



# FY2017 Financial Results

May 9, 2018

**MITSUBISHI MOTORS CORPORATION**

*OUTLANDER PHEV*

## **1. FY2017 Full-Year Financial Results Summary**

## **2. FY2017 Full-Year Financial Results Details**

## **3. FY2018 Financial Forecast**

# FY2017 Full-Year Financial Results Summary (vs FY2016)

(billion yen, 000 units)

( ) : amount of revised forecast in February

**Sales Volume**  
(Retail)

**+19%**

**Net Sales**

**+15%**

**Operating Profit**

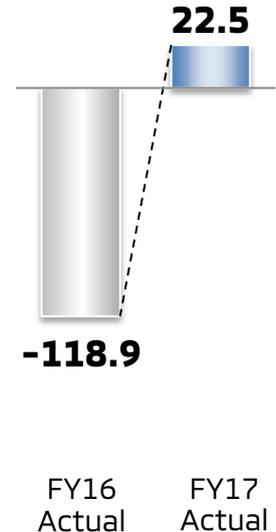
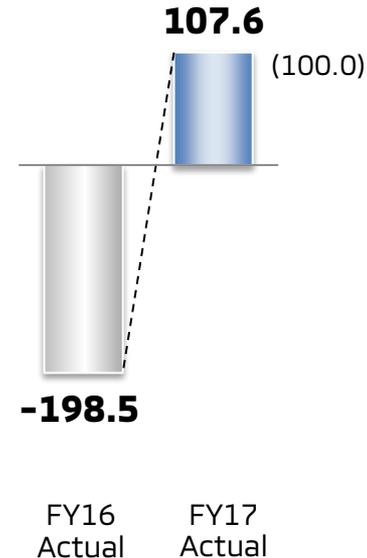
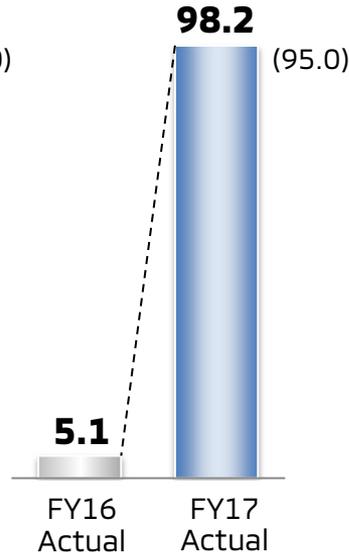
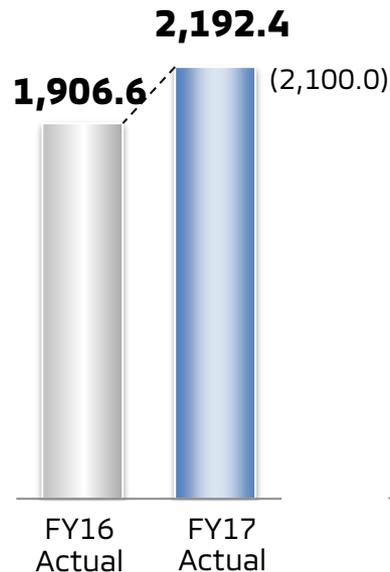
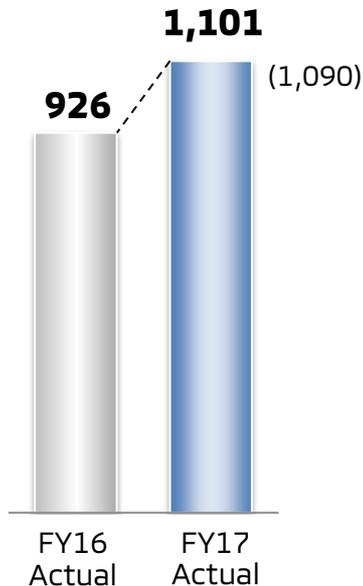
approx.  
**19** times

**Net Income**

**Positive**

**Free Cash Flow**

**Positive**



## ***XPANDER* as No.1: Successful Launch in Indonesia**

- Total sales 39k units by the end of April 2018
- No.1 sold vehicle in Indonesia in March
- Winning Indonesian "Car of the Year\*" \*This competition sponsored by OTOMOTIF
- Export start to ASEAN countries like the Philippines in FY2018

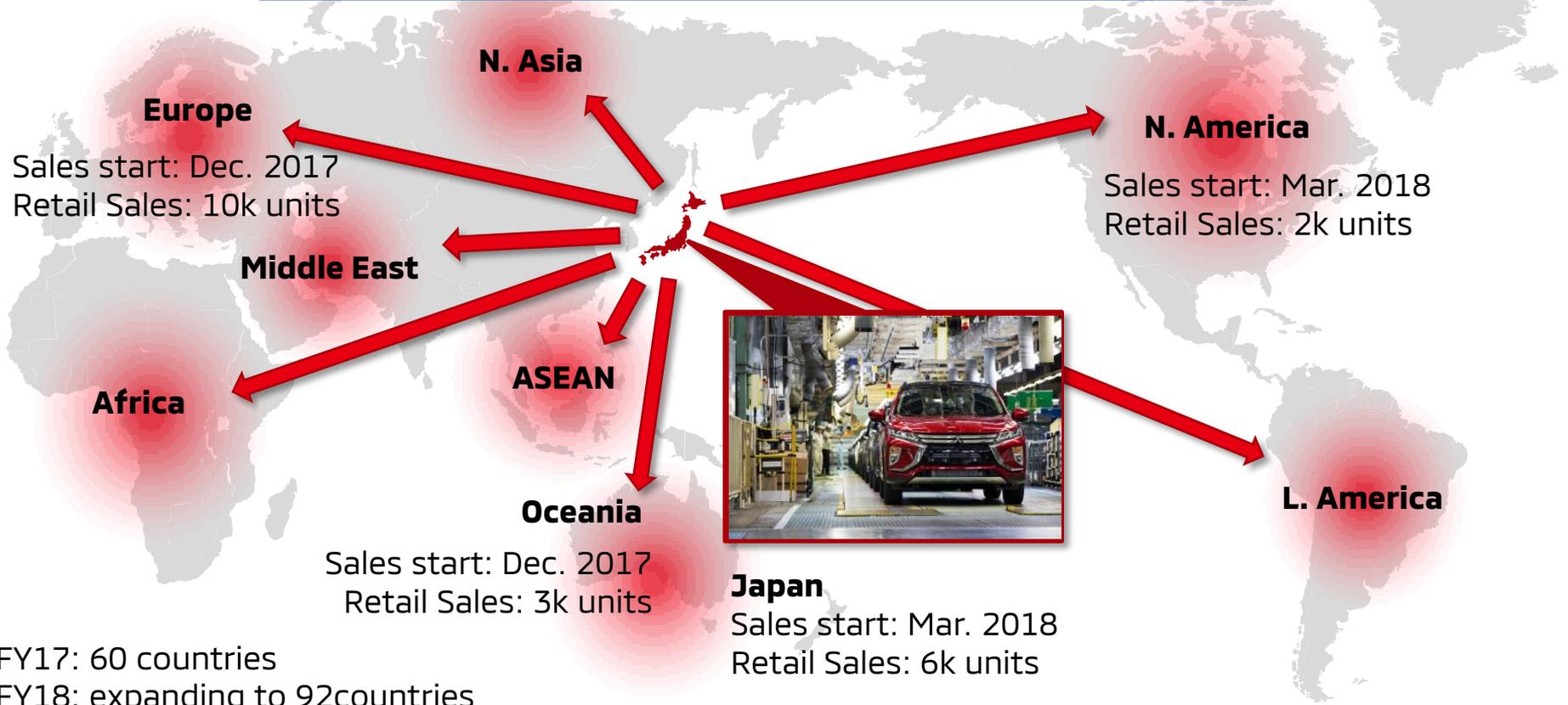


The ceremony commemorating the export launch of the *XPANDER*



# ECLIPSE CROSS: Successful Global Launch

**Global Sales Volume (by the end of April) : 23k units**

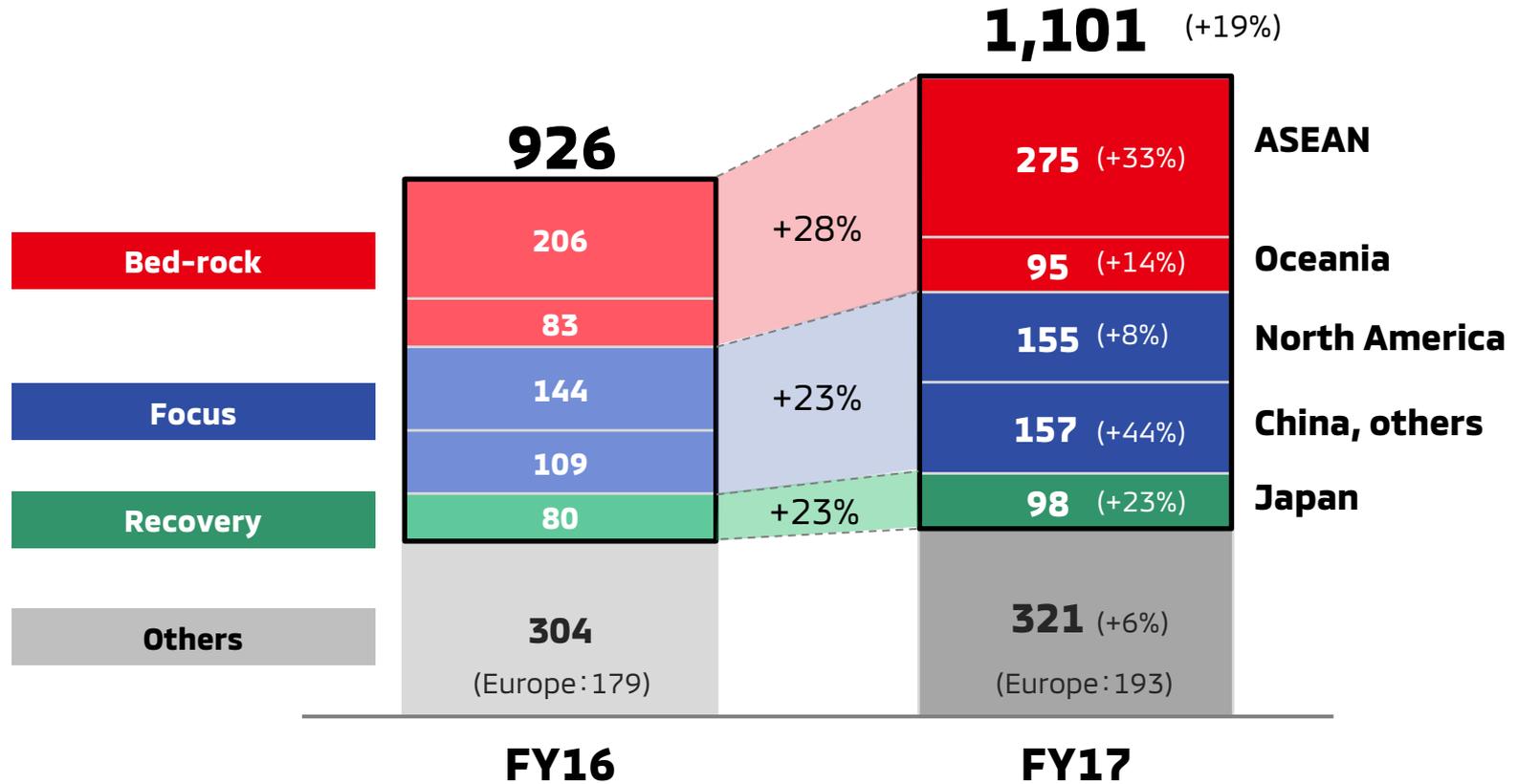


FY17: 60 countries  
FY18: expanding to 92countries

# Sales Increase in Core Markets



Retail sales (000 units)



## **1. FY2017 Full-Year Financial Results Summary**

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## **3. FY2018 Financial Forecast**

# FY2017 Full-Year Financial Results Summary (vs FY2016)



(billion yen, 000 units)

	FY16 (Apr 2016 - Mar 2017) Actual	FY17 (Apr 2017 - Mar 2018) Actual	Variance	
			Amount	Ratio
<b>Net Sales</b>	1,906.6	<b>2,192.4</b>	+285.8	+15%
<b>Operating profit (Margin)</b>	5.1 (+0.3%)	<b>98.2</b> <b>(4.5%)</b>	+93.1 (+4.2 P.P.)	approx. 19 times
<b>Ordinary profit</b>	8.9	<b>110.1</b>	+101.2	approx. 12 times
<b>Net income*</b>	-198.5	<b>107.6</b>	+306.1	-
<b>Sales volume (Retail)</b>	926	<b>1,101</b>	+175	+19%

\*Net income attributes to owners of the parent

# FY2017 Full-Year Operating Profit Variance (vs FY2016 Full-Year)

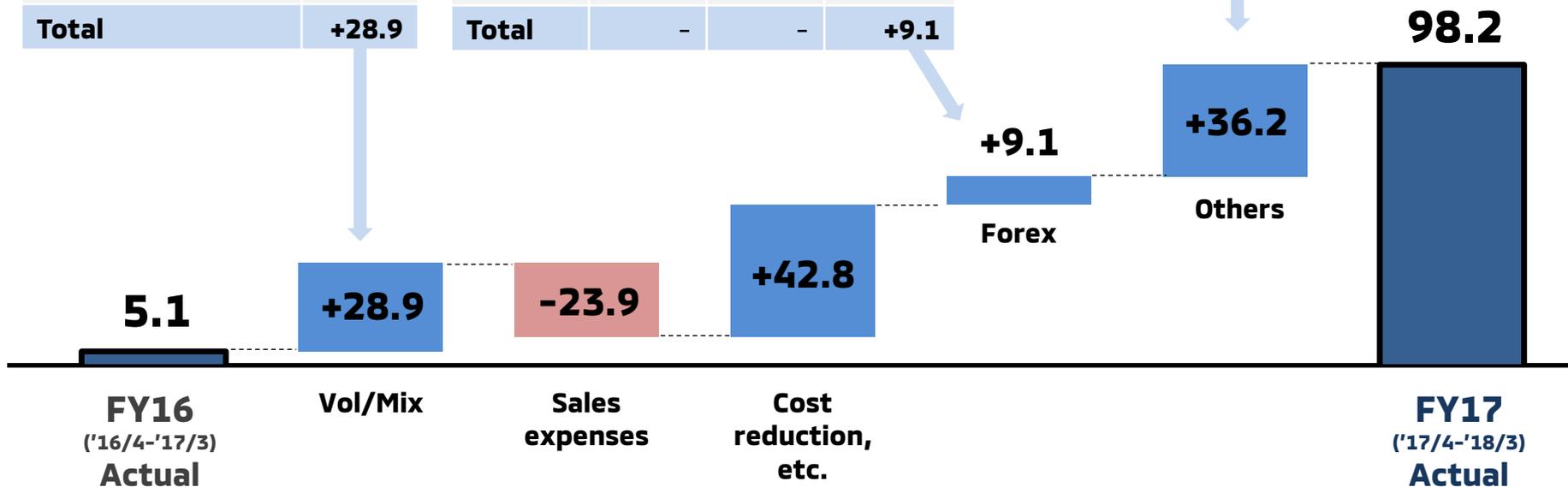


Vol/Mix by region	
Japan	+4.6
ASEAN	+14.4
China, others	+1.9
North America	+10.9
Europe	-5.6
Others	+2.7
<b>Total</b>	<b>+28.9</b>

Forex effect by main currency			
	FX rate (yen)		Effect (bill yen)
	FY16	FY17	
USD	109	111	+3.5
EUR	119	130	+13.9
AUD	82	86	+8.4
THB	3.12	3.38	-27.9
Others	-	-	+11.2
<b>Total</b>	<b>-</b>	<b>-</b>	<b>+9.1</b>

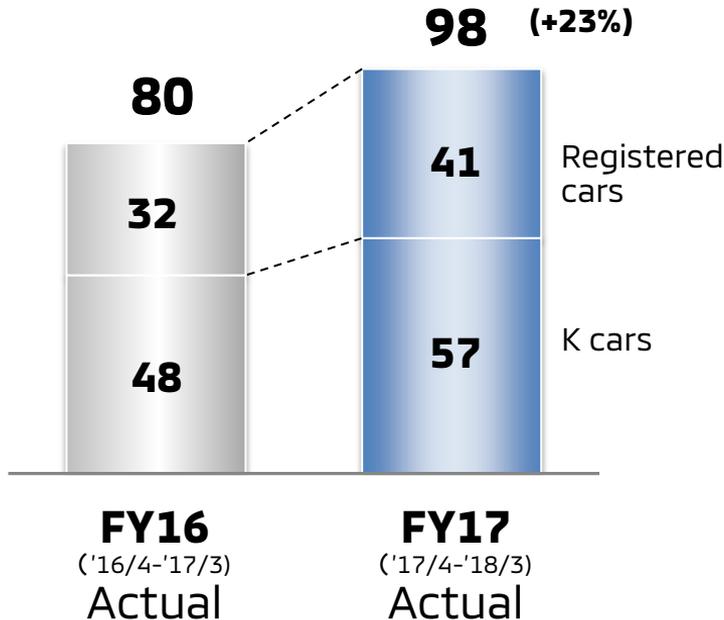
Others	
R&D expenses	-13.5
Recall cost, others	+49.7
<b>Total</b>	<b>+36.2</b>

(billion yen)



# FY2017 (Apr-Mar) Results by Region: Japan

Retail sales (000 units)



TIV:	<b>5,078</b>	<b>5,197</b>	<b>(+2%)</b>
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TIV : according to our research.

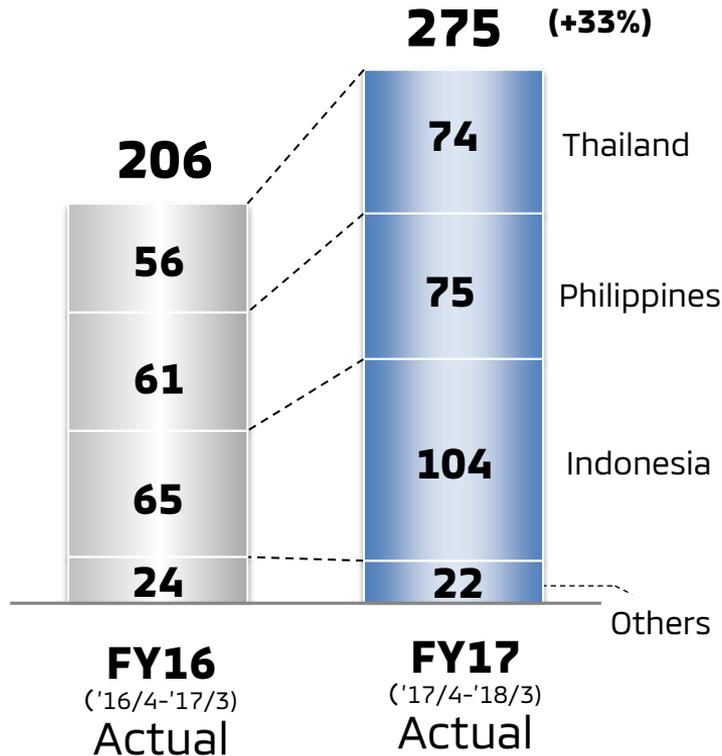


## ■ Retail sales volume: 98k units

- Growth driven by recovery of K cars and the ACTIVE GEAR series
- Smooth launching of *ECLIPSE CROSS* in March
  - Sales result (March): 5k units
- Steady expansion of Dendo Drive Station
  - As of end of March: 28 shops

# FY2017 (Apr-Mar) Results by Region: ASEAN

Retail sales (000 units)



**New Indonesia Plant**



**Indonesia dealer shop**

## ■ Retail sales volume: 275k units

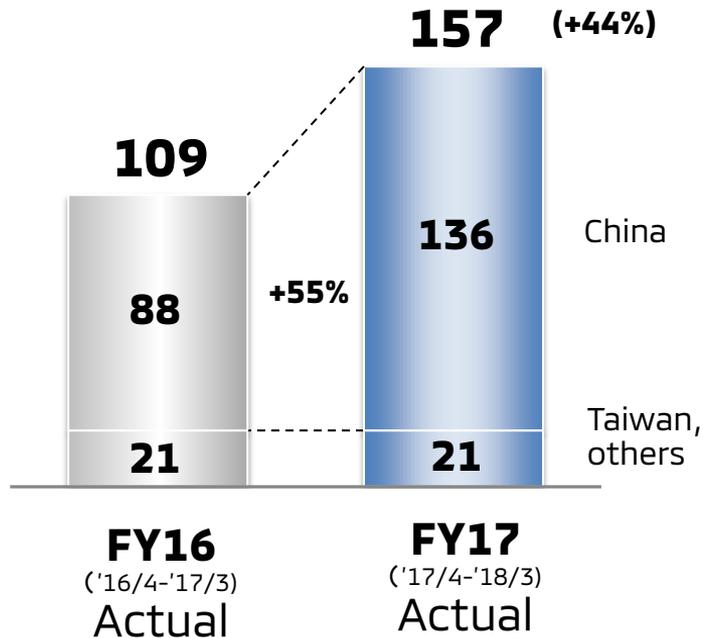
- Thailand: Sales growth of Pickup Truck
- Philippines: Increase of *PAJERO SPORT*
- Indonesia:
  - Successful start of new business structure (new plant and new sales network)
  - Strong order/sales of *XPANDER*

TIV: **2,214**                      **2,379**      **(+7%)**

TIV : according to our research. \*Thailand, Philippines and Indonesia

# FY2017 (Apr-Mar) Results by Region: China

Retail sales (000 units)



## ■ Retail sales volume: 157k units

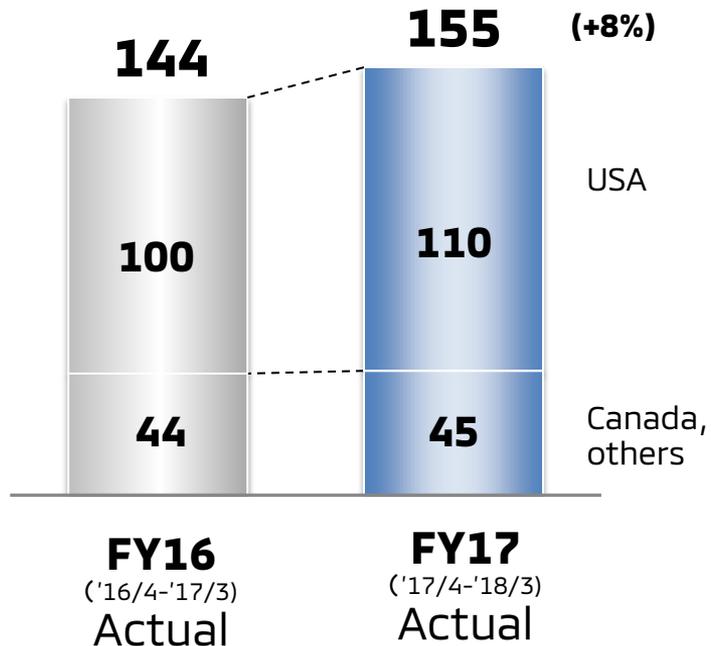
- Sales of *OUTLANDER* remain strong
- Progress of dealer network expansion - 302 shops (end of March, 2018)

TIV: **28.4 M**      **29.1 M**      **(+2%)**

TIV : according to our research. \*China only

# FY2017 (Apr-Mar) Results by Region: North America

Retail sales (000 units)



TIV: **17.5 M**      **17.4 M**      **(-1%)**

TIV : according to our research. \* USA only



**OUTLANDER PHEV**

## ■ Retail sales volume: 155k units

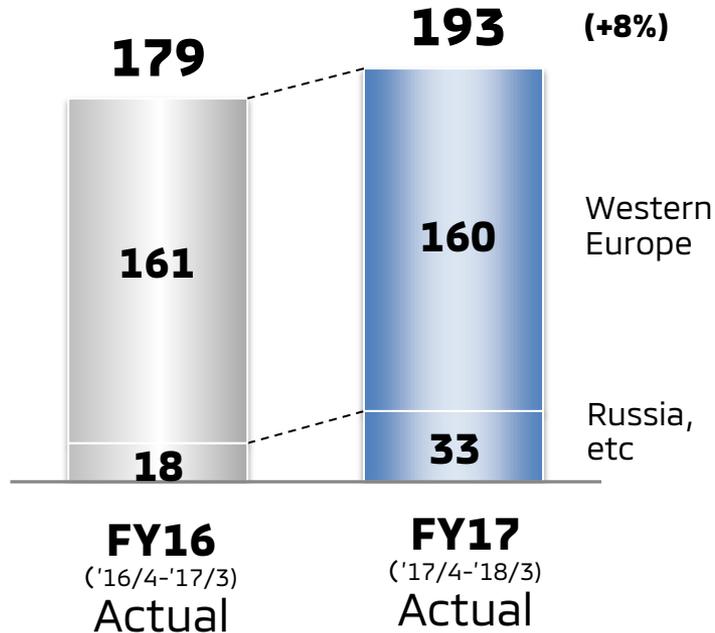
<USA>

- TIV decline vs.FY2016, ongoing severe competition
- MMC sales increase 10% by mainly SUVs
- *OUTLANDER PHEV* sales start in Dec 2017
- *ECLIPSE CROSS* introduction in Jan 2018

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

# FY2017 (Apr-Mar) Results by Region: Europe (inc. Russia)

Retail sales (000 units)



TIV: **17.5 M**      **17.7 M**      **(+1%)**

TIV : according to our research. \*EU 28 + EFTA



**ECLIPSE CROSS**

## ■ Retail sales volume: 193k units

<Western Europe>

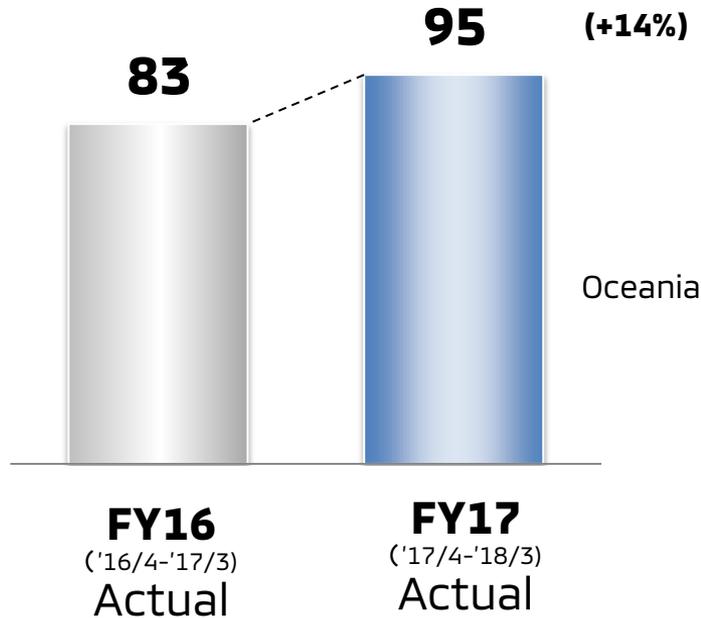
- Germany and UK maintaining steady sales
- Good start of *ECLIPSE CROSS*: 8k sales (by March)

<Russia>

- Production of new *PAJERO SPORT* resumed
- Sales growth exceeding TIV growth

# FY2017 (Apr-Mar) Results by Region: Oceania

Retail sales (000 units)



**TRITON**

## ■ Retail sales volume: 95k units

- SUV/LCV markets expanding
- MMC sales remaining strong: 14% increase
- Sales start of *ECLIPSE CROSS*:
  - 2k units (by March)

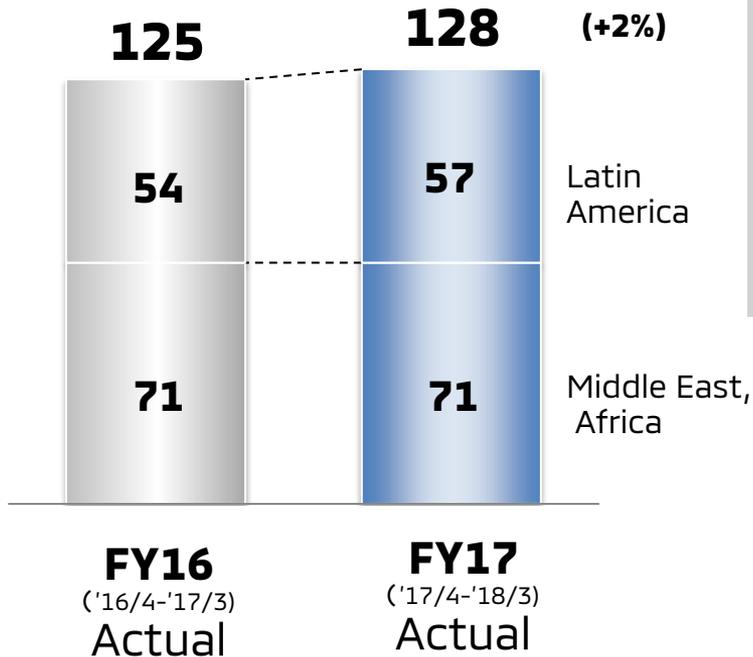
TIV :	<b>1,285</b>	<b>1,318</b>	<b>(+3%)</b>
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TIV : according to our research.

# FY2017 (Apr-Mar) Results by Region: Latin America, Middle East/Africa



Retail sales (000 units)



**PAJERO SPORT**

- **Retail sales volume: 128k units**
- Increase in volume due to the acquisition of fleet business in the Middle East
- Increase in volume of pickups in Latin America

TIV: **5,206**                      **5,516**                      **(+6%)**

TIV: According 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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## **3. FY2018 Financial Forecast**

# FY2018 Full-Year Forecast (vs FY2017 Results)

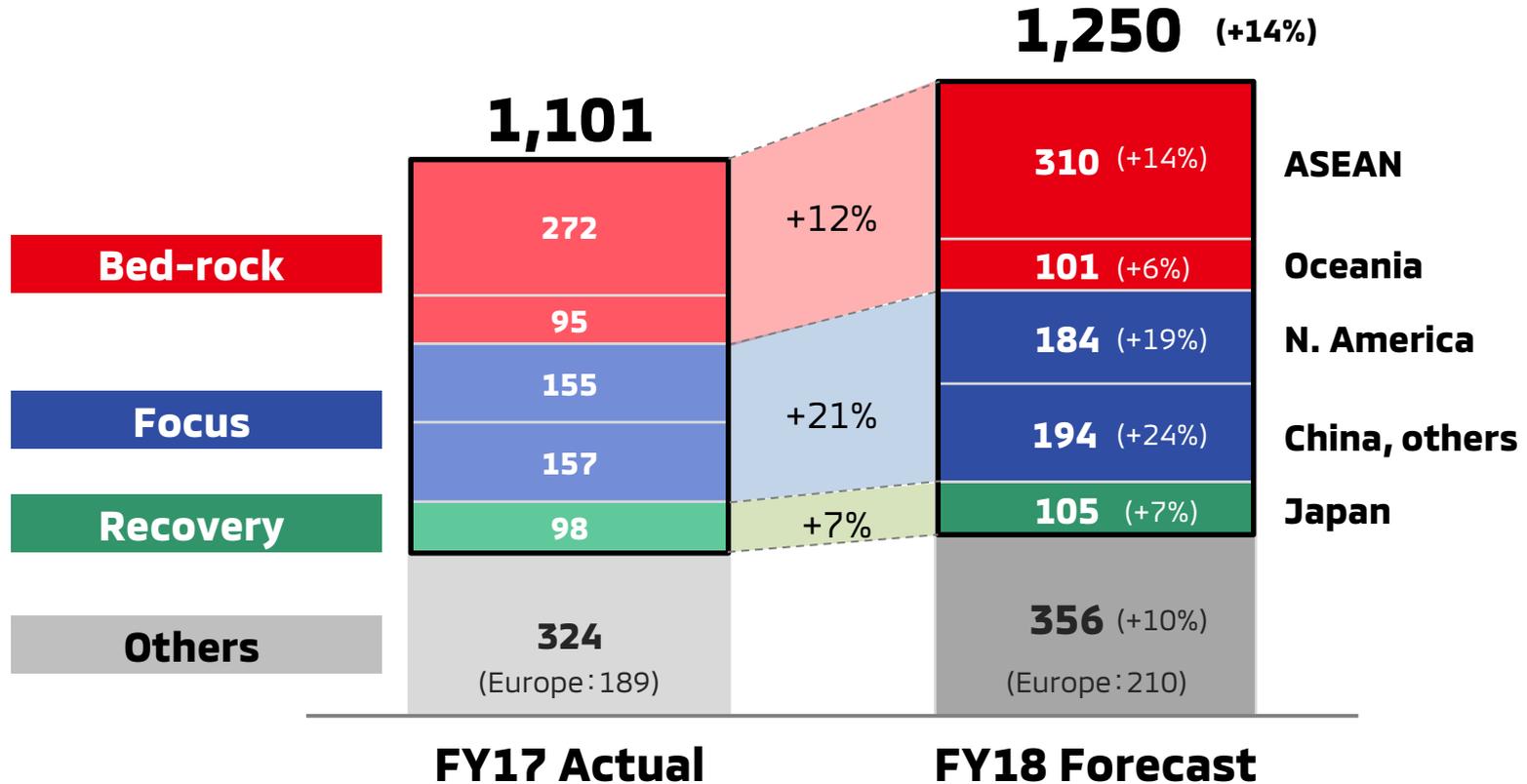
(billion yen, 000 units)

	FY17 (Apr 2017 - Mar 2018) Actual	FY18 (Apr 2018 - Mar 2019) Forecast	Variance	
			Amount	Ratio
<b>Net Sales</b>	2,192.4	<b>2,400.0</b>	+207.6	+9%
<b>Operating profit (Margin)</b>	98.2 (4.5%)	<b>110.0</b> <b>(4.6%)</b>	+11.8 (+0.1P.P.)	+12%
<b>Ordinary profit</b>	110.1	<b>125.0</b>	+14.9	+14%
<b>Net income*</b>	107.6	<b>110.0</b>	+2.4	+2%
<b>Sales volume (Retail)</b>	1,101	<b>1,250</b>	+149	+14%

\*Net income attributes to owners of the parent

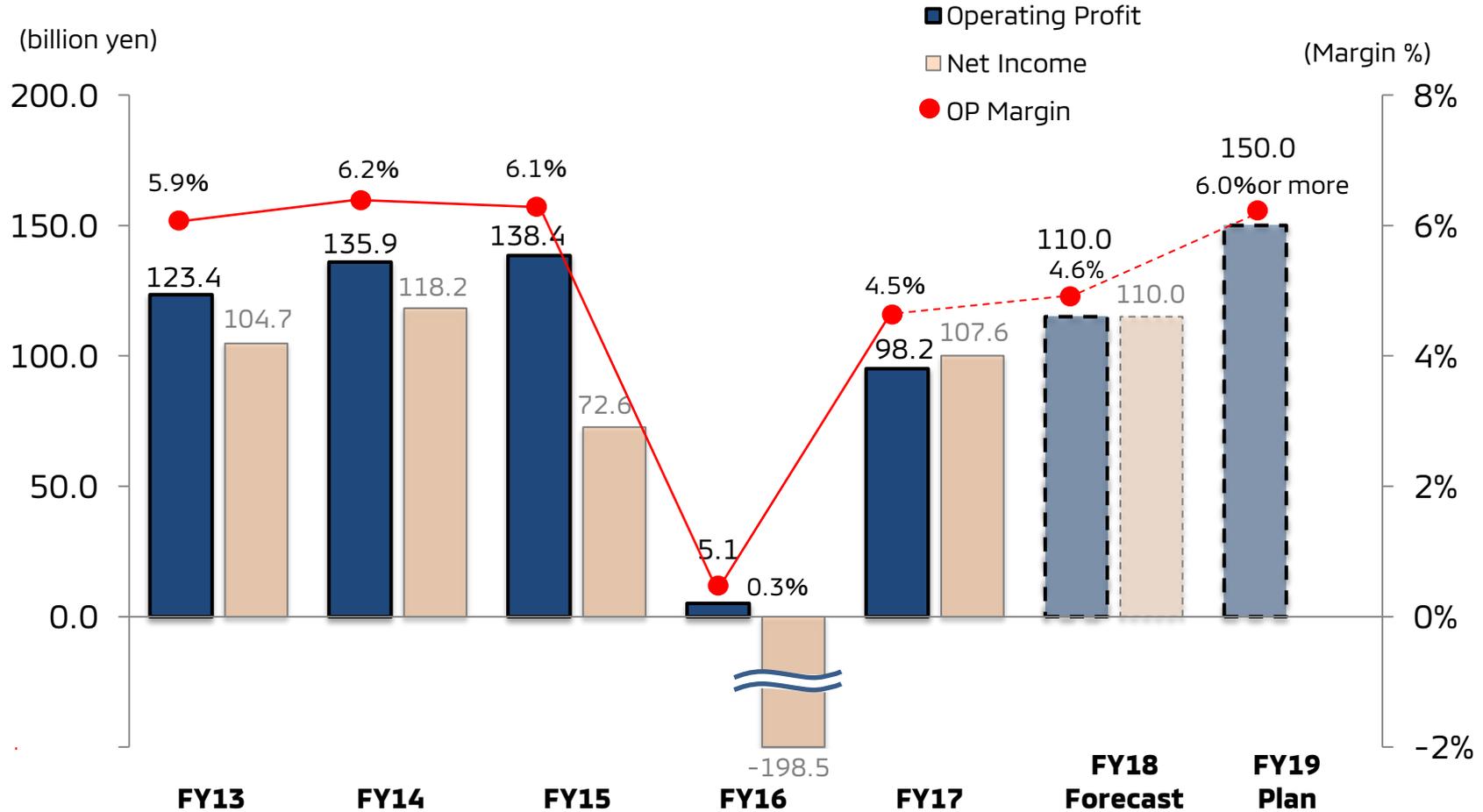
# FY2018 Retail Sales Forecast (vs FY2017 Actual)

Retail sales (000 units)



\*Changed the regional division of some countries in ASEAN and Europe from "ASEAN and Europe" to "Others" from FY2018. According to a this division, revised our figures in this slide.

# Operating Profit Margin Change - maintain the V-shaped recovery trend

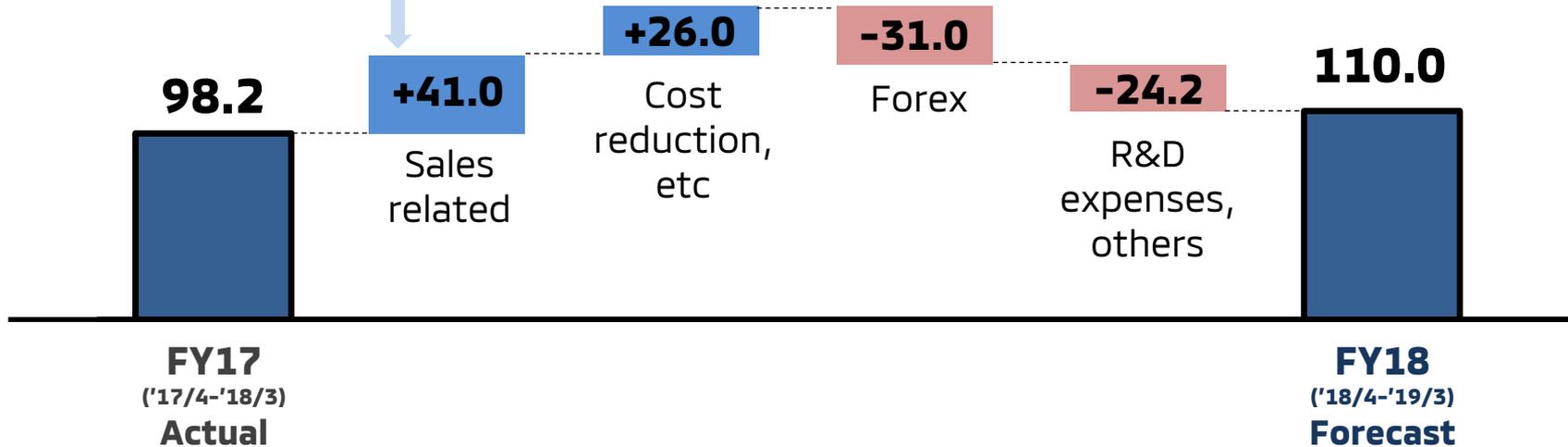


# FY2018 Full-Year Forecast (vs FY2017 Results)

(billion yen)

Sales related	
Vol/Mix	+55.0
Sales expenses	-14.0
<b>Total</b>	<b>+41.0</b>

	FX rate (yen)		Effect (bill yen)
	FY17	FY18	
USD	111	105	-15.0
EUR	130	130	±0
THB	3.38	3.40	-2.0
Others			-14.0
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-31.0</b>



# 3 new models to launch in FY2018

## New models

**FY2017**



*ECLIPSE CROSS*



*XPANDER*

**FY2018**



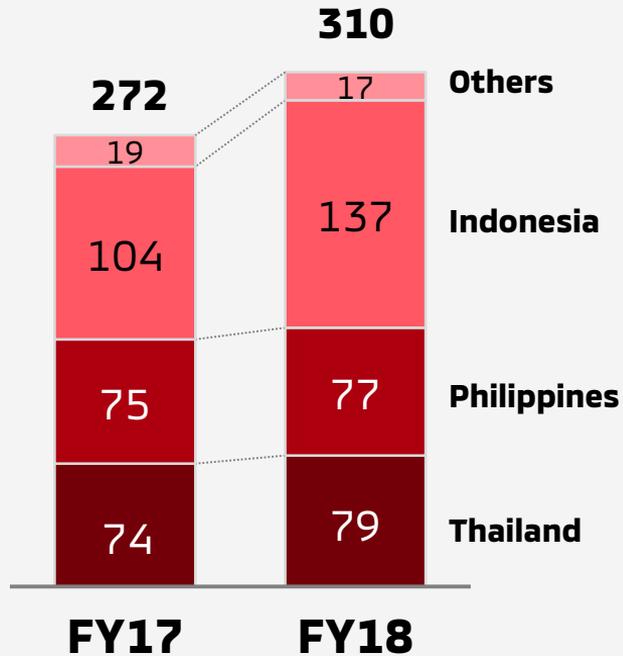
\*Registration is expected to start in April next year

**FY2019**



# Regional Strategy: ASEAN

Retail sales (000 units)



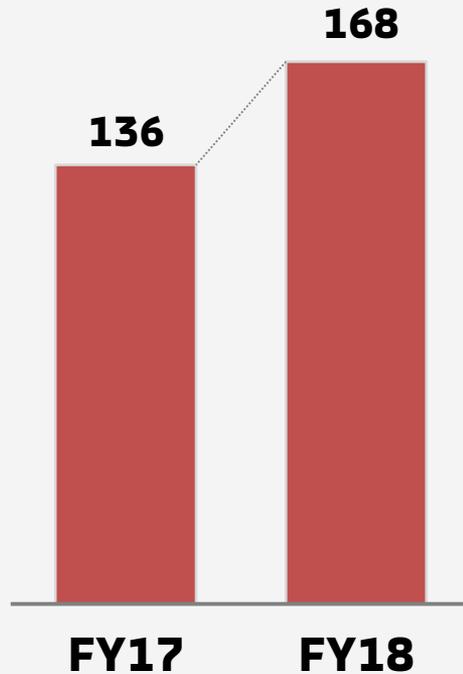
\*Changed the regional division of some countries in ASEAN and Europe from "ASEAN and Europe" to "Others" from FY2018. According to a this division, revised our figures in this slide.



**Starting Export of *XPANDER*  
to ASEAN countries**

# Regional Strategy: China

Retail sales (000 units)



***ECLIPSE CROSS***  
Start of sales



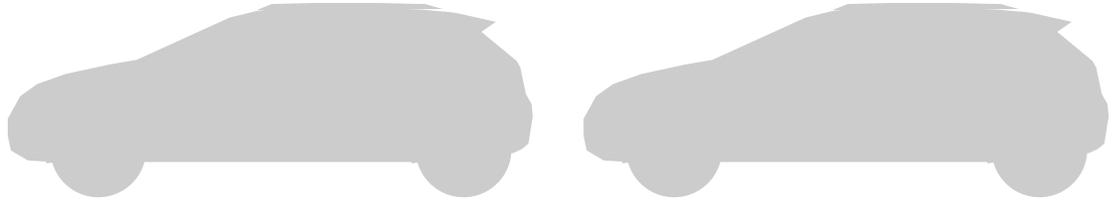
**Expansion of dealer  
network**

# Regional Strategy: Japan

Retail sales (000 units)



## Launching New Models



\*Registration is expected to start in April next year

## Improvement of customer service by acquiring 100% ownership of the sales finance corporation

- Offering wide range of attractive finance services
- further strengthen our ties with our sales companies

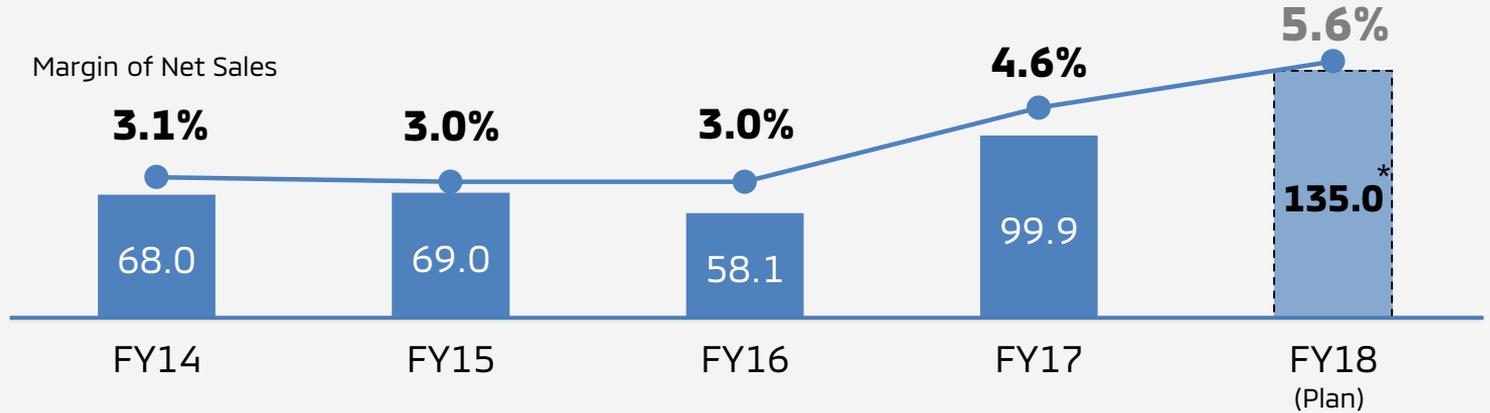


**Supporting more customers in purchase cars**

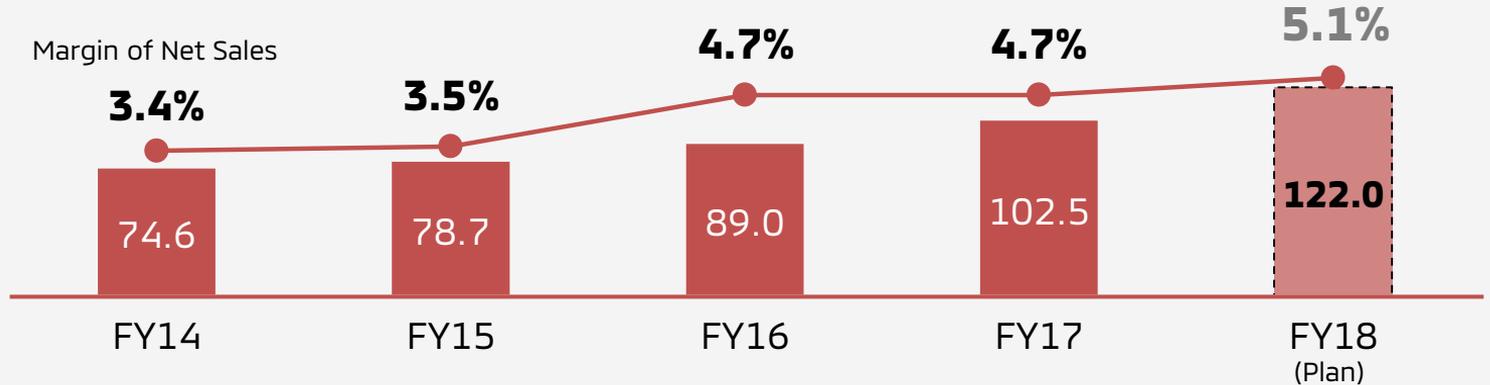
# Capital Expenditure / Depreciation

\* Include temporary factors such as repurchase of liquid assets in the past

CAPEX  
(billion yen)



R&D  
(billion yen)



# Shareholder Returns

Dividend per share (yen)





**MITSUBISHI  
MOTORS**

Drive your Ambition



# Appendix

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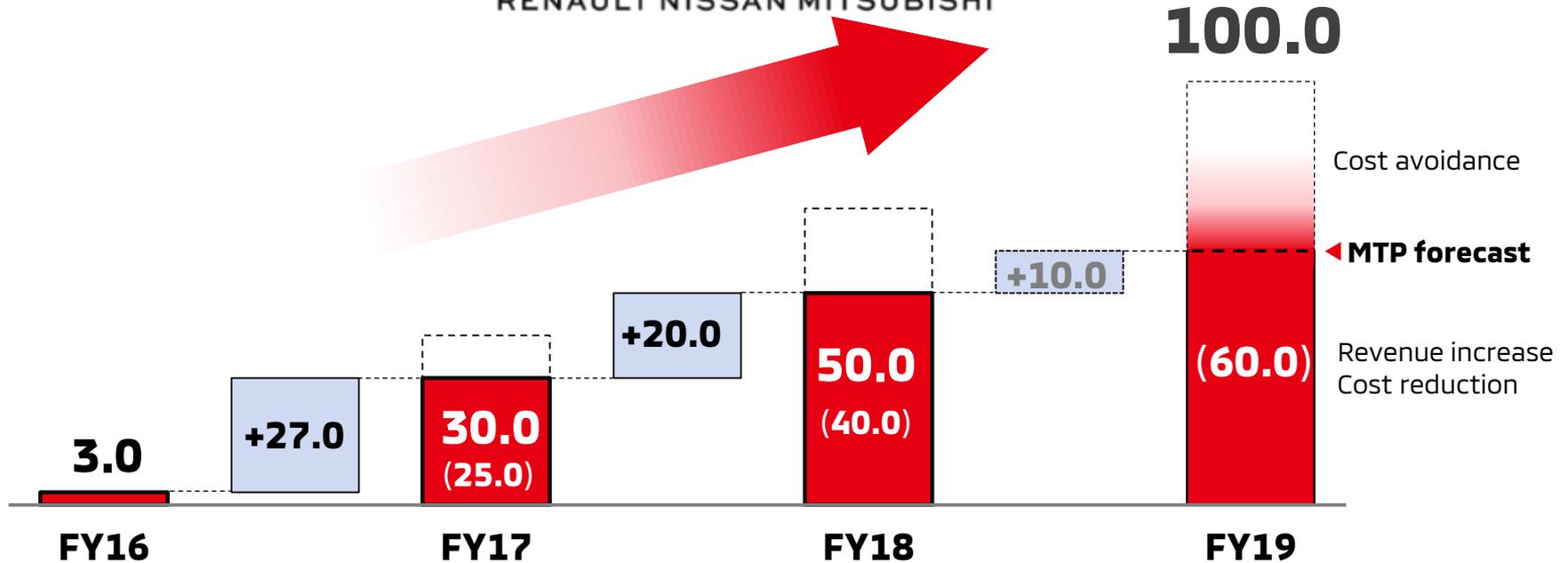
# Foundations – Synergy Optimization



(billion yen)



RENAULT NISSAN MITSUBISHI



5 months

( ): Forecast as of MTP announced

# Enhance Customer Service: Sales Finance

## Netherlands

Service launched  
in February



## Canada



## Japan

Obtaining 100% of  
the company share

**MDF** MMCダイヤモンドファイナンス株式会社

## Thailand



## Australia



## New Zealand



- MMC developing business
- Partnering with Nissan's sales finance subsidiary
- Partnering with Renault's sales finance subsidiary

# FY2017 Balance Sheet and Free Cash Flow

(billion yen)

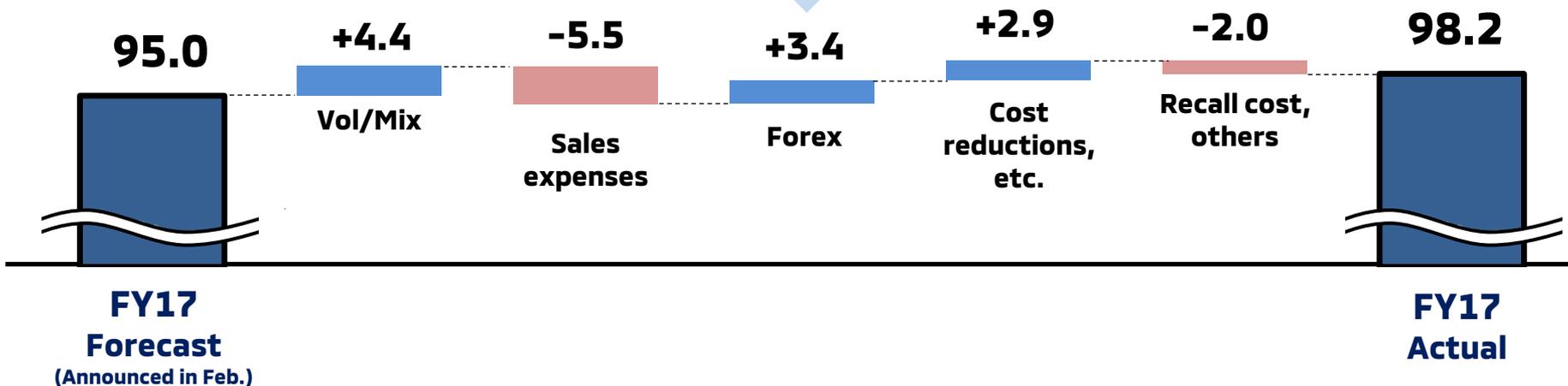
	FY16 Actual (17/3)	FY17 Actual (18/3)	Variance
<b>Total Asset</b>	1,484.4	<b>1,655.3</b>	+170.9
cash & Deposits	556.8	<b>571.9</b>	+15.1
<b>Total Liabilities</b>	780.9	<b>858.7</b>	+77.8
Interest-bearing debt	15.6	<b>26.6</b>	+11.0
<b>Total Net Assets</b>	703.5	<b>796.6</b>	+93.1
Shareholders equity (Equity ratio)	690.5 (46.5%)	<b>781.0</b> <b>(47.2%)</b>	+90.5
Net Cash	541.2	<b>545.3</b>	+4.1
	FY16 Actual (Apr 2016 – Mar 2017)	FY17 Actual (Apr 2017 – Mar 2018)	Variance
<b>Free Cash Flow</b>	-118.9	<b>+22.5</b>	+141.4

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



(billion yen)

Forex effect by main currency			
	Forex rate (yen)		Effect (bill yen)
	Forecast	Actual	
USD	110	111	+1.3
EUR	131	130	-1.1
THB	3.39	3.38	+0.6
Others	-	-	+2.6
<b>Total</b>	<b>-</b>	<b>-</b>	<b>+3.4</b>



# FY2017 Full-year Regional Performance (vs FY2016)



(billion yen)

	Net Sales			Operating Profit		
	FY16 Actual	FY17 Actual	Variance	FY16 Actual	FY17 Actual	Variance
<b>Total</b>	<b>1,906.6</b>	<b>2,192.4</b>	<b>+285.8</b>	<b>5.1</b>	<b>98.2</b>	<b>+93.1</b>
- Japan	297.3	349.4	+52.1	-35.8	-14.1	+21.7
- ASEAN	349.3	506.2	+156.9	47.0	48.0	+1.0
- China and others	84.2	85.4	+1.2	4.2	16.1	+11.9
- North America	310.0	352.5	+42.5	-15.5	1.0	+16.5
- Europe	433.5	454.8	+21.3	-21.6	10.9	+32.5
- Others	432.3	444.1	+11.8	26.8	36.3	+9.5

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

# FY2018 Retail Sales Volume Forecast by Region (vs FY2017)

Total

Japan

North America

Europe

Asia

Others

FY18 Forecast vs. FY17 Actual

**+149**  
**(+14%)**

**+7**  
**(+7%)**

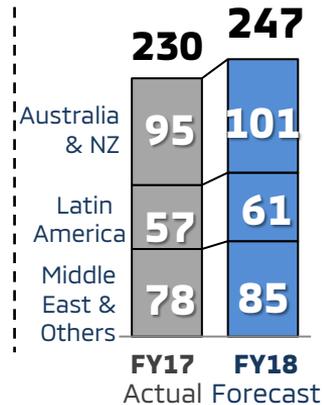
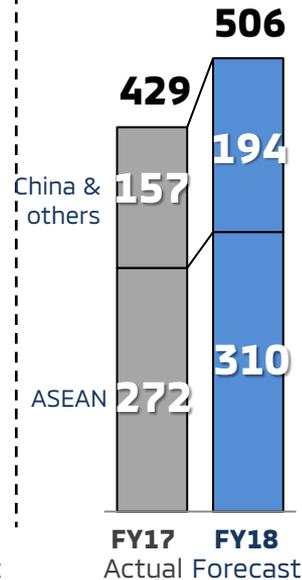
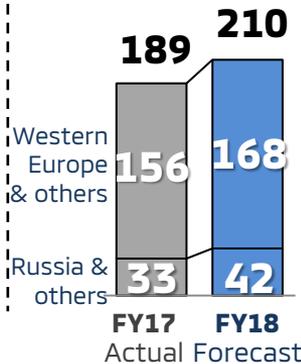
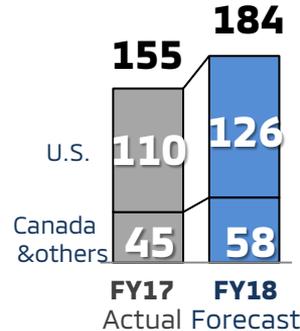
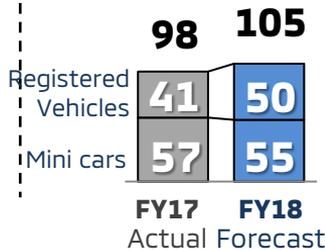
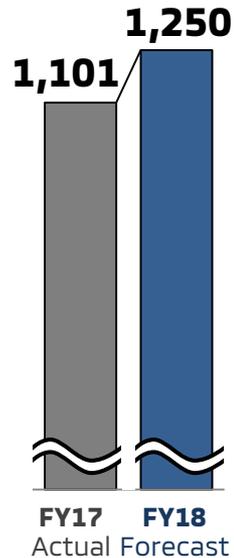
**+29**  
**(+19%)**

**+21**  
**(+11%)**

**+75**  
**(+17%)**

**+17**  
**(+7%)**

(thousand units)



\*Changed the regional division of some countries in ASEAN and Europe from "ASEAN and Europe" to "Others" from FY2018. According to a this division, revised our figures in this slide.

# FY2018 Regional Sales Forecast (vs FY2017)



(billion yen)

	<b>FY17</b> (Apr 2017 - Mar 2018) <b>Actual</b>	<b>FY18</b> (Apr 2018 - Mar 2019) <b>Forecast</b>	<b>Variance</b>
<b>Total</b>	2,192.4	2,400.0	+207.6
<b>- Japan</b>	349.4	400.0	+50.6
<b>- NorthAmerica</b>	352.5	390.0	+37.5
<b>- Europe</b>	444.7	460.0	+15.3
<b>- Asia</b>	586.2	645.0	+58.8
<b>- Others</b>	459.6	505.0	+45.4

\*Changed the regional division of some countries in ASEAN and Europe from "ASEAN and Europe" to "Others" from FY2018. According to a this division, revised our figures in this slide.

# Capital Expenditure / Depreciation / R&D Expense



(billion yen)

	<b>FY16</b> (Apr 2016 - Mar 2017) <b>Actual</b>	<b>FY17</b> (Apr 2017 - Mar 2018) <b>Actual</b>	<b>FY18</b> (Apr 2018 - Mar 2019) <b>Forecast</b>
<b>CAPEX</b> (YoY)	58.1 (-16%)	99.9 (+72%)	135.0* (+35%)
<b>Depreciation</b> (YoY)	46.2 (-14%)	52.0 (+13%)	60.0 (+15%)
<b>R&amp;D expense</b> (YoY)	89.0 (+13%)	102.5 (+15%)	122.0 (+19%)

\* Include temporary factors such as repurchase of liquid assets in the past

## 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**

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.

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