net Sales			Operating Profit		
	FY16 (Apr-Dec 2016) Actual	FY17 (Apr-Dec 2017) Actual	Variance	FY16 (Apr-Dec 2016) Actual	FY17 (Apr-Dec 2017) Actual	Variance
Total	1,341.8	1,518.1	+176.3	-23.2	64.6	+87.8
- Japan	188.5	239.1	+50.6	-24.4	-15.9	+8.5
- ASEAN	244.0	358.7	+114.7	31.3	33.6	+2.3
- China and others	61.4	66.4	+5.0	1.9	13.6	+11.7
- North America	215.0	238.0	+23.0	-17.8	0.6	+18.4
- Europe	328.5	303.5	-25.0	-27.3	6.3	+33.6
- Others	304.4	312.4	+8.0	13.1	26.4	+13.3

※The regional category of Puerto Rico was changed from "Others" to "North America" from FY2017. FY16 actual numbers above were changed accordingly.

FY2017 3Q (Oct-Dec) Operating Profit Variance Analysis (vs. FY2016 3Q)

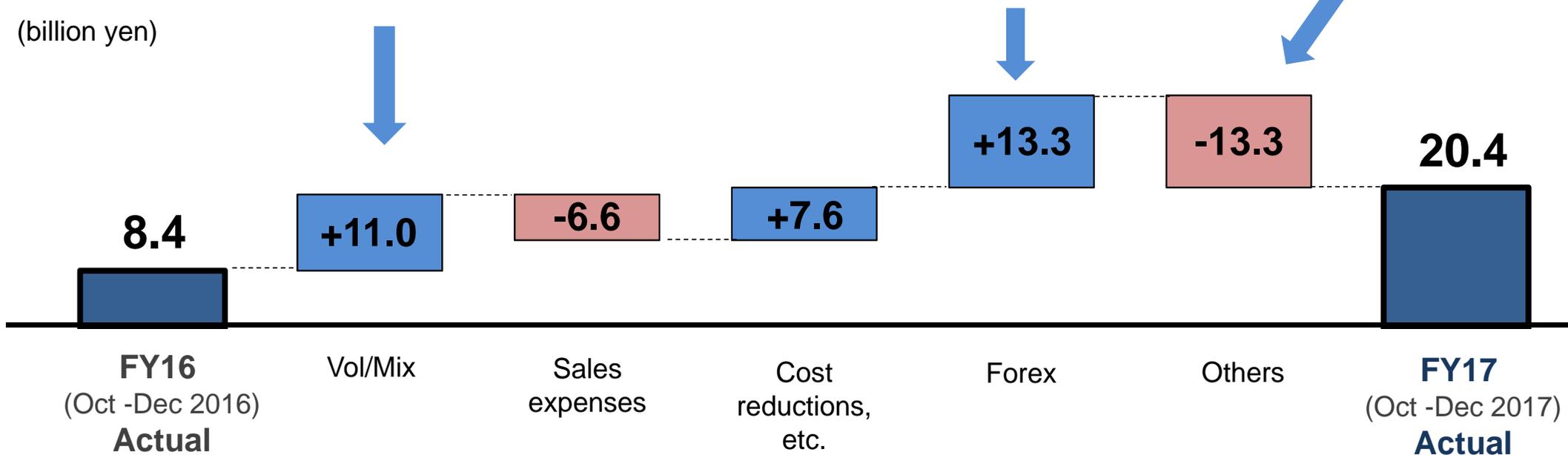


Vol/Mix by region	
Japan	-0.9
ASEAN	+5.8
China and others	-1.1
North America	+4.3
Europe	+0.1
Others	+2.8
Total	+11.0

Forex effect by main currency			
	Forex rate(yen)		Effect (billion yen)
	FY16 3Q	FY17 3Q	
USD	107	113	+2.6
EUR	116	133	+5.7
AUD	80	86	+3.9
THB	3.12	3.42	-6.8
Others			+7.9
Total	-	-	+13.3

Others	
R&D expenses	-2.6
Cost on quality measures in market and others	-10.7
Total	-13.3

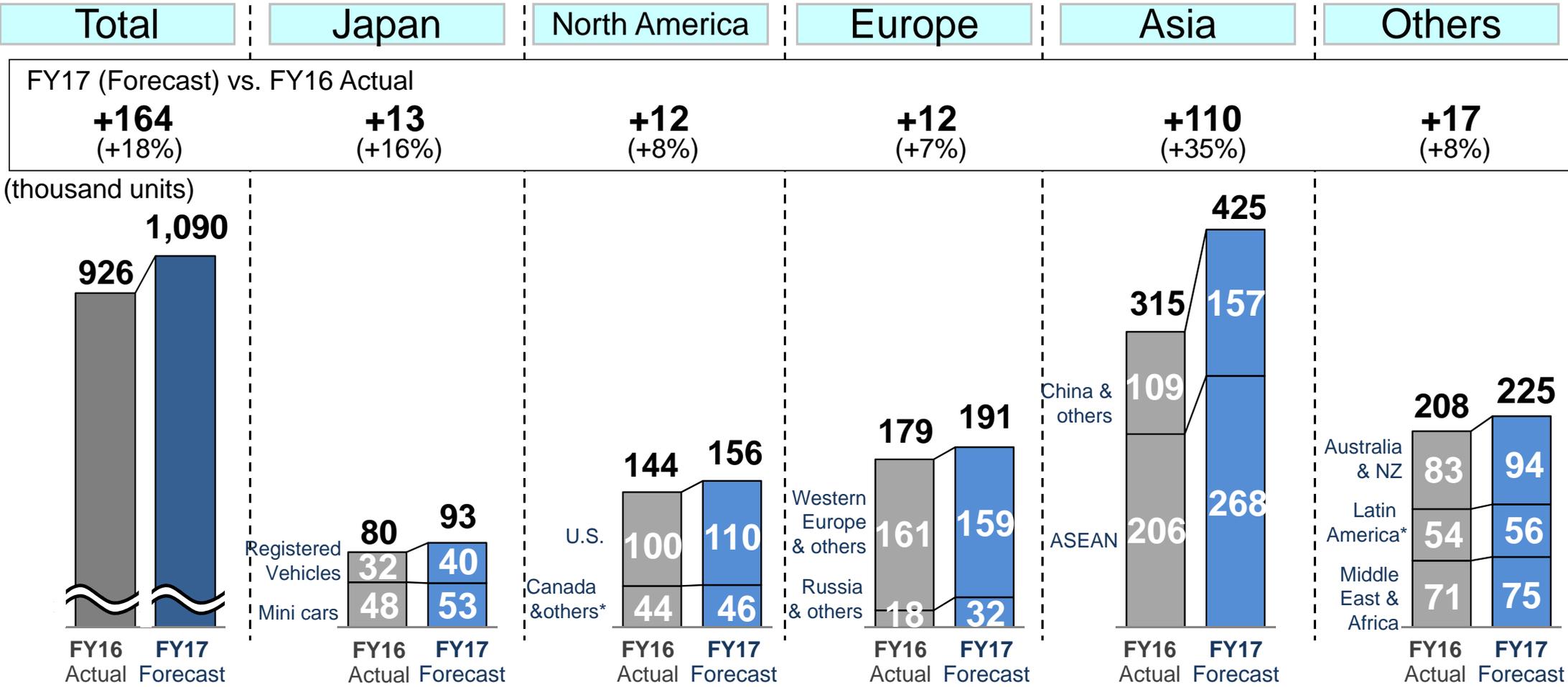
(billion yen)



FY2017 Retail Sales Volume Forecast by Region (vs. FY2016)



~ Sales volume increase mainly in ASEAN, China and Japan ~



*The regional category of Puerto Rico was changed from "Others" to "North America" from FY2017. FY16 actual numbers above were changed accordingly.

FY2017 Regional Sales Forecast (vs. FY2016 and Previous Forecast)



(billion yen)

	① FY16 (Apr 2016-Mar 2017) Actual	② FY17 (Apr 2017-Mar 2018) Previous Forecast	③ FY17 (Apr 2017-Mar 2018) Revised Forecast	Variance	
				vs. FY2016 Actual (③-①)	vs. Previous Forecast (③-②)
Total	1,906.6	2,000.0	2,100.0	+193.4	+100.0
- Japan	297.3	350.0	360.0	+62.7	+10.0
- North America	310.0	320.0	350.0	+40.0	+30.0
- Europe	433.5	440.0	420.0	-13.5	-20.0
- Asia	433.5	520.0	550.0	+116.5	+30.0
- Others	432.3	370.0	420.0	-12.3	+50.0

※The regional category of Puerto Rico was changed from "Others" to "North America" from FY2017. FY16 actual numbers above were changed accordingly.

Capital Expenditure / Depreciation / R&D Expense



(billion yen)

	FY16 (Apr-Dec 2016) Actual	FY17 (Apr-Dec 2017) Actual	FY17 (Apr 2017-Mar 2018) Forecast
CAPEX (YoY)	33.2 (-29%)	66.4 (+100%)	100.0 (+72%)
Depreciation (YoY)	34.7 (-13%)	37.1 (+7%)	53.0 (+15%)
R&D expense (YoY)	62.2 (+8%)	66.7 (+7%)	107.0 (+20%)

DRIVE FOR GROWTH



DRIVE FOR GROWTH (FY17 - FY19)

KPI

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

**FY19
Net revenue:
2.5Trn 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

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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.**

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