



FY2019 Second-Quarter Financial Results

November 6, 2019

1. 1H/FY2019 Financial Results

2. FY2019 Financial Forecast

3. Regional Sales Strategy

4. Business Highlight

1H/FY2019 Financial Results Summary (vs. 1H/FY2018)

(Billion yen, 000 units)	1H Actual (Apr - Sep)				2Q (Jul - Sep)	
	FY2018	FY2019	Variance		FY2018	FY2019
			Amount	Ratio		
Net Sales	1,169.3	1,128.0	-41.3	-4%	609.3	591.8
Operating Profit (OP Margin)	56.9 (4.9%)	10.2 (0.9%)	-46.7 (-4.0 P.P.)	-82%	28.8 (4.7%)	6.3 (1.1%)
Ordinary Profit	68.3	1.2	-67.1	-98%	34.9	2.6
Net Income*	51.9	2.6	-49.3	-95%	23.7	-6.7
Sales Volume (Retail)	594	592	-2	-0%	302	294

* Net income attributable to owners of the parent

1H/FY2019 Sales Volume Results (vs. 1H/FY2018)

Retail sales
(000 units)

	594	592	TOTAL	-2	(-0%)
	152	151	ASEAN	-1	(-1%)
	49	45	Australia/NZ	-4	(-8%)
	48	52	Japan	+4	(+8%)
	82	81	China, others	-1	(-1%)
	83	78	North America	-5	(-6%)
	112	112	Europe	±0	(±0%)
	68	73	Latin America, Middle East/Africa, etc.	+5	(+7%)

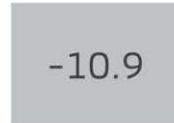
1H/FY18
(Apr-Sep 2018)

1H/FY19
(Apr-Sep 2019)

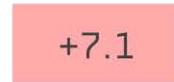
Regarding retail sales in China, we changed the calculation method for retail sales volume from FY2019. As a result, retail sales recorded in FY2019 may include retail sales recorded in or before FY2018.

1H/FY2019 Operating Profit Variance (vs. 1H/FY2018)

(billion yen)



Japan	+4.1
ASEAN	+7.6
China, others	-4.9
North America	-6.4
Europe	-0.6
Others	-10.7



Procurement cost reduction	+5.3
Factory expenses	+1.8



R&D expenses	-8.5
Indirect labor cost	-1.6
Others	-9.9

	FX rate (Yen)		Effect (bill yen)
	1H/FY18	1H/FY19	
USD	110	109	-0.6
EUR	130	122	-9.4
THB	3.38	3.48	-4.6
AUD	82	76	-5.2
RUB	1.73	1.68	-0.8
Others	-	-	-1.6



1H/FY18 OP
(Apr - Sep 2018)
Actual

Vol/Mix,
etc.

Sales
Expenses

Cost
Reduction,
etc.

Others

Forex

1H/FY19 OP
(Apr - Sep 2019)
Actual

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FY2019 Full-Year Forecast (vs. FY2018)



(billion yen, 000 units)	FY18 Actual (Apr 2018 – Mar 2019)	FY19 Forecast (Apr 2019 – Mar 2020)	Variance		Variance from Previous Forecast
			Amount	Ratio	
Net Sales	2,514.6	2,450.0	-64.6	-3%	-130.0
Operating Profit (OP Margin)	111.8 (4.4%)	30.0 (1.2%)	-81.8 (-3.2 P.P.)	-73%	-60.0
Ordinary Profit	119.9	20.0	-99.9	-83%	-80.0
Net Income*	132.9	5.0	-127.9	-96%	-60.0
Sales Volume (Retail)	1,244	1,274	+30	+2%	-31

* Net income attributable to owners of the parent

FY2019 Full-Year Forecast: OP Variance (vs. Previous Forecast)



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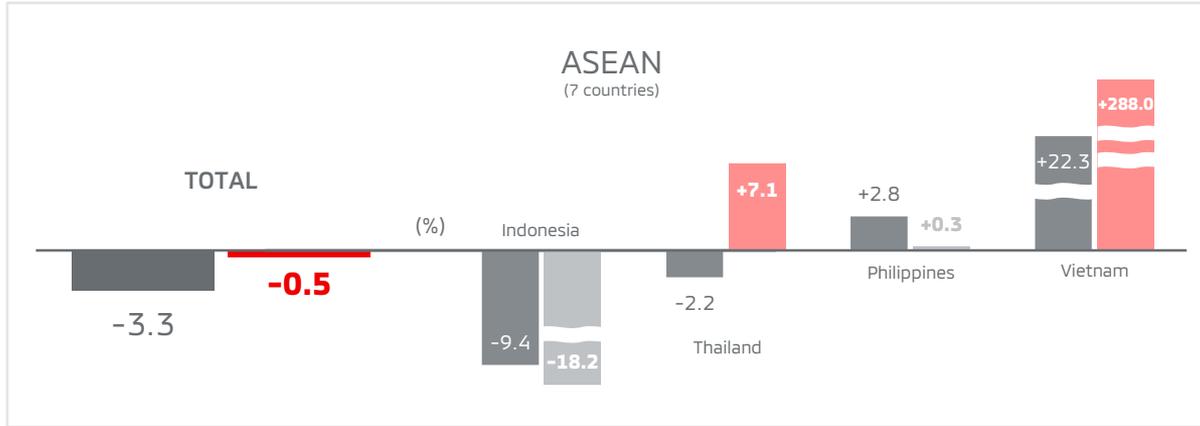
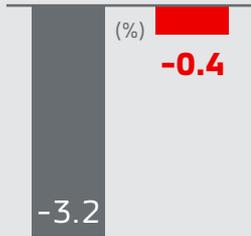
4. Business Highlight

1H/FY2019 Sales Volume Results: TIV vs. MMC (vs. 1H/FY2018)



TOTAL

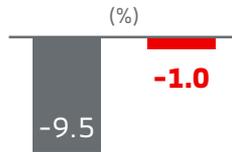
TIV YoY < MMC YoY



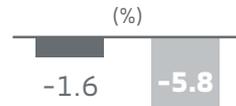
Japan



China, others (China and Taiwan)



North America (4 countries)



Europe (33 countries)



Australia/NZ



Latin America, Middle East/Africa, etc. (14 countries)



Regional Strategy: ASEAN, Japan, Australia/NZ

ASEAN

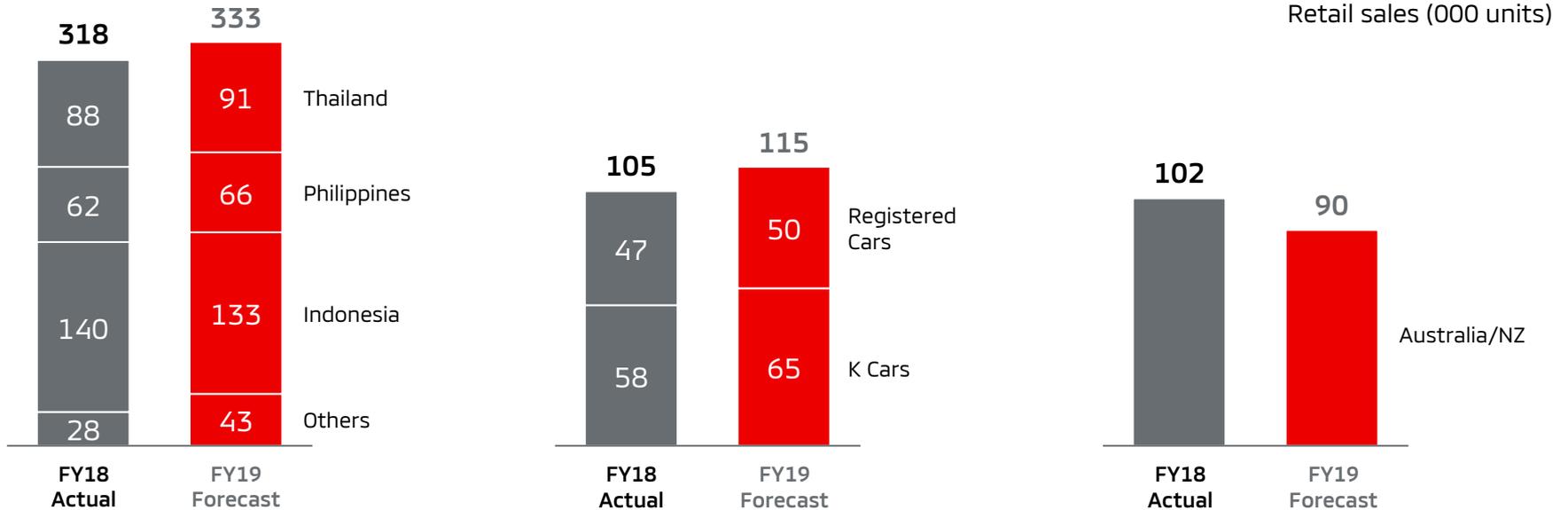
- Introduce new models to strengthen our product appeal
- Continue to expand sales network

Japan

- Expand sales of *eK X/Wagon* and launch all-new super height K wagon
- Improve our quality of value chain

Australia/NZ

- Focus on SUV/LCV sales
- Aim to expand market share by improving CS even in the uncertain market



Regional Strategy: China, others, N. America; Europe; LA/MEA, etc.



China, others; North America

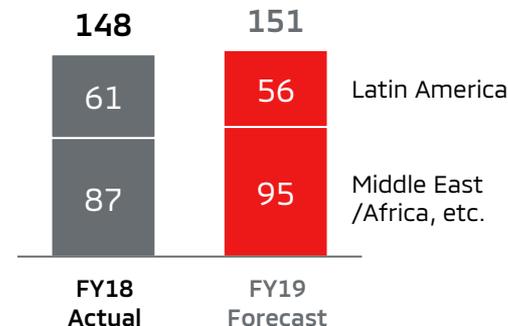
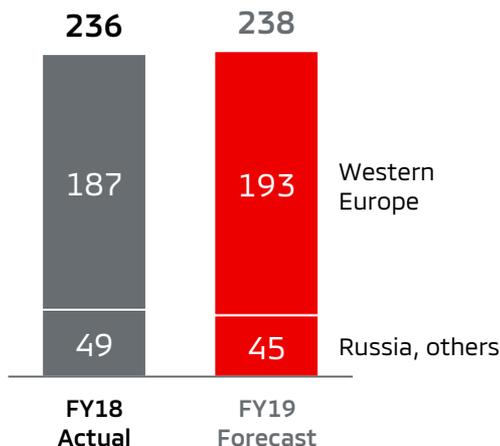
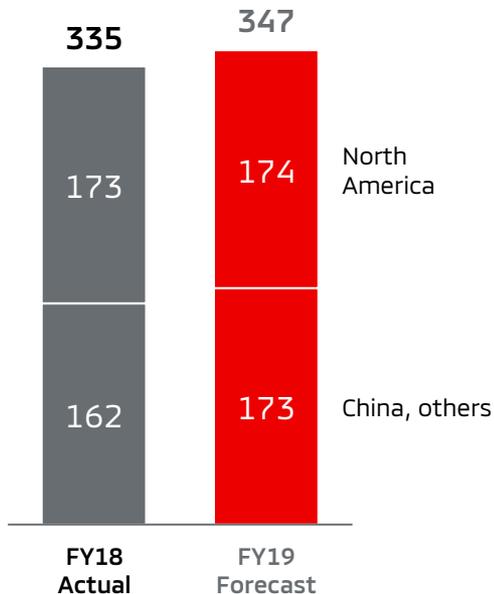
- China: Increase sales with profitability
- North America: Strengthen cost management and secure profits

Europe

- Western Europe: expand sales of *OUTLANDER PHEV* to strengthen our brand appeal; improve profitability
- Russia, etc.: Improve market share

Latin America, Middle East/Africa, etc.

- Acquire large fleet deals
- Streamline commercial distribution and improve business infrastructure



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Product Innovation

FY
2017



XPANDER



ECLIPSE CROSS

FY
2018



OUTLANDER PHEV



TRITON/L200



DELICA D:5



eK X/Wagon

FY
2019



PAJERO SPORT



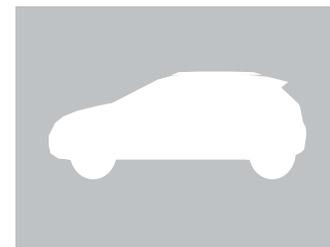
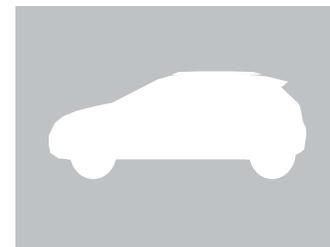
RVR



All-new Super Height K Wagon



XPANDER SUV





THAILAND (MMTh)

- Studying investments to strengthen competitiveness (automation and rationalization)
 - Planning to begin knockdown production of *OUTLANDER PHEV*(from the late FY2020)
- ➔ **Strengthening the backbone that supports us**

VIETNAM (MMV)

- Planning to expand production capacity
 - Beginning *XPANDER* knockdown production (2020~)
- ➔ **To the 4th ASEAN Base**



**MITSUBISHI
MOTORS**

Drive your Ambition

APPENDIX

1H/FY2019 Balance Sheet and Free Cash Flow (vs. FY2018, 1H/FY2018)



(billion yen)	FY18 (As end of Mar 2019)	1H/FY19 (As end of Sep 2019)	Variance
Total Assets	2,010.3	1,927.8	-82.5
Cash & Deposits	500.9	409.5	-91.4
Total Liabilities	1,129.1	1,072.5	-56.6
Interest Bearing Debt*	231.0	274.9	+43.9
Total Net Assets	881.2	855.3	-25.9
Shareholders' Equity (Equity Ratio)	871.8 (43.4%)	846.0 (43.9%)	-25.8
Net Cash 【Automobiles & Eliminations】	543.9	422.0	-121.9
(billion yen)	1H/FY18 (Apr - Sep 2018)	1H/FY19 (Apr - Sep 2019)	Variance
Free Cash Flow 【Automobiles & Eliminations】	-33.8	-67.7	-33.9

*Include Lease Obligations

1H/FY2019 Capital Expenditure, Depreciation and R&D Expense



(billion yen)	1H/FY18 (Apr-Sep 2018)	1H/FY19 (Apr-Sep 2019)	FY19 Forecast (Apr 2019 – Mar 2020)
CAPEX (variance YoY)	55.4*	41.5 (-25%)	130.0 (-6%)
Depreciation (variance YoY)	26.1	35.8 (+37%)	75.0 (+22%)
R&D Expense (variance YoY)	56.0	64.5 (+15%)	141.0 (+13%)

*Include one-time factors such as repurchase of SLB assets

1H/FY2019 Regional Performance (vs. 1H/FY2018)



(billion yen)	Net Sales			Operating Profit		
	1H/FY18 (Apr-Sep 2018)	1H/FY19 (Apr-Sep 2019)	Variance	1H/FY18 (Apr-Sep 2018)	1H/FY19 (Apr-Sep 2019)	Variance
Total	1,169.3	1,128.0	-41.3	56.9	10.2	-46.7
- Japan	193.2	234.1	+40.9	-1.5	-3.7	-2.2
- ASEAN	254.7	295.6	+40.9	29.3	27.5	-1.8
- China, others	51.9	27.4	-24.5	7.9	-0.6	-8.5
- North America	186.2	143.4	-42.8	-1.0	-9.3	-8.3
- Europe	234.8	233.7	-1.1	1.9	-7.9	-9.8
- Others	248.5	193.8	-54.7	20.3	4.2	-16.1

FY2019 Full-Year Forecast: OP Variance (vs. FY2018)



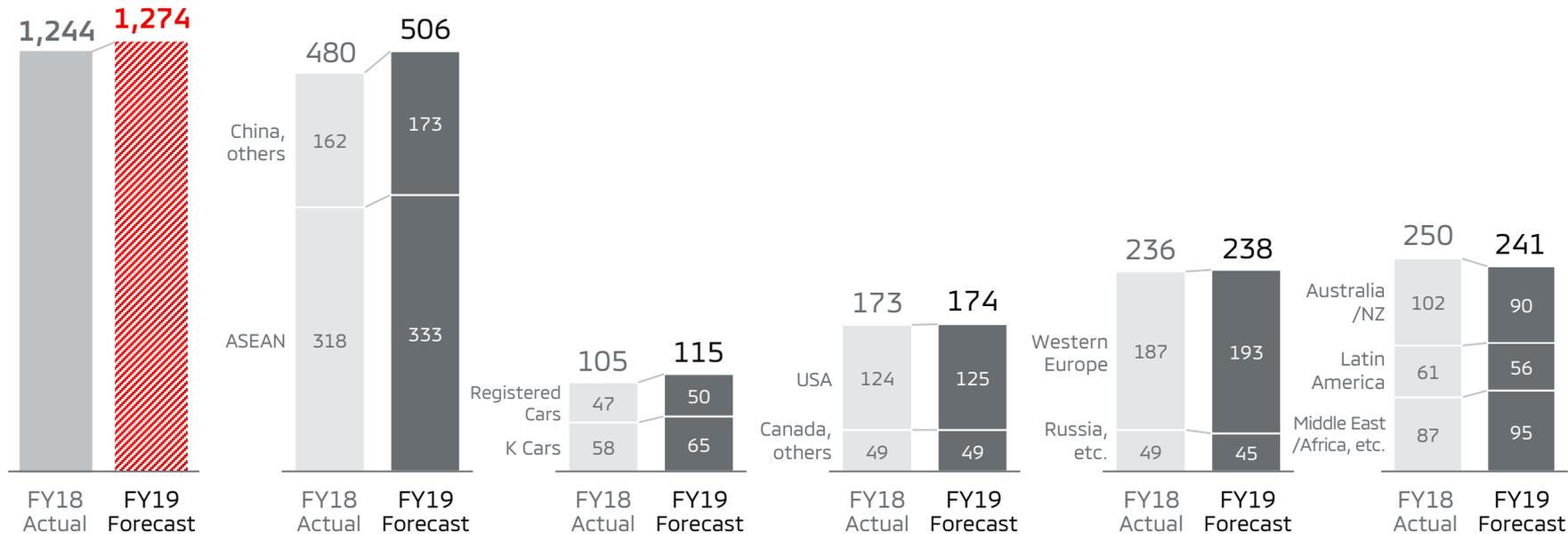
FY2019 Regional Sales Forecast (vs. FY2018)



(billion yen)	FY18 Actual (Apr 2018 – Mar 2019)	FY19 Forecast (Apr 2019 – Mar 2020)	Variance
Total	2,514.6	2,450.0	-64.6
- Japan	428.7	530.0	+101.3
- North America	387.8	340.0	-47.8
- Europe	514.1	470.0	-44.1
- Asia	663.9	650.0	-13.9
- Others	520.1	460.0	-60.1

FY2019 Retail Sales Forecast (vs. FY2018)

(000 units)



Total	Asia	Japan	North America	Europe	Others
+30 (+2%)	+26 (+5%)	+10 (+10%)	+1 (+1%)	+2 (+1%)	-9 (-4%)

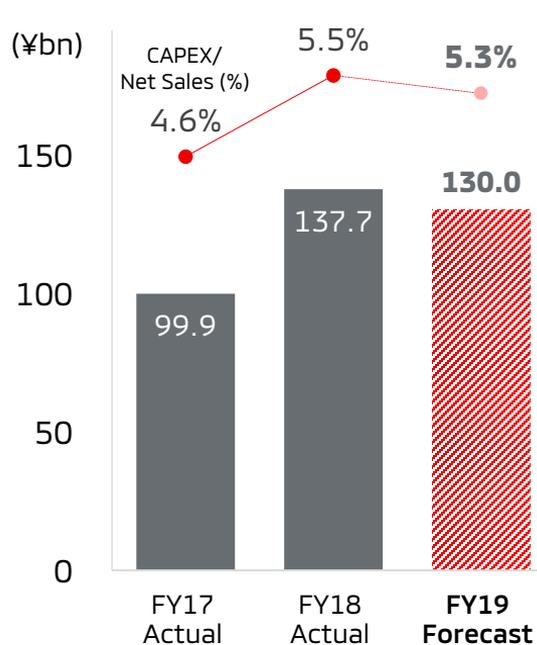
FY2019 Capital Expenditure, Depreciation and R&D Expense Forecasts



Capital Expenditure*

¥130.0 bn

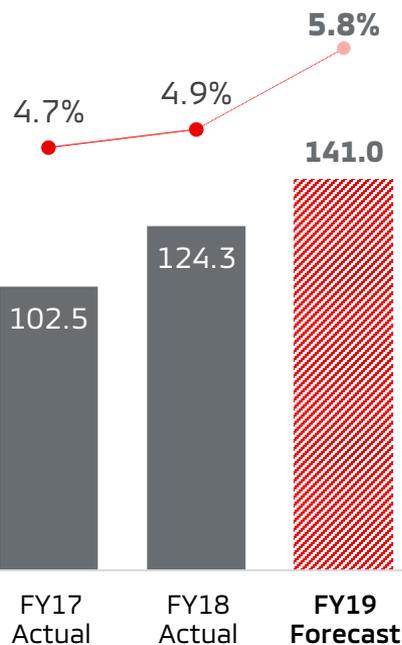
-6% (YoY)



R&D Expense

¥141.0 bn

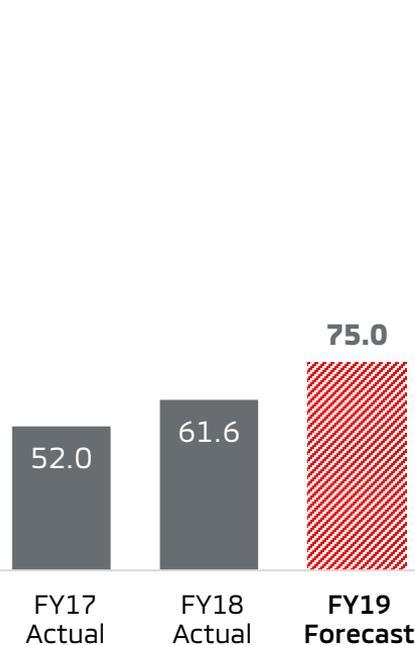
+13% (YoY)



Depreciation

¥75.0 bn

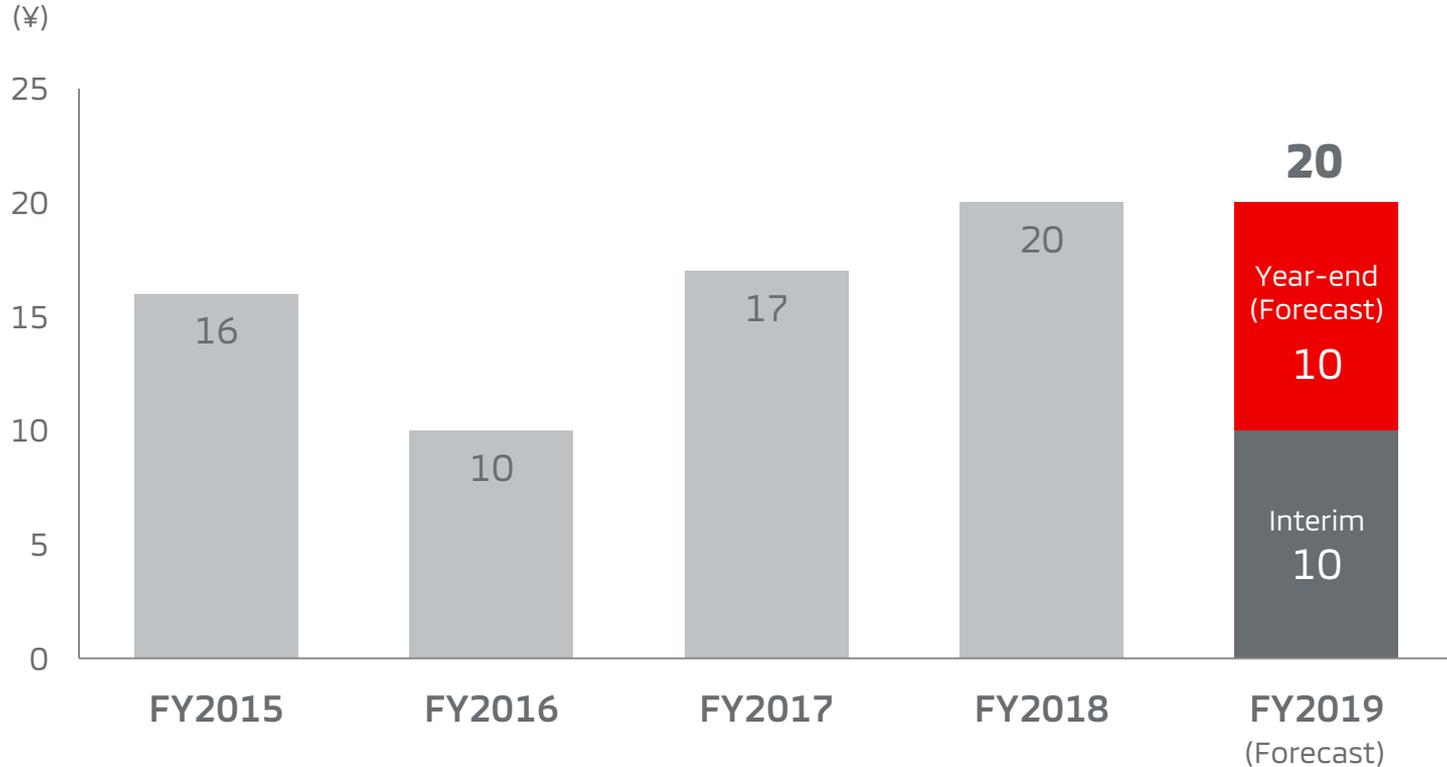
+22% (YoY)



*Include one-time factors such as repurchase of SLB assets

Shareholder Returns Forecast

Dividend per share: ¥20 (Forecast)



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