



# FY2020 Financial Results

May 11, 2021

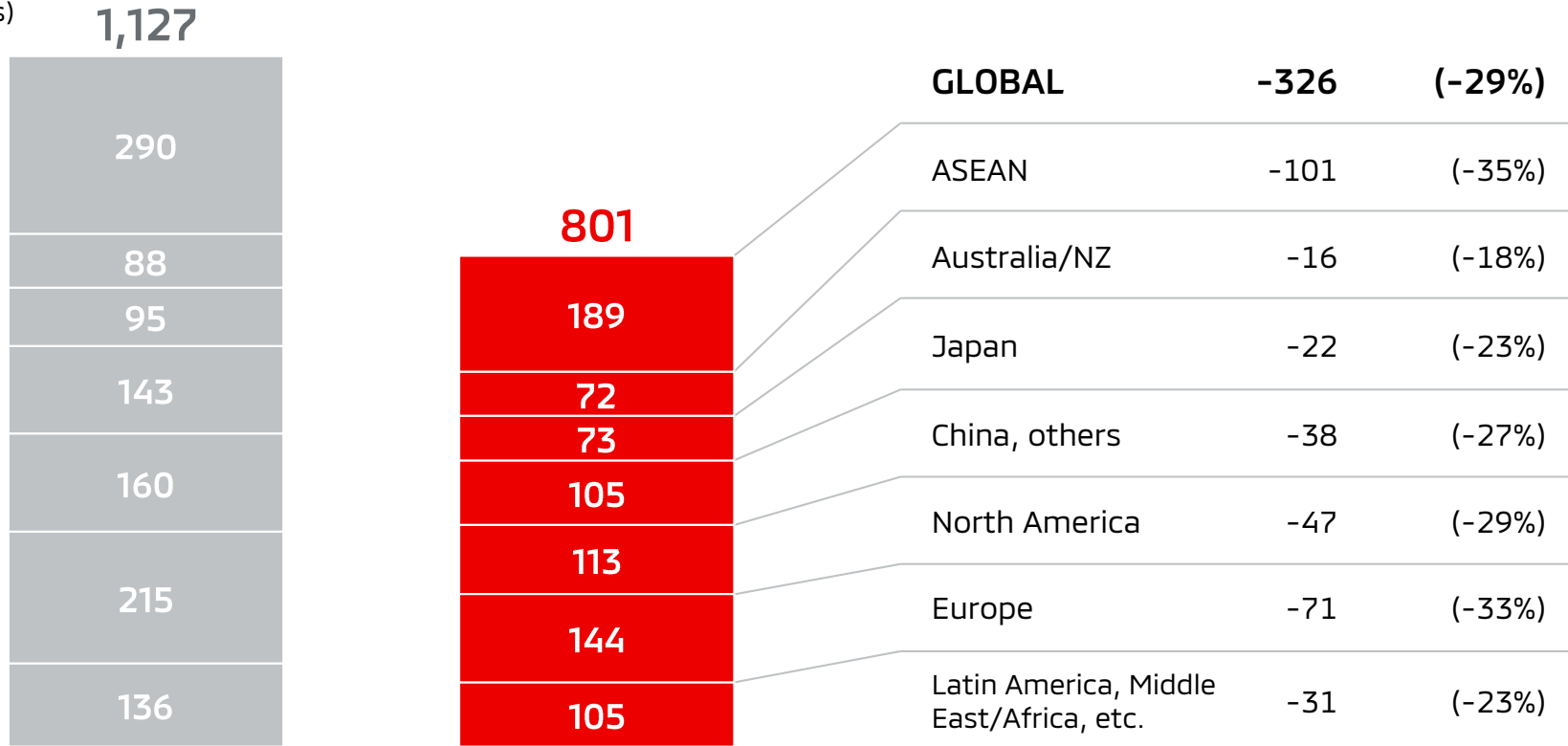
## 1. FY2020 Financial Results

## 2. FY2021 Financial Forecast

## 3. Update of Mid-Term Business Plan “Small but Beautiful”

# FY2020 Sales Volume Results (vs. FY2019)

Retail sales  
(000 units)



**FY2019**  
(APR 2019-MAR 2020)

**FY2020**  
(APR 2020-MAR 2021)

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.

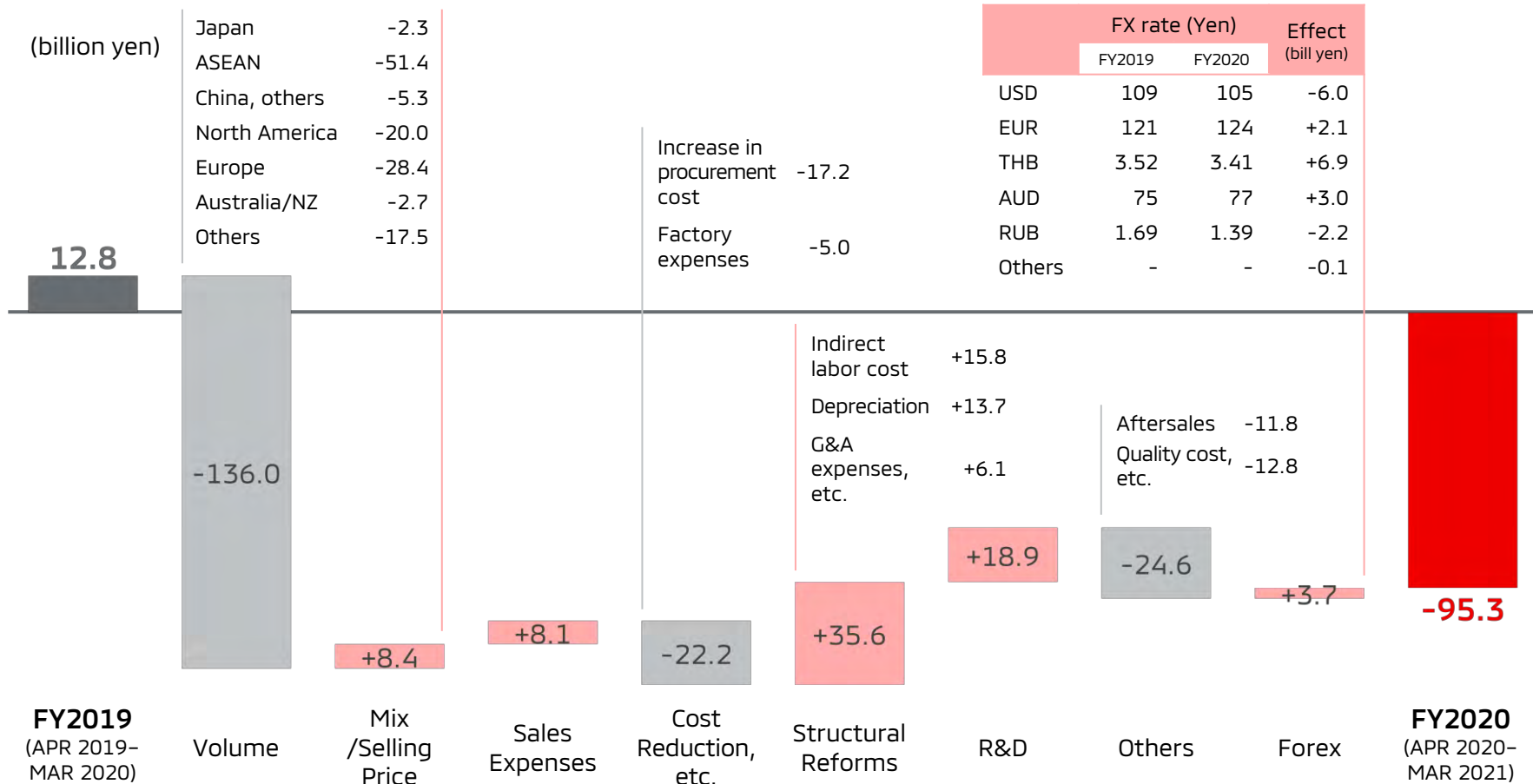
# FY2020 Financial Results Summary (vs. FY2019)



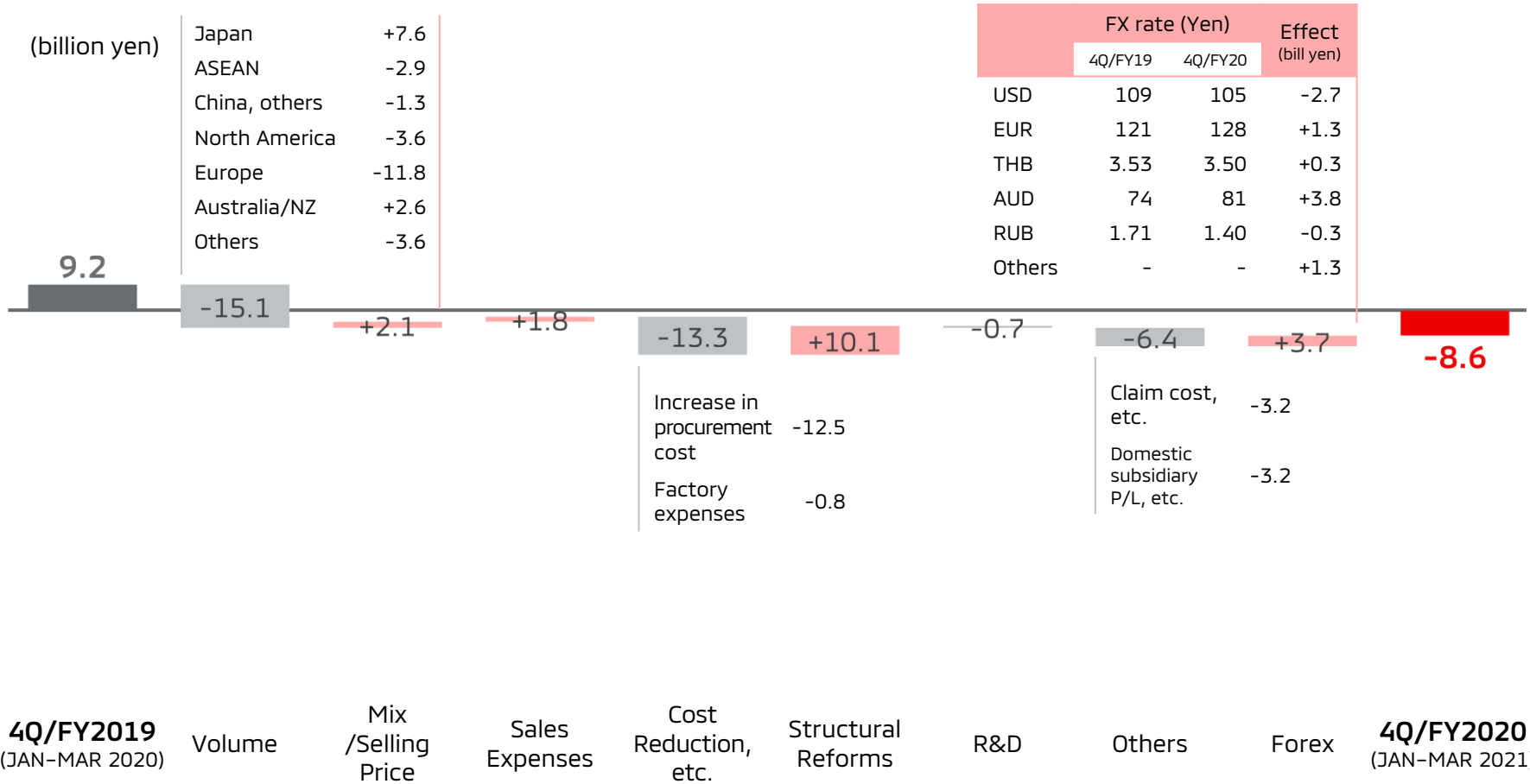
(Billion yen, 000 units)	Full-year			Quarterly			
	FY2019	FY2020	Variance	1Q	2Q	3Q	4Q
Net Sales	2,270.3	<b>1,455.5</b>	<b>-814.8</b>	229.5	345.4	377.9	502.7
Operating Profit (OP Margin)	12.8 (0.6%)	<b>-95.3</b>	<b>-108.1</b>	-53.3	-29.3	-4.1	-8.6
Ordinary Profit	-3.8	<b>-105.2</b>	<b>-101.4</b>	-58.7	-28.3	-5.9	-12.3
Net Income*	-25.8	<b>-312.3</b>	<b>-286.5</b>	-176.2	-33.7	-34.1	-68.3
Free Cash Flow (Automobiles)	-82.8	<b>-178.8</b>	<b>-96.0</b>	-211.5	8.5	33.8	-9.6
Sales Volume (Retail)	1,127	<b>801</b>	<b>-326</b>	139	212	218	232

\* Net income attributable to owners of the parent

# FY2020 Operating Profit Variance (vs. FY2019)

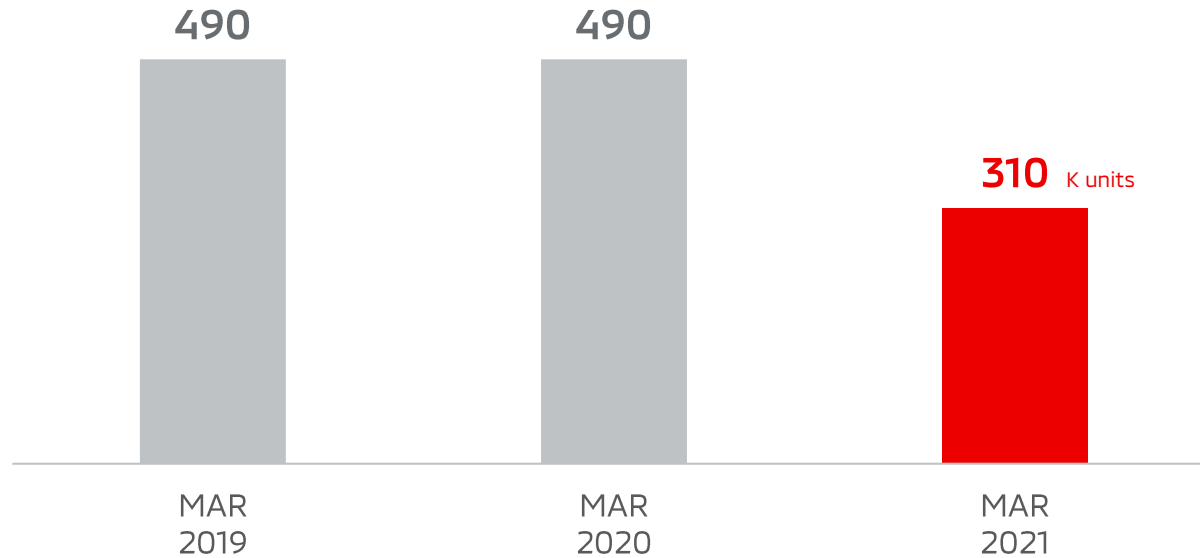


# 4Q/FY2020 Operating Profit Variance (vs. 4Q/FY2019)



# Progress of Inventory Reduction

## Inventory Status



1. FY2020 Financial Results

**2. FY2021 Financial Forecast**

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# FY2021 Financial and Dividend Forecast (vs. FY2020)



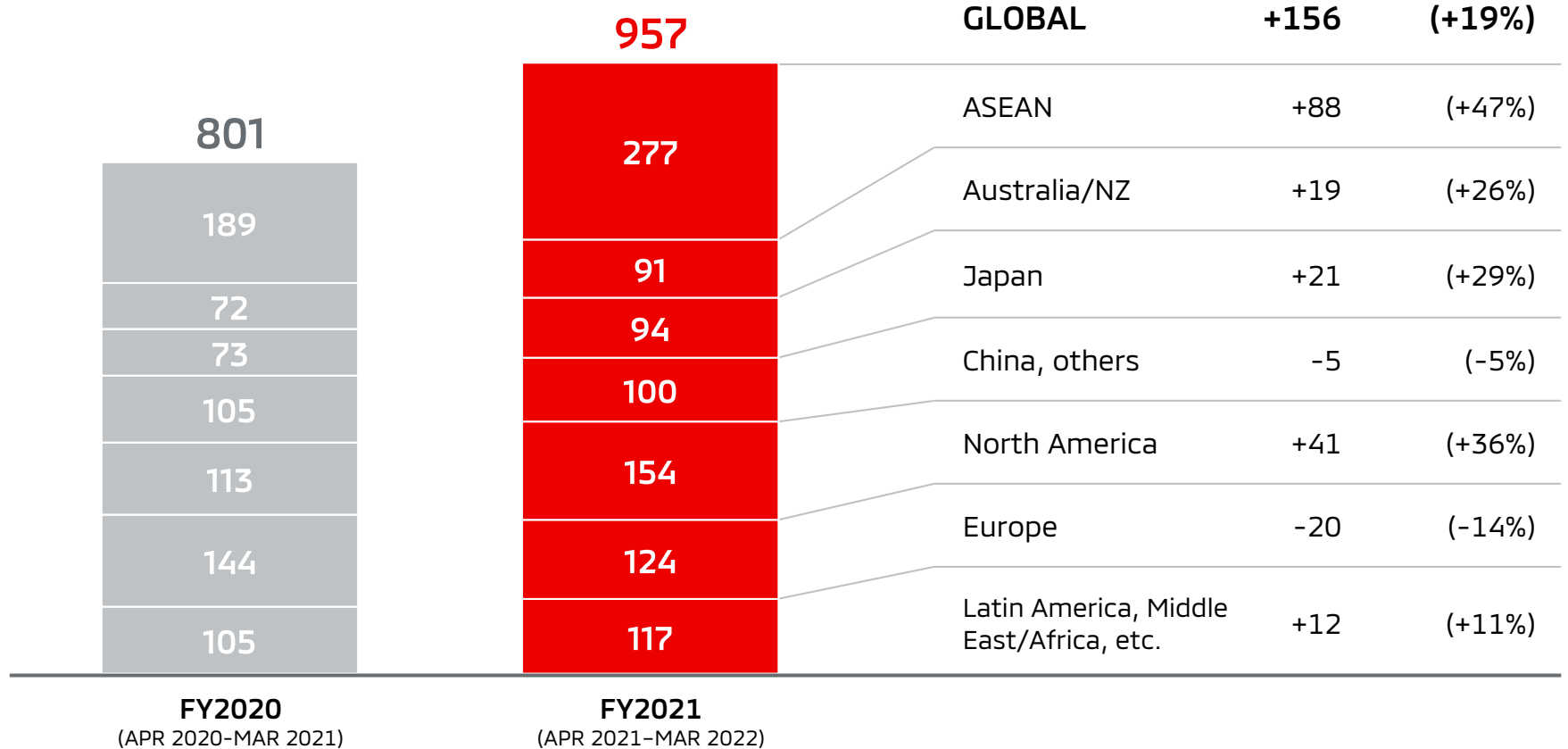
(Billion yen, 000 units)	FY2020 (APR 2020 - MAR 2021)	FY2021 (APR 2021 - MAR 2022)	Variance	
			Amount	Ratio
Net Sales	1,455.5	2,060.0	+604.5	+42%
Operating Profit (OP Margin)	-95.3	30.0 (1.5%)	+125.3	-
Ordinary Profit	-105.2	26.0	+131.2	-
Net Income*	-312.3	10.0	+322.3	-
Dividend per Share (¥)	¥0	¥0		
Sales Volume (Retail)	801	957	+156	+19%

\* Net income attributable to owners of the parent

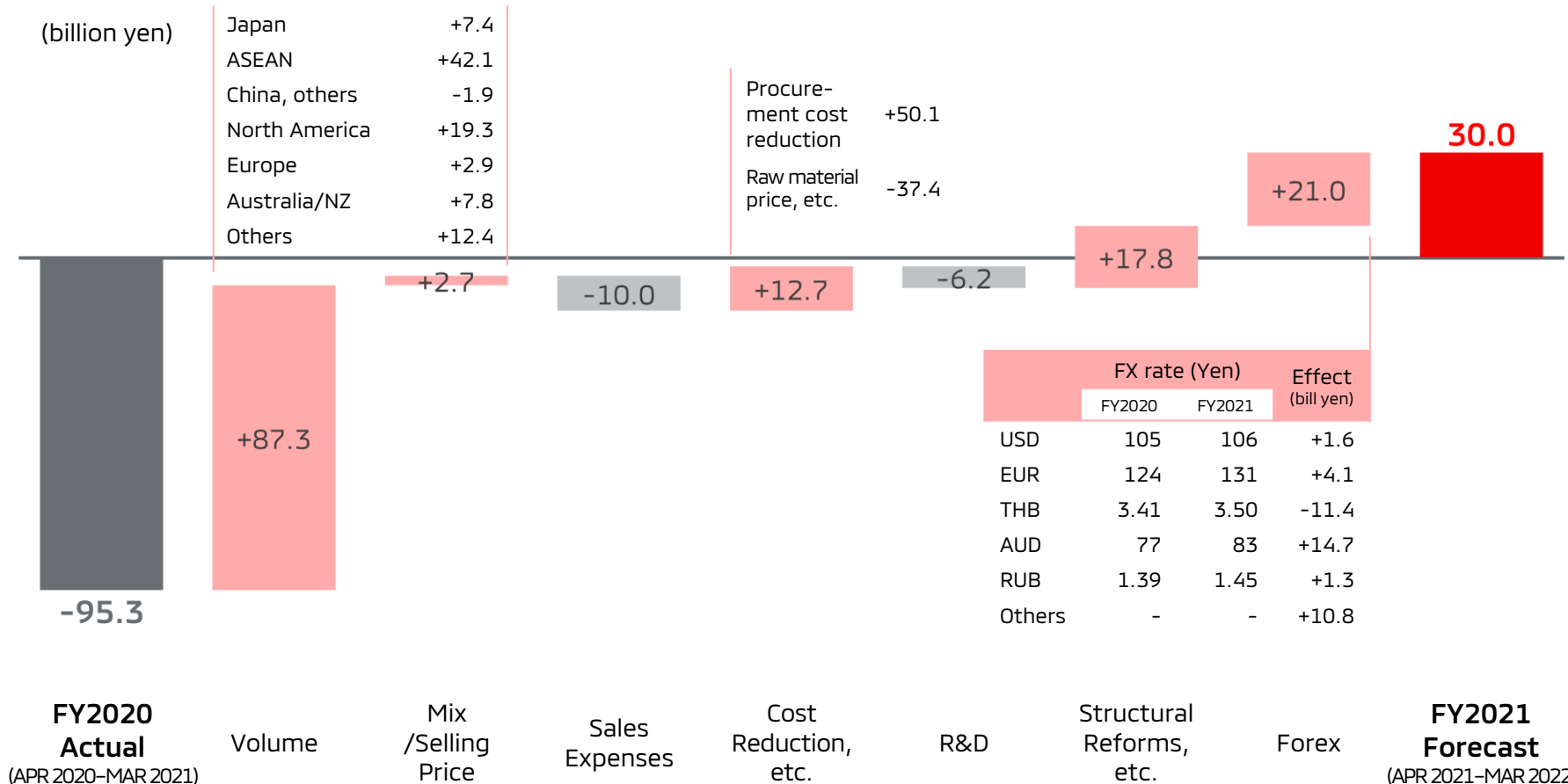
# FY2021 Sales Volume Forecast (vs. FY2020)



Retail sales  
(000 units)



# FY2021 Operating Profit Variance Forecast (vs. FY2020)



(billion yen)

Japan	+7.4
ASEAN	+42.1
China, others	-1.9
North America	+19.3
Europe	+2.9
Australia/NZ	+7.8
Others	+12.4

Procurement cost reduction	+50.1
Raw material price, etc.	-37.4

**30.0**

**-95.3**

**+87.3**

**+2.7**

**-10.0**

**+12.7**

**-6.2**

**+17.8**

**+21.0**

**FY2020 Actual**

(APR 2020-MAR 2021)

Volume

Mix /Selling Price

Sales Expenses

Cost Reduction, etc.

R&D

Structural Reforms, etc.

Forex

**FY2021 Forecast**

(APR 2021-MAR 2022)

## New PHEV models

### Continuous introduction of eco-friendly cars

- **New *ECLIPSE CROSS PHEV***:
  - New launch planned in Australia following Japan (Dec 2020- )
- **All-new *OUTLANDER***:
  - North America: Launched in April 2021  
Tie-up marketing with Amazon.com, Inc.  
Strengthening online sales efforts
  - Japan: Scheduled launch of PHEV
  - Australia: Scheduled launch of both ICE and PHEV



## ASEAN models

### Expand sales as a pillar of our business

- **Product Renewal**:
  - *XPANDER* : Scheduled major renewal
  - *PAJERO SPORT*, *MIRAGE*, etc.:  
Expansion of sales countries for improved model
- **Expansion outside ASEAN**: Mexico



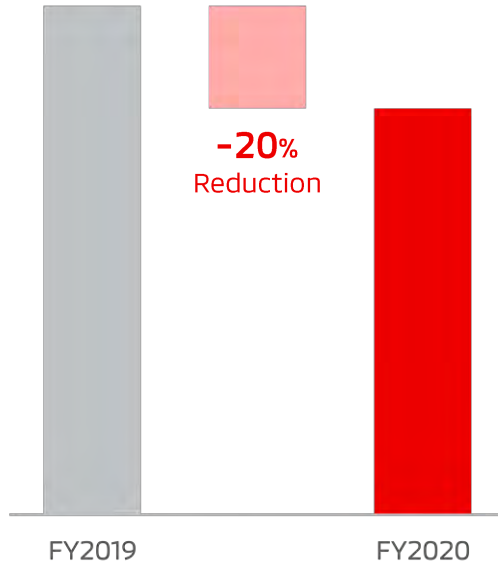
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# Progress of Structural Reforms: Fixed Cost Reduction



## Indirect labor cost

- Headcount rationalization (reallocation, restraint on new hiring and voluntary retirement plan), Compensation system revision



## Marketing expenses

- Restraining non-core regions in line with "selection and concentration"
- Allocation in line with core regions and sales expansion schedules



## Depreciation

- Impairment of fixed assets



## R&D cost

- Freezing of the development of new products in Europe
- Concentrated investment in ASEAN



## Restructuring of production bases

- Consolidation and closure of production lines: Suspension of production of Pajero Mfg.



## G&A expenses

- Reduction of expenses, such as travel expenses and outsourcing expenses
- Consolidation of subsidiary and other offices into head office building



**Achievement of a cost reduction plan of 20% or more for two years in one year**

## Sales

### Decision to freeze new product development and review sales network

#### ■ Action in FY2020:

- Decision to freeze development of new cars for Europe
- Promoting optimization of selling prices, improvement of logistics and fixed costs and other operational efficiencies

#### ■ Reorganization of sales network:

- Planning a step-by-step downsizing to curb dealer compensation costs and the impact on P/L
- Withdrawal from new car sales business in some markets by 2023 (Sales country: 32 to 17 countries)

## Products

### Optimized product lineup

#### ■ Organize product lineups:

- Freezing of new car development; termination of sales of non-compliant models
- Launched *ECLIPSE CROSS PHEV* in response to strong demand from sales companies
- Two OEM models from Renault



Termination of sales of non-compliant MMC vehicles



After 2023

## Expand sales by capturing opportunities in core regions

### Thailand



Accelerate sales network enhancement amid intensifying market conditions

### Malaysia



Maintain and expand momentum in *TRITON*, *XPANDER* with strong sales

### Indonesia



Aim to expand sales with luxury tax reductions as a tailwind



### Australia



Promote sales expansion by launching new *ECLIPSE CROSS PHEV*

### Philippines



Accelerate strengthening of sales network; Expand sales by leveraging the strengths of local production amid the issuance of the Safeguard Directive

### Vietnam



Record-high unit sales in FY2020; Working to expand sales centered on *XPANDER* amid a boost from growth

### New Zealand



Market share in FY2020: 10% at a record high



# Redefining Our Vision



# The New Environmental Plan Package (Announced in November 2020)



## Environmental Targets 2030

Average CO<sub>2</sub> emissions  
from new vehicles

**-40%**  
vs. FY2010

Percentage of  
electric vehicles

**50%**

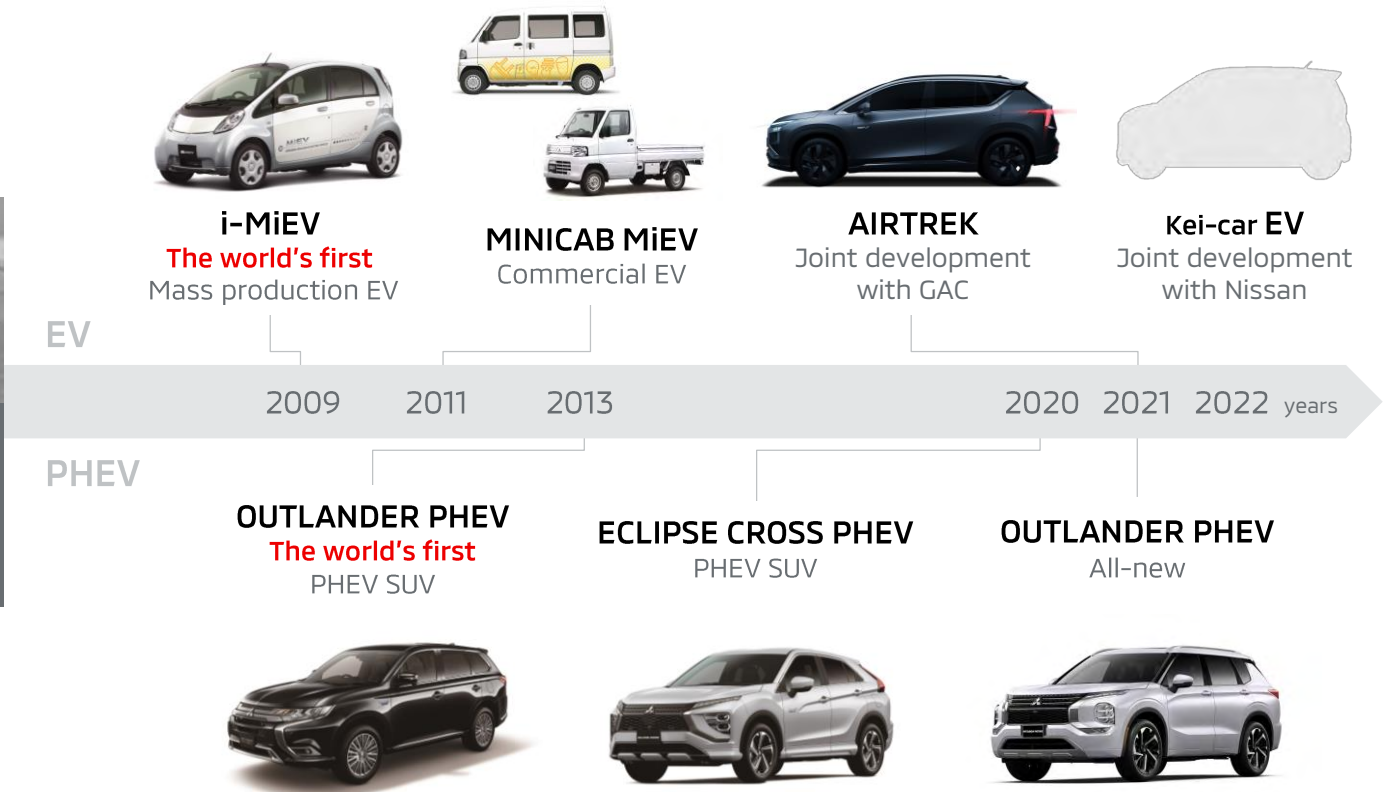
Average CO<sub>2</sub> emissions  
from business activities

**-40%**  
vs. FY2014



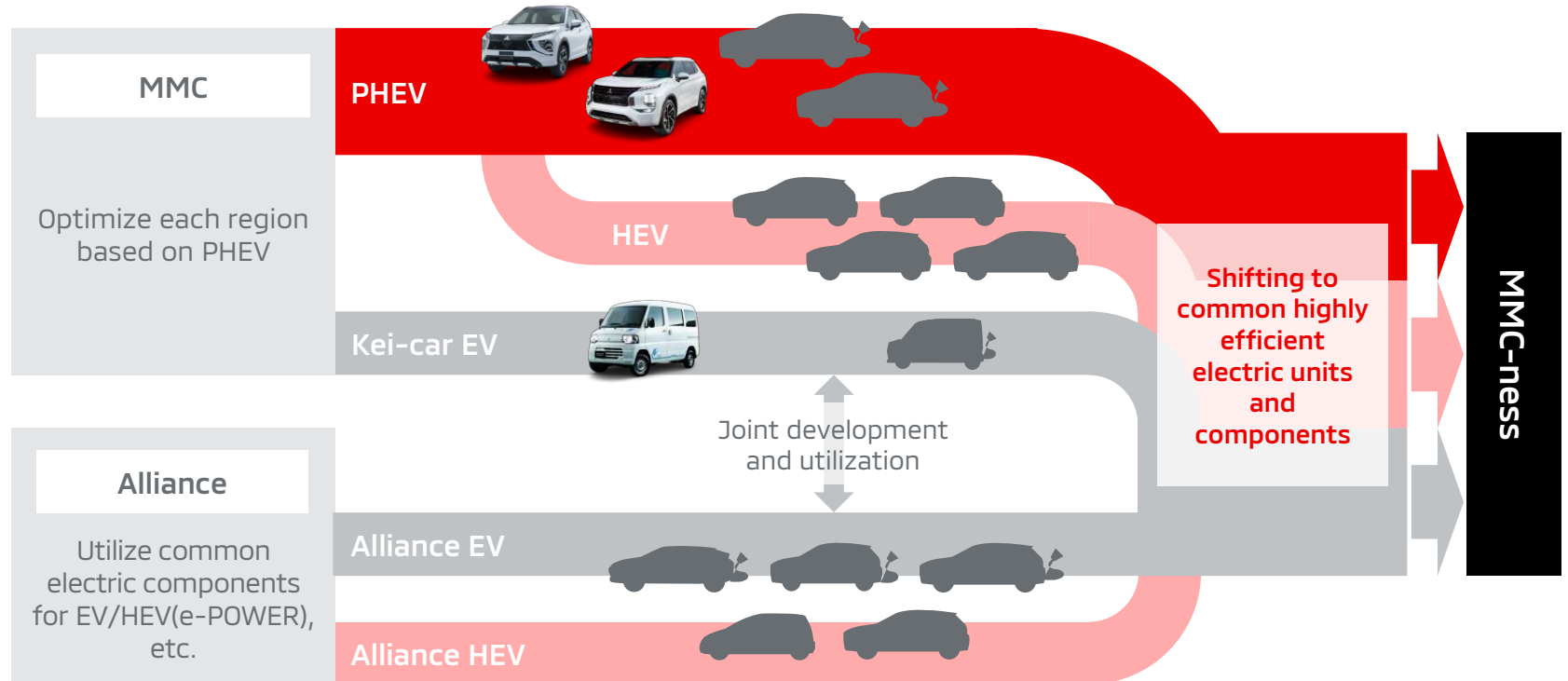
**Set up electric vehicles for all models by 2030**

# Our EV Development



# Our Strengths for Electrification

Various options through the Alliance and proprietary technologies  
→ Utilization of common units and components



# Kei-car Commercial EV: Various Business Opportunities

## MINICAB MiEV

- Easy-handling Kei-car commercial vehicle with quick-charging capability
- Spacious luggage equivalent to its ICE model
- Range for route delivery applications
- 10 years of experience and reliability since its launch

**Delivered more than 9,000 units to more than 40 companies and local governments nationwide;  
Supporting last one mile of clean logistics**



**Expand business to capture needs for a carbon neutral society**

Scheduled delivery of about 200 test vehicles to 20 companies, including logistics, telecommunications, and electric power companies following Japan Post

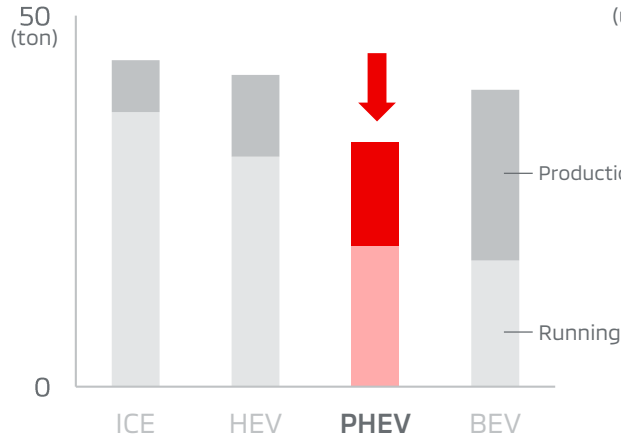
Commencement of product enhancement for the next generation: Expansion of running range, cost reduction, and reflection of test results in products



# Our Electrification Technologies: Superiority of PHEV

## Smaller environmental impact

LCA Forecast in 2030 (Thailand)  
In a case of CO<sub>2</sub> Factor=330g/kWh\*

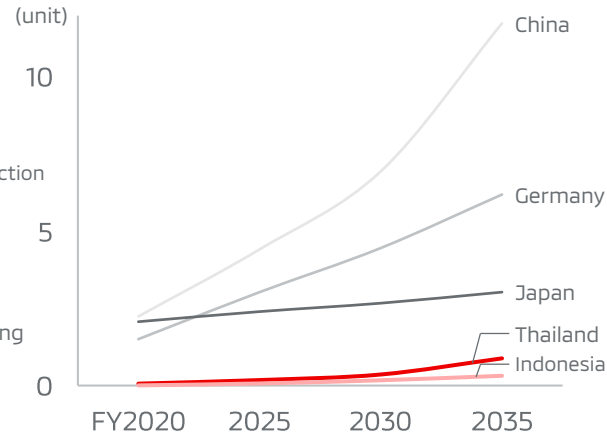


\*According to research (Assumes: mid-size SUV running 0.2 million km)

Life Cycle Assessment (LCA) advantage considering power generation Mix

## ASEAN

Transition estimation of the number of quick chargers\* (unit/10km<sup>2</sup>)



\*According to research

Electrification with less investment burden on charging infrastructure

## SUV × PHEV



Gasoline engines can generate battery power without worrying about cruising range  
Overcoming conditions that are BEV's weaknesses like continuous hill climbing, extremely high and low temperatures

Driving performance with which you can go anywhere without worrying about the shortage of electricity



# Our Electrification Technologies: Providing Value Through EV/PHEV



## Enterprise

- SDGs: CO<sub>2</sub> reduction measures
- BCP: Source of power in emergencies

## Personal

- Achieving personal SDGs
- Source of power in disasters



Vehicles delivered to Yamato Transport Co., Ltd (2011-)

## Local government

- Source of power in disasters
- Power support during the transportation of vaccines

## Region

- V2G: Contributing to the stabilization of electricity supply and demand
- Alternative mobility for gasoline refugees



## CSR

Concluded disaster agreements with 113 local governments nationwide in Japan\*



\*as end of April, 2021

### ■ High mobility during disasters:

- SUV's unique drivability allows people to go to the affected area and provide up to 10 days of power to ordinary homes

Vehicles for peripatetic COVID-19 vaccination



### ■ Free-lending OUTLANDER PHEV:

- Used for cooling of refrigerators for transport using the power supply function, transport of vaccines, home visits by medical teams for vaccination, etc.



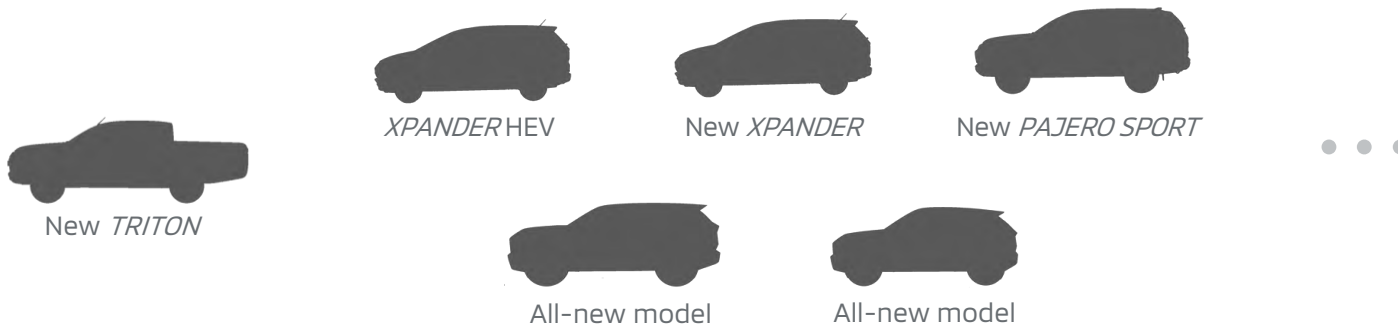
## Revival of the RALLIART brand



# Product Strategy: Further Enhancement of Our Pipeline After 2022



## Strengthen ASEAN lineup



## Realization of MMC-ness



2022

2023



**MITSUBISHI  
MOTORS**

Drive your Ambition

# APPENDIX

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# FY2020 Balance Sheet and Free Cash Flow (vs. FY2019)



(billion yen)	FY2019 (As end of MAR 2020)	FY2020 (As end of MAR 2021)	Variance
Total Assets	1,938.1	1,856.3	-81.8
Cash & Deposits	399.6	455.7	+56.1
Total Liabilities	1,149.7	1,331.0	+181.3
Interest Bearing Debt*	299.4	483.3	+183.9
Total Net Assets	788.4	525.3	-263.1
Shareholders' Equity (Equity Ratio)	772.7 (39.9%)	507.9 (27.4%)	-264.8
Net Cash 【Automobiles & Eliminations】	378.4	214.5	-163.9
(billion yen)	FY2019 (APR2019 - MAR 2020)	FY2020 (APR 2020 - MAR 2021)	Variance
Free Cash Flow 【Automobiles & Eliminations】	-82.8	-178.8	-96.0

\*Include Lease Obligations

# FY2020 Capital Expenditure, R&D Expense and Depreciation

## CAPEX

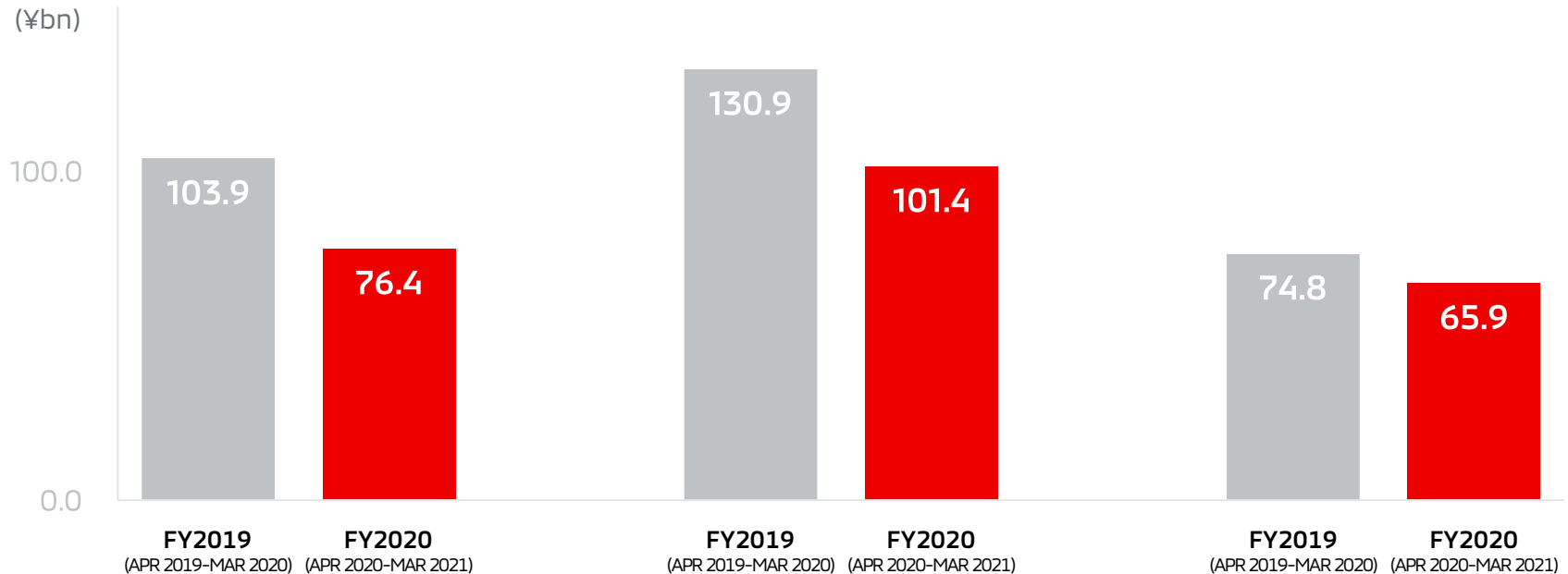
**¥76.4 bn**  
-26% (YoY)

## R&D Expense

**¥101.4 bn**  
-23% (YoY)

## Depreciation

**¥65.9 bn**  
-12% (YoY)



# FY2020 Regional Performance (vs. FY2019)



(billion yen)	Net Sales			Operating Profit		
	FY2019 (APR 2019 – MAR 2020)	FY2020 (APR 2020 – MAR 2021)	Variance	FY2019 (APR 2019 – MAR 2020)	FY2020 (APR 2020 – MAR 2021)	Variance
<b>GLOBAL</b>	<b>2,270.3</b>	<b>1,455.5</b>	<b>-814.8</b>	<b>12.8</b>	<b>-95.3</b>	<b>-108.1</b>
- Japan	460.5	422.1	-38.4	-12.6	-29.5	-16.9
- ASEAN	551.9	317.7	-234.2	63.6	9.3	-54.3
- China, others	41.7	19.2	-22.5	-1.5	-3.0	-1.5
- North America	315.1	194.6	-120.5	-18.2	-33.3	-15.1
- Europe	474.7	183.3	-291.4	-18.1	-20.0	-1.9
- Australia /NZ	176.8	173.3	-3.5	-4.4	-7.4	-3.0
- Others	249.6	145.3	-104.3	4.0	-11.4	-15.4

# FY2021 Regional Sales Forecast (vs. FY2020)



(billion yen)	FY2020 (APR 2020 - MAR 2021)	FY2021 (APR 2020 - MAR 2021)	Variance
<b>GLOBAL</b>	<b>1,455.5</b>	<b>2,060.0</b>	<b>+604.5</b>
- Japan	422.1	465.0	+42.9
- ASEAN	317.7	535.0	+217.3
- China, others	19.2	15.0	-4.2
- North America	194.6	375.0	+180.4
- Europe	183.3	225.0	+41.7
- Australia/NZ	173.3	235.0	+61.7
- Others	145.3	210.0	+64.7



# FY2021 Capital Expenditure, R&D Expense and Depreciation Forecast



## CAPEX

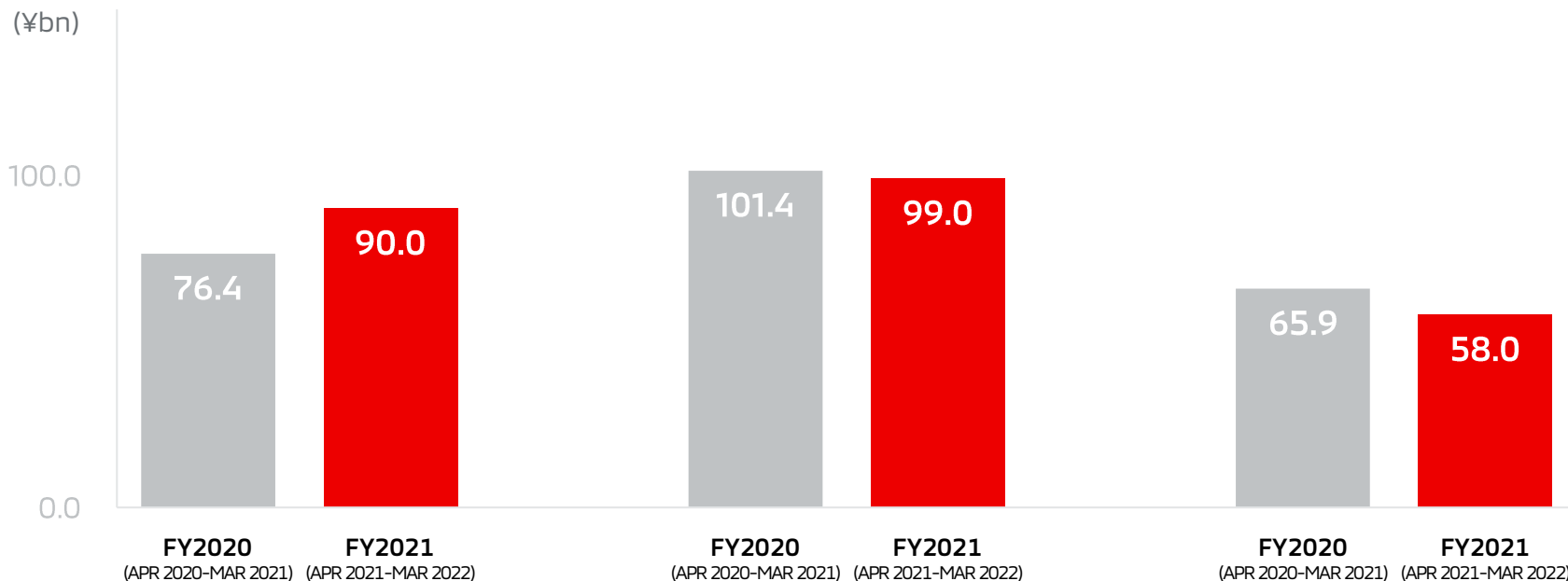
¥90.0 bn  
+18% (YoY)

## R&D Expense

¥99.0 bn  
-2% (YoY)

## Depreciation

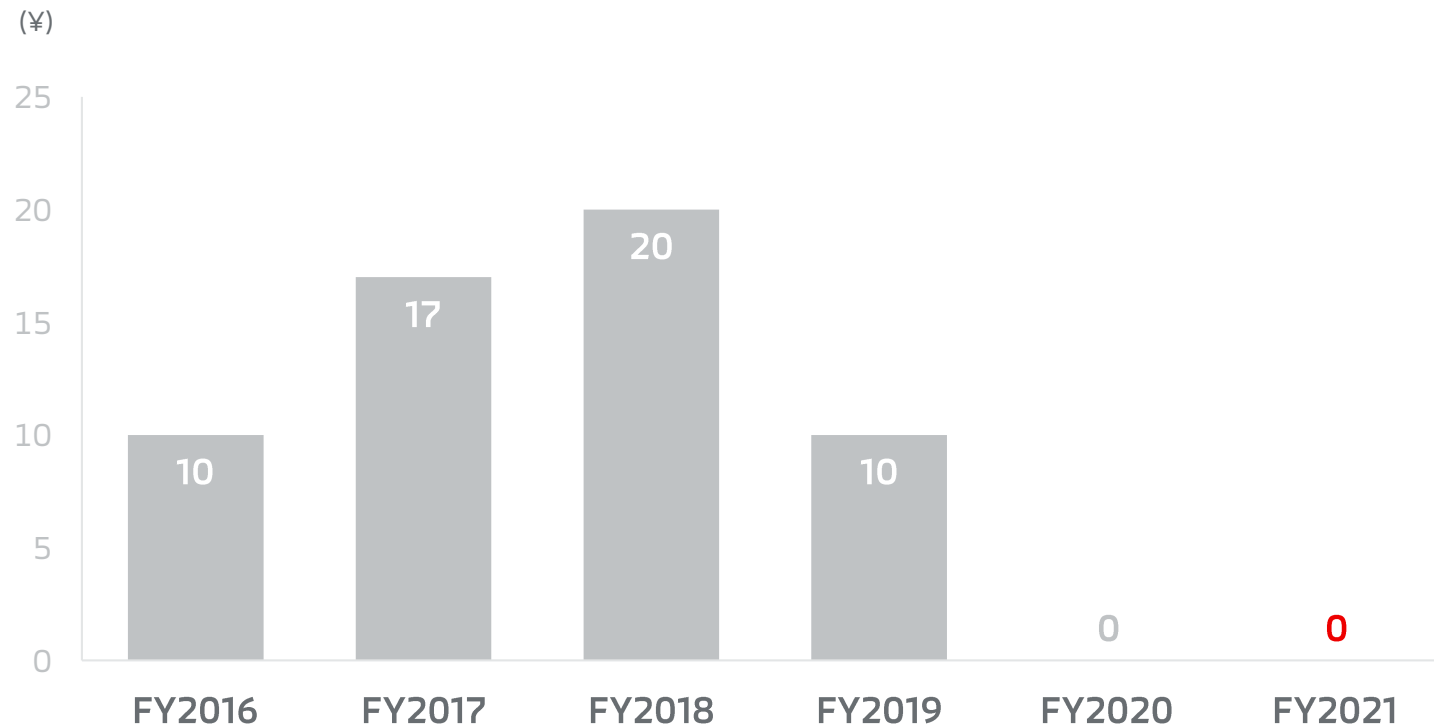
¥58.0 bn  
-12% (YoY)



# FY2021 Shareholder Returns Forecast



Dividend per share: ¥0 (Forecast)



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