



FY2023-2025 Mid-Term Business Plan "Challenge 2025"

March 10, 2023



"2023 – 2025"

A Turning Point to a Major Transition Era



The Challenge for
Further Growth & the Next Generation

- **Review of Current Mid-Term Business Plan**

- Long-term Road Map

- Challenge 2025 Overview

- Challenge 2025 Key Strategy

Review of Current Mid-Term Business Plan "Small but Beautiful"



Achieved a Swift Shift to a Lean and Agile Business Structure

Significant Profit Improvement Achieved through Fixed Cost Reduction and Revenue Improvement

Initiative Items	Results
Reduce fixed cost by 20% within 2 years by consolidating investments into core regions and products	Achieved in 1 year
Concentrate management resources in ASEAN Reform business structure in developed countries	Boosted product rollouts for ASEAN in new MTP* Reformed European business with Alliance support
Enhance xEV lineup Enhance technology development for xEVs	2 PHEVs / Production restart of Kei commercial EV / Kei EV (Nissan) / EV for China (Guangzhou Automobile Gr.) / Took PHEV/HEV/BEV technology into the next generation
Optimize production structure	Restructured domestic production
Strengthen Partnerships	Utilized new technologies from the Alliance (CMF-CD platform / E-Architecture / ADAS / Kei EV technology, etc.)

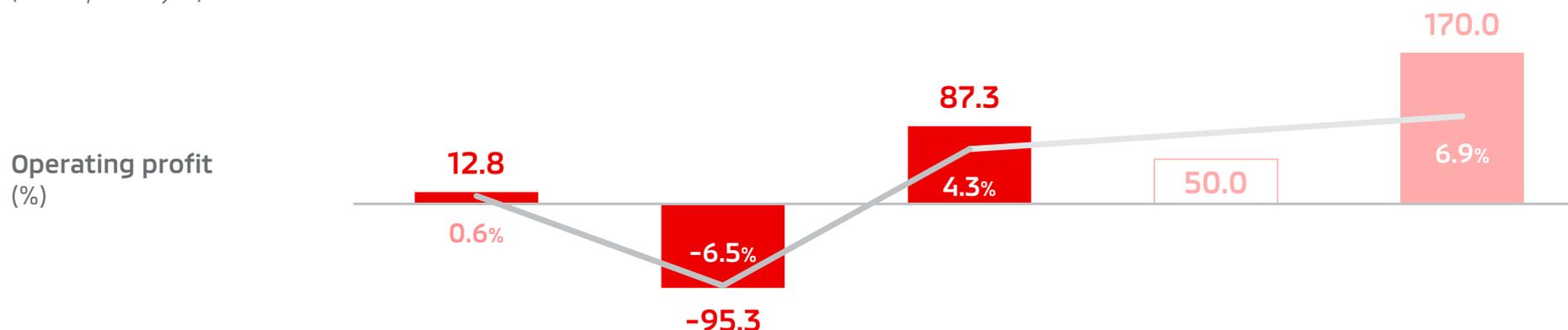
* Mid-Term Business Plan

Review of Current Mid-Term Business Plan "Small but Beautiful"



Significant Profit Improvement Achieved through Fixed Cost Reduction and Revenue Improvement

(K Units, Billion yen)



	FY2019	FY2020	FY2021	FY2022 MTP Target	FY2022 (forecast)
Free Cash Flow	-82.8	-178.8	25.6	31.0	-
Sales Volume (Retail)	1,127	801	937	1,054	866
R&D Expenses	130.9	101.4	90.7	99.0	102.0
CAPEX	103.9	76.4	62.7	100.0	90.0
Depreciation	74.8	65.9	53.6	80.0	59.0

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Long-Term Road Map



	2020	2025	2030	2035
Societal Changes	Increased awareness of CN		Initiatives to achieve CN / Battery evolution	
	Generation Z (prioritize Experience, Empathy, and Time Performance)		To Generation α ...	
	Digital Technology Evolution (Comms(5G/6G), DX, AI, Robotics, and Metaverse)			
Mid-Term Business Plan	"Small but Beautiful"	"Challenge 2025"		
Vehicle Electrification	Mainly ICE	ICE / HEV / PHEV / BEV mixed	Mainly HEV / PHEV / BEV	Mainly BEV
DX / New Business	Use of digital tech in business	- System upgrade - DX	Fully fledged rollout of new business using digital tech	
Business Form	- Vehicle sales - After sales	- Value chain expansion - New business challenges	- Vehicle sales + securing profit in new business areas - Deeper collaboration with partners (energy management, etc.)	
Regional Strategy	Global rollout	Focus area selection and role clarification	Clarifying regional roles and securing profit for each region	

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Challenge 2025 Management KPIs



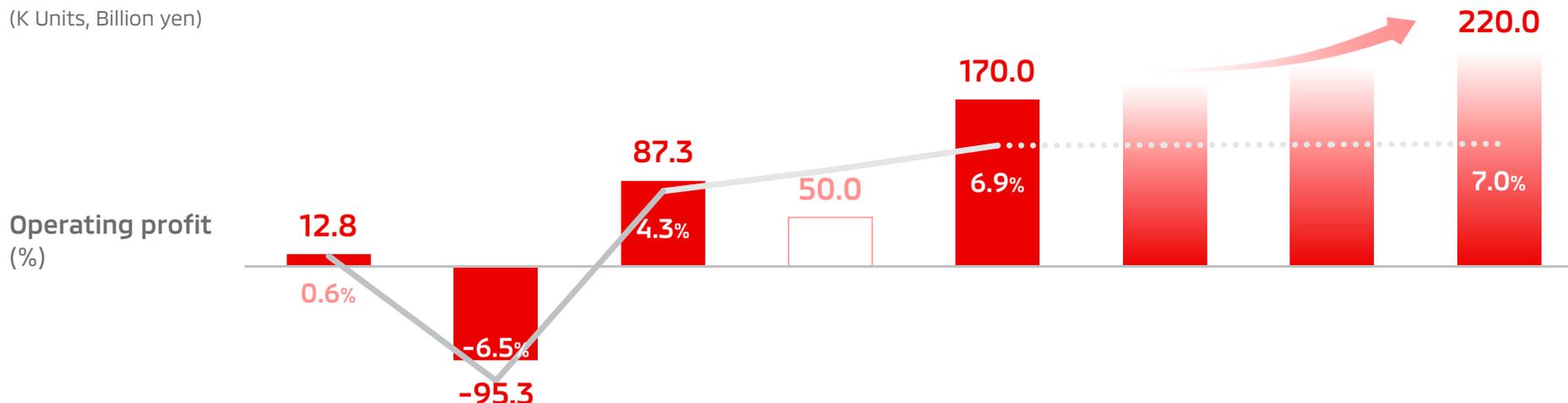
Sales KPIs		Financial KPIs		Investment KPIs	
FY2025		FY2025		FY2025	
Net Sales per Vehicle	¥2,500k	Operating Profit (%)	¥220.0bn 7%	R&D Expenses (Electrification)	¥150.0bn ¥70.0bn
Sales Volume (Retail)	1,100k units	EBITDA* (%)	¥300.0bn 10%	CAPEX (Electrification) (IT/New Business)	¥130.0bn ¥55.0bn ¥15.0bn
		Free Cash Flow	¥150.0bn	Depreciation	¥85.0bn
		Shareholders' Equity (Equity ratio)	¥1.0trn 45%		

* Earnings Before Interest, Taxes, Depreciation, and Amortization

Challenge 2025 Management KPIs



(K Units, Billion yen)

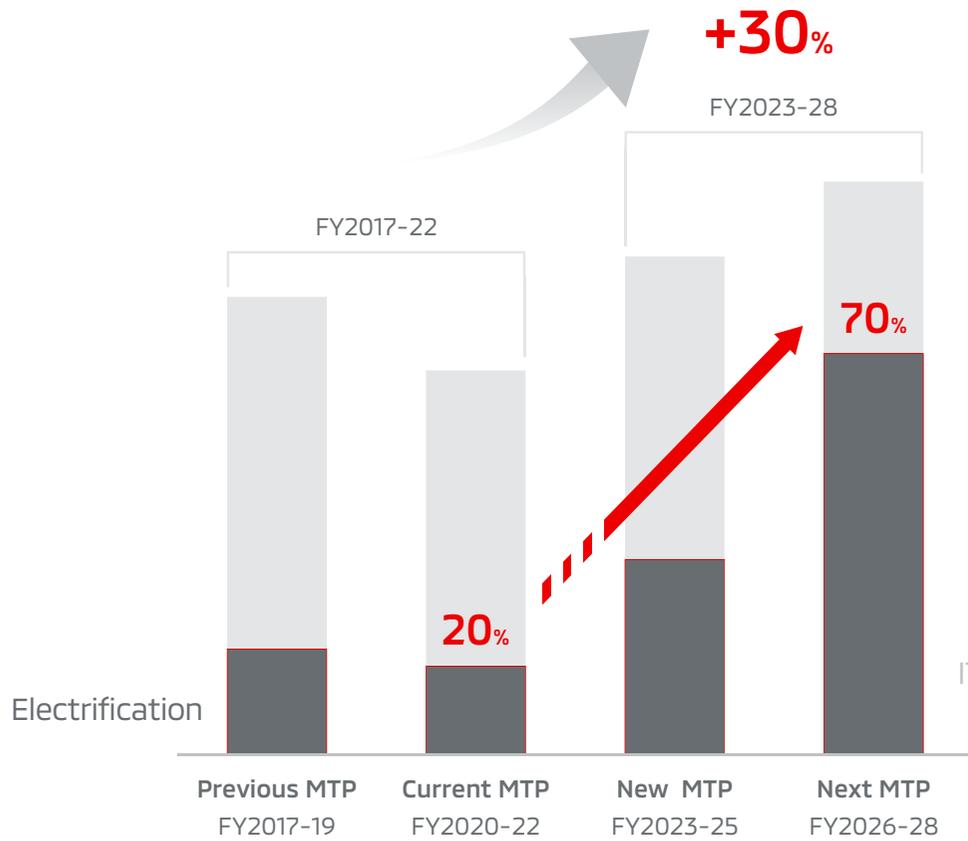


	FY2019	FY2020	FY2021	FY2022 Current MTP Target	FY2022 (Forecast)		FY2025 New MTP Target
Free Cash Flow	-82.8	-178.8	25.6	31.0	-	→	150.0
Sales Volume (Retail)	1,127	801	937	1,054	866	→	1,100
R&D Expenses	130.9	101.4	90.7	99.0	102.0	→	150.0
CAPEX	103.9	76.4	62.7	100.0	90.0	→	130.0
Depreciation	74.8	65.9	53.6	80.0	59.0	→	85.0
FX Rate (Yen)	USD	109	105	112	107		127
	THB	3.52	3.41	3.44	3.47		3.88

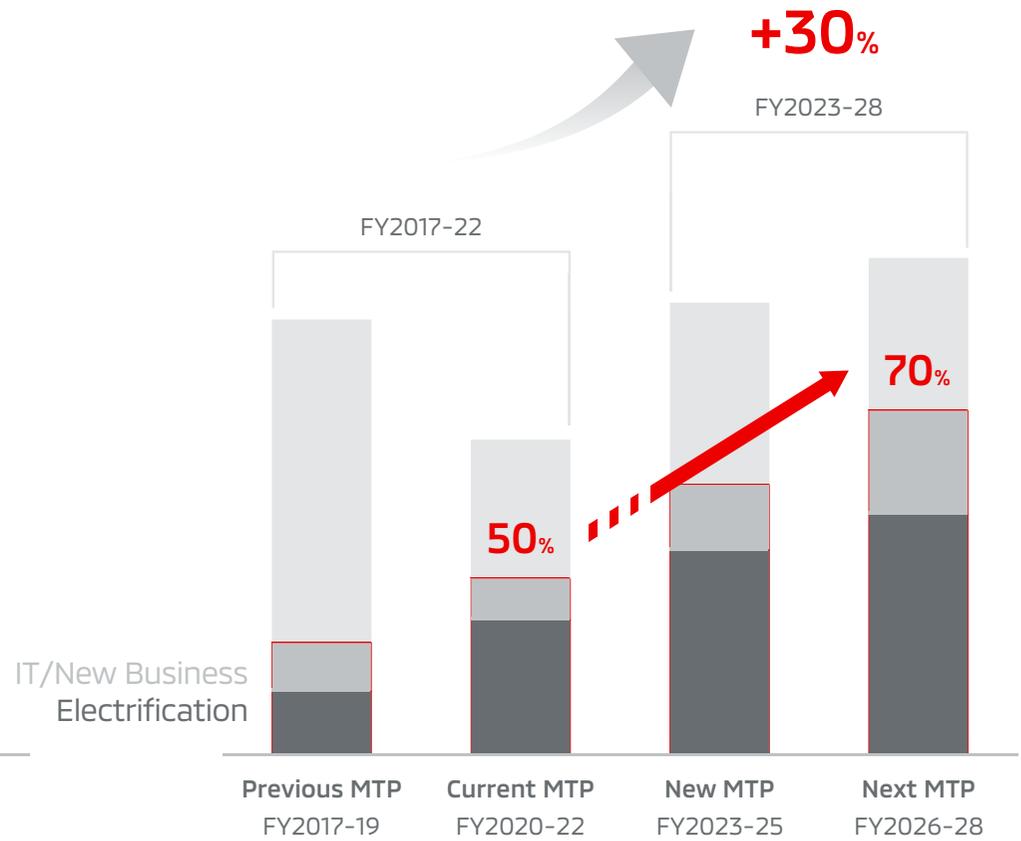
R&D Expenses / CAPEX



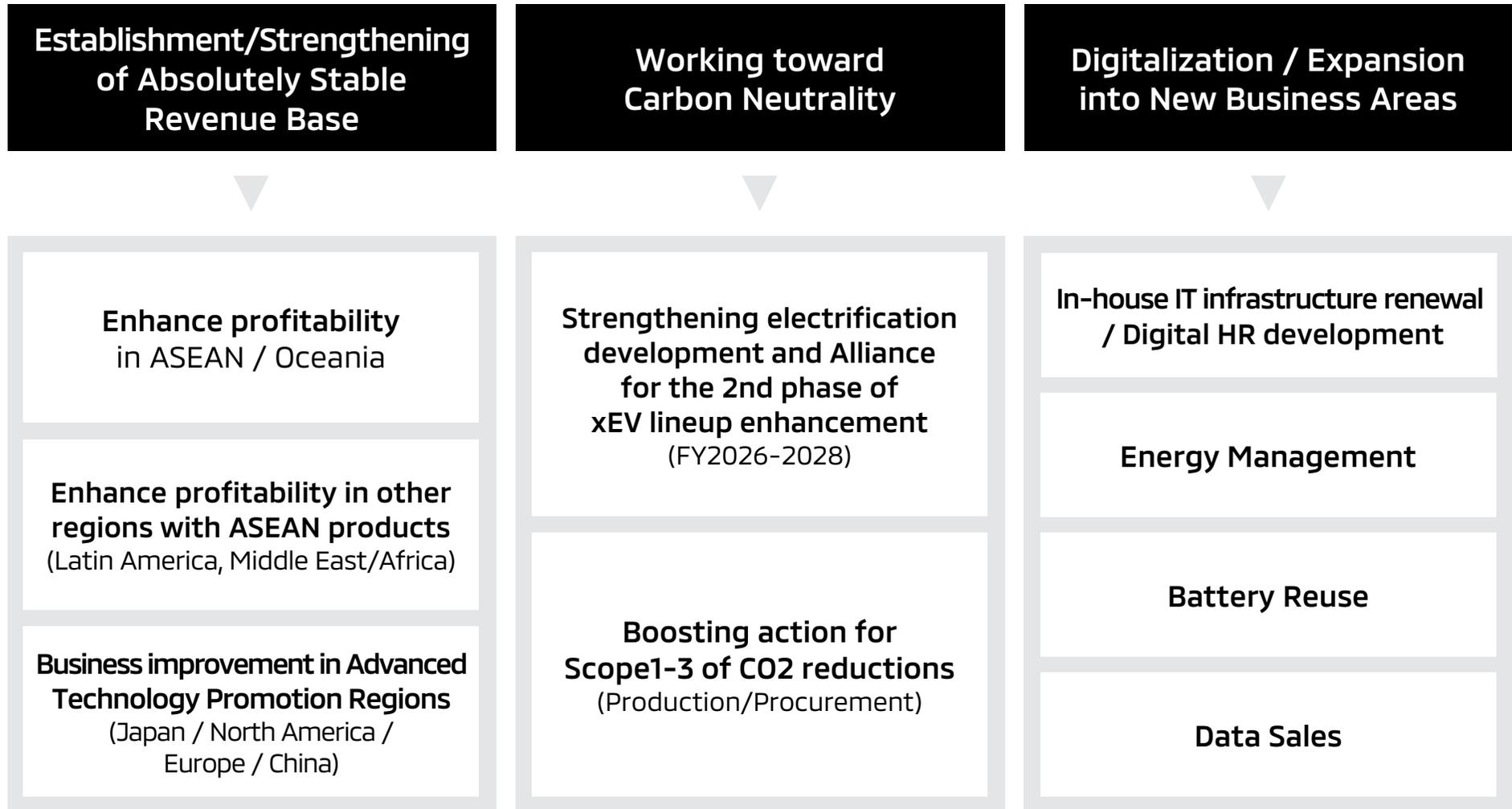
R&D Expenses



CAPEX



The 3 Major Challenges in Challenge 2025



The Role of Mitsubishi Motors-ness



Mitsubishi Motors-ness - To be the company of choice for our customers



What is **Mitsubishi Motors-ness**?

The provision to customers of a fulfilling mobility life that awakens their adventurous spirit on the basis of reliability backed up by technology that achieves "Eco-friendly x Safety Technology, Peace of Mind and Comfort"



Boosting the Mitsubishi Motors brand and Value-Oriented business

The Product Vision of Mitsubishi Motors-ness



Environmentally friendly and enable activities close to nature



Help contribute to carbon neutrality with Commercial EVs



Enable our customers to experience an exciting adventure with confidence



Returning home with peace of mind from safety technology for just about every adventure



Reliable and useful when needed in natural disasters, power cuts, etc.

The Compositional Technologies of Mitsubishi Motors-ness



The world's first mass-produced BEV and globally recognized PHEV at the core

Electrification



Reliable even in adverse conditions thanks to a design philosophy nurtured on almost all road surfaces and in almost all environments around the world

Durability and Reliability



Provide innovative driving performance and reliability on almost any road surface

Four-wheel control (S-AWC)



Excite drivers and passengers with a comfortable and advanced interior with ever-advancing IT

Comfortability

*While Super All-Wheel Control (S-AWC) manages the driving forces and braking forces of the four wheels to help realize vehicle behavior that is faithful to the operation by the driver under a variety of driving conditions, it is not a substitute for careful driving. S-AWC cannot prevent collisions or loss of traction in all conditions. The driver must exercise caution so full attention is given to vehicle operation in all road conditions.

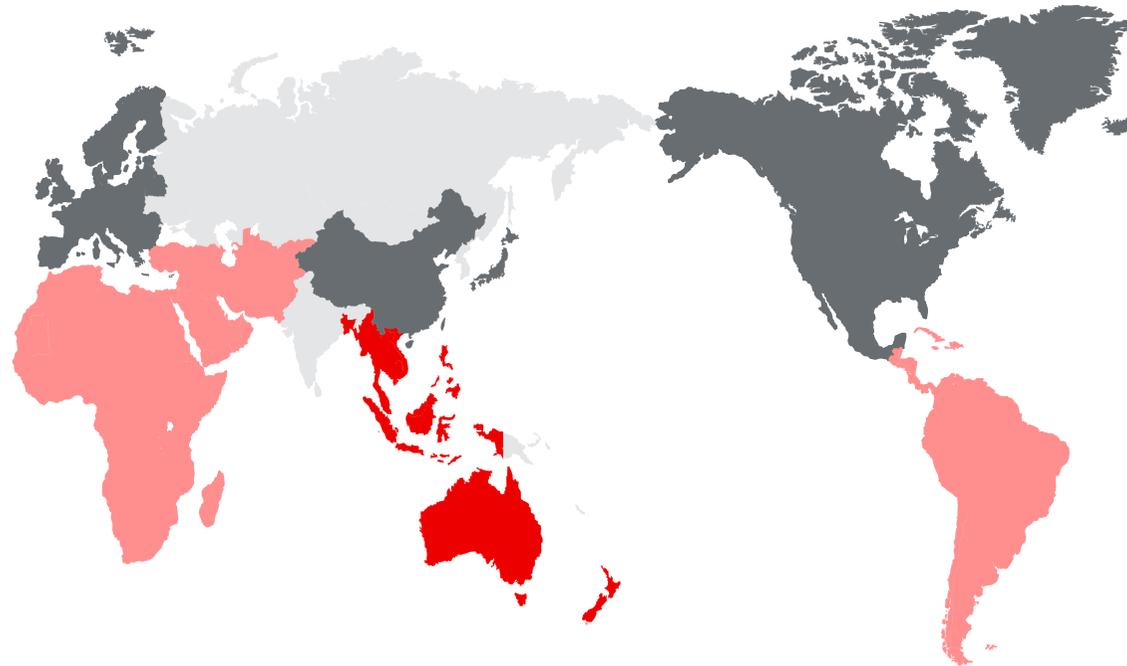
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Regional Strategy | Regional Categories



Growth Drivers

ASEAN, Oceania

Concentrate management resources into these core business regions, and aim to grow sales volume, market share and revenue

Leverage Regions

**Latin America,
Middle East /Africa**

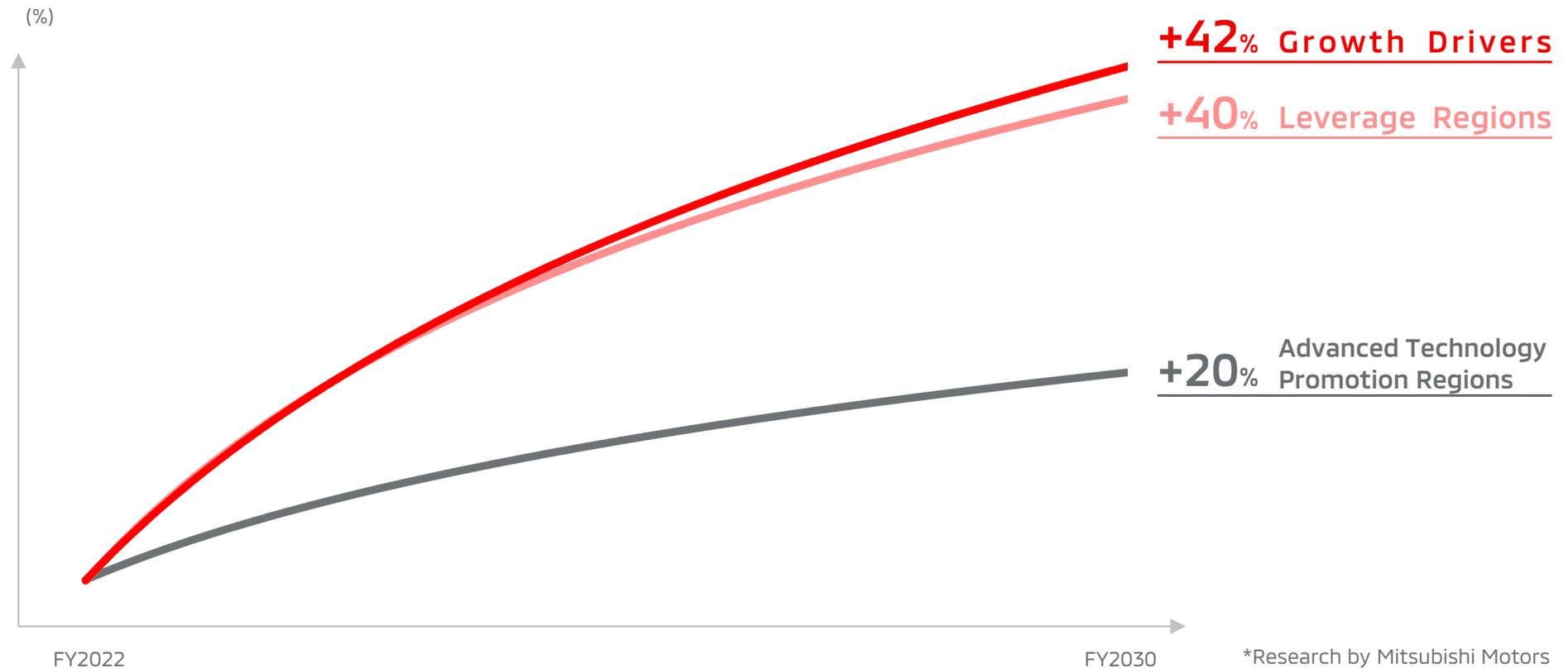
Second pillar of business development maximizing use of ASEAN products

Advanced Technology Promotion Regions

**Japan, North America,
Europe, China**

Move to advanced technologies by leveraging the Alliance / partners

Major growth in Growth Drivers/Leverage Regions*



Regional Strategy | Regional Categories Summary



Growth Drivers

ASEAN, Oceania

Concentrate management resources into these core business regions, and aim to grow sales volume, market share and revenue

Leverage Regions

Latin America, Middle East /Africa

Second pillar of business development maximizing use of ASEAN products

Advanced Technology Promotion Regions

Japan, North America, Europe, China

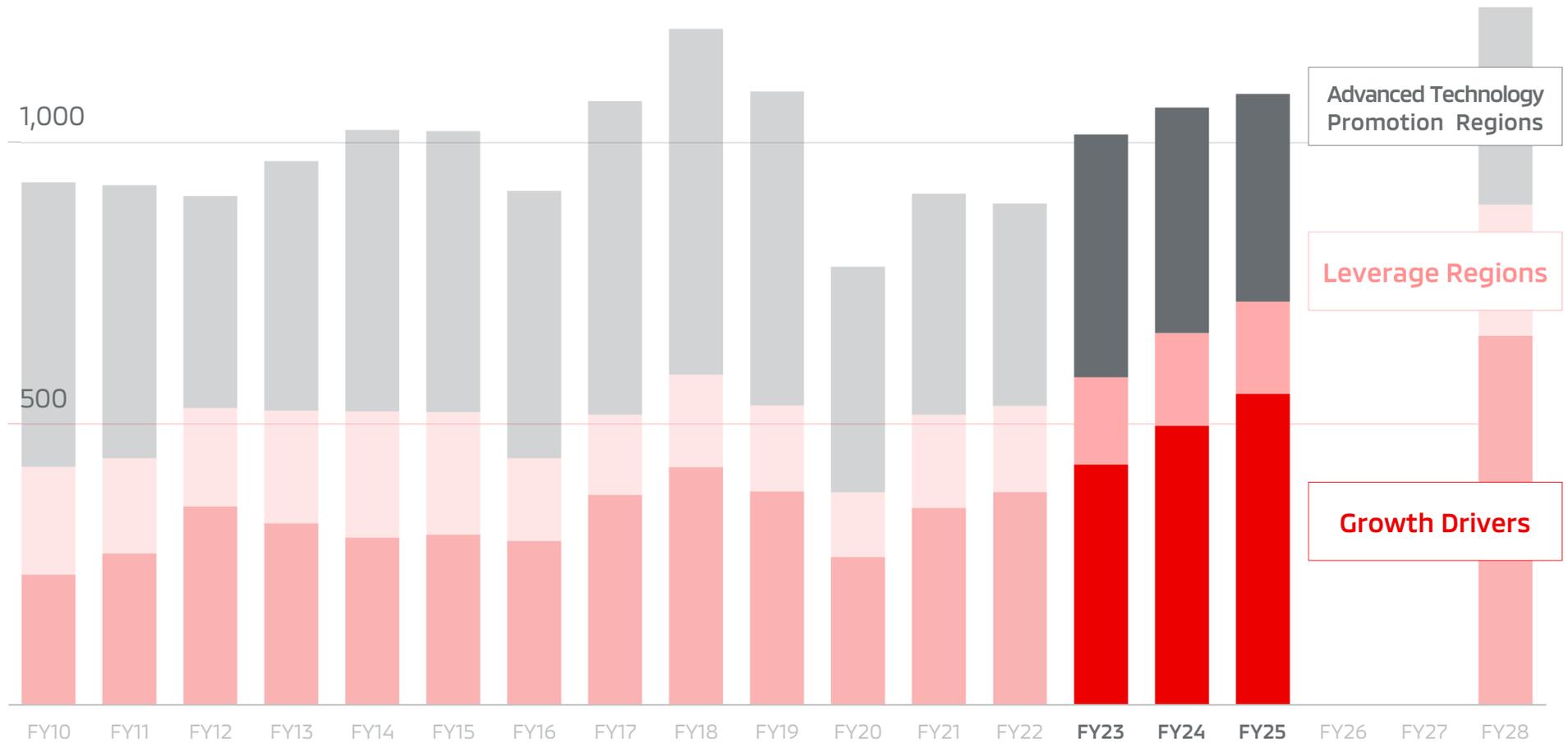
Move to advanced technologies by leveraging the Alliance / partners



Regional Strategy | Sales Forecast by Regional Category



(K units)



Building of Long-term Relationships of Trust with Customers based on Products with Mitsubishi Motors-ness

Purchasing / Service Experience



- Global rollout of a new standard for stores
- Smooth customer experience through improvement of productivity of store/sales staff in purchasing
- Reassuring and smooth personalized customer experience in after sales with total care

CX with Digital tech/IT



- Safety, security, and comfort in services with digital tech/IT such as connected car services, apps, etc.

Provision of New Value through Dealers



- Brand value-oriented activities in unison with dealers
- Provision of new value through dealers, such as a new lifestyle with xEVs and energy management

Activities to Spread Mitsubishi Motors-ness



- Events to experience Mitsubishi Motors-ness (Star Camp, etc.)
- Provision of customer experience through Asia Cross Country Rally and RALLIART

Spread Value-Oriented Sales by Leveraging the Products with Mitsubishi Motors-ness

Growth Drivers	ASEAN	<ul style="list-style-type: none"> ■ Consecutive rollouts of new products ■ Enhancing experience events and touchpoints with customers ■ Production and rollout of xEVs suited to the market in each country
	Oceania	<ul style="list-style-type: none"> ■ Expanding sales in large cities with Outlander PHEV ■ Providing best warranty and total care ■ Strengthening value chain for increased vehicle lifecycle profit
Leverage Regions	Latin America Middle East Africa	<ul style="list-style-type: none"> ■ Strengthening sales network ■ Digging deeper into private market with new ASEAN products ■ Gaining early adopters of xEVs through Outlander PHEV rollout
Advanced Technology Promotion Regions	North America Europe China	<ul style="list-style-type: none"> ■ Strengthening cooperation with Alliance members ■ Expanding xEV lineup ■ Improving CX by strengthening digital tools
	Japan	<ul style="list-style-type: none"> ■ Brand boost through plentiful xEV lineup and products with Mitsubishi Motors-ness ■ Creating seamless and efficient touchpoints with customers through DX ■ Strengthening value chain for maximized vehicle lifecycle profit

Roll out 16 models (inc. 9 xEV models) over the next 5 years

ICE models

xEV models



Product Rollout | Growth Drivers / Leverage Regions



Expand Segment Coverage in Growth Drivers and Leverage Regions

Roll out 12 models (inc. 7 xEV models)
over the next 5 years

ICE models

xEV models



PPV

Pickup



Pickup
BEV

2-row SUV
BEV

2-row SUV
HEV



MPV

3-row SUV

XFC CONCEPT



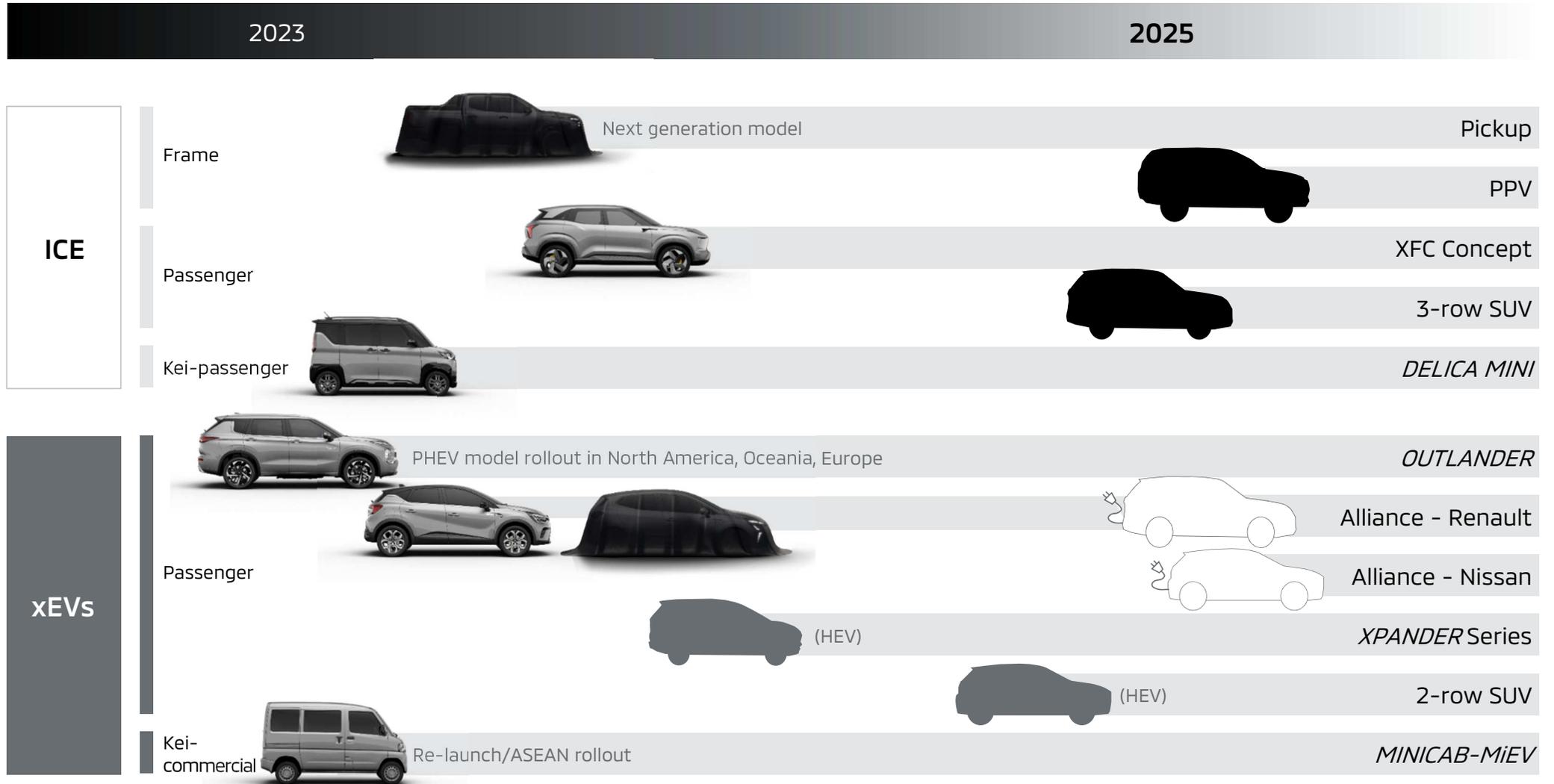
ASX

Alliance
BEV

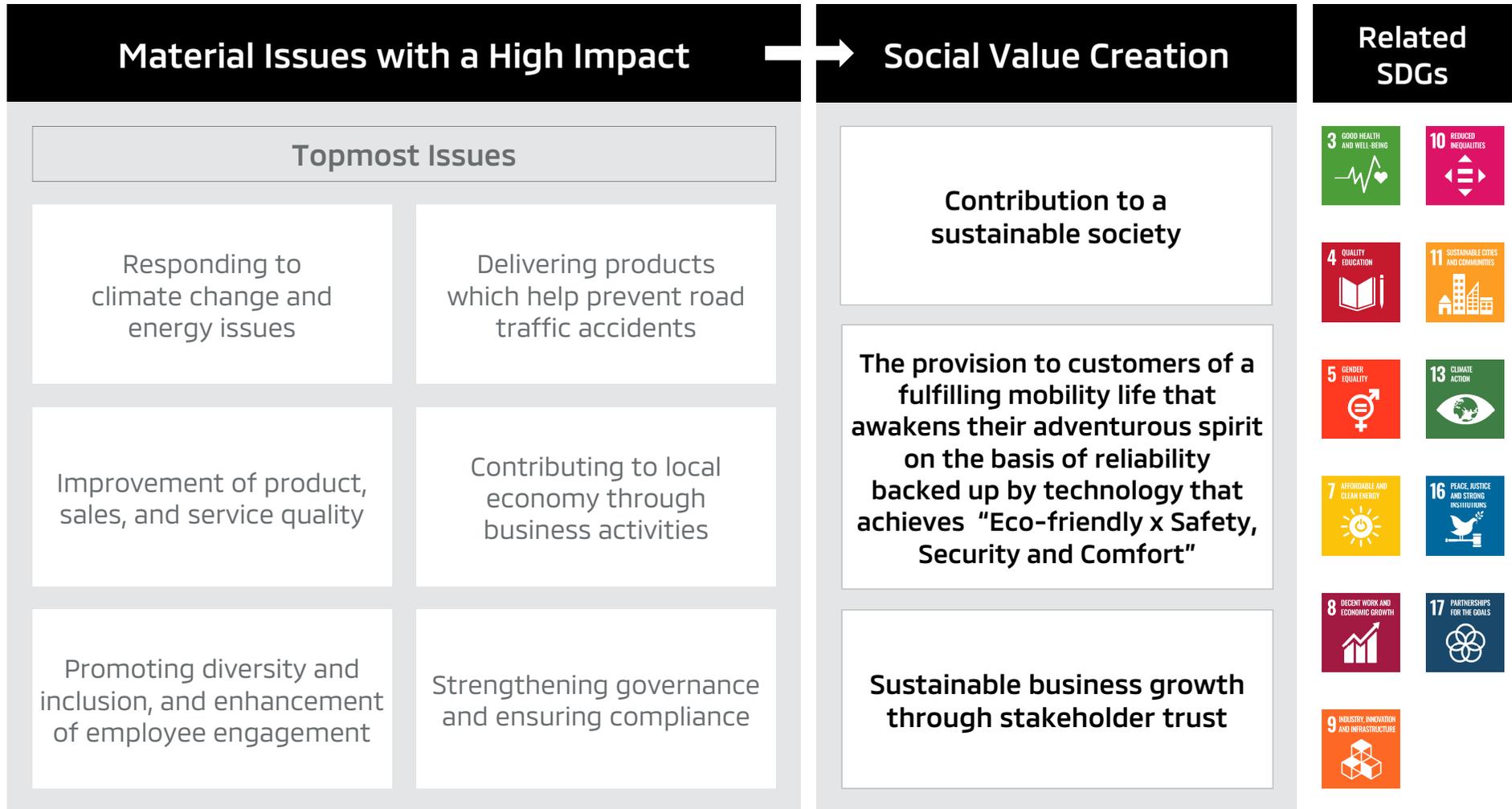
XPANDER
HEV

MPV
HEV

Product Rollout | Schedule (Challenge 2025 Period)



Towards Sustainable Growth



Accelerate Initiatives to Achieve Carbon Neutrality

Environmental Targets 2030 (update)

Average CO2 emissions
from new vehicles

-40%

(Tank to Wheel, compared to FY2010)

xEVs
sales mix

50%

FY2035

100%

CO2 emissions
from business activities

-50%

(Scope 1 and 2 total emissions,
compared to FY2018)

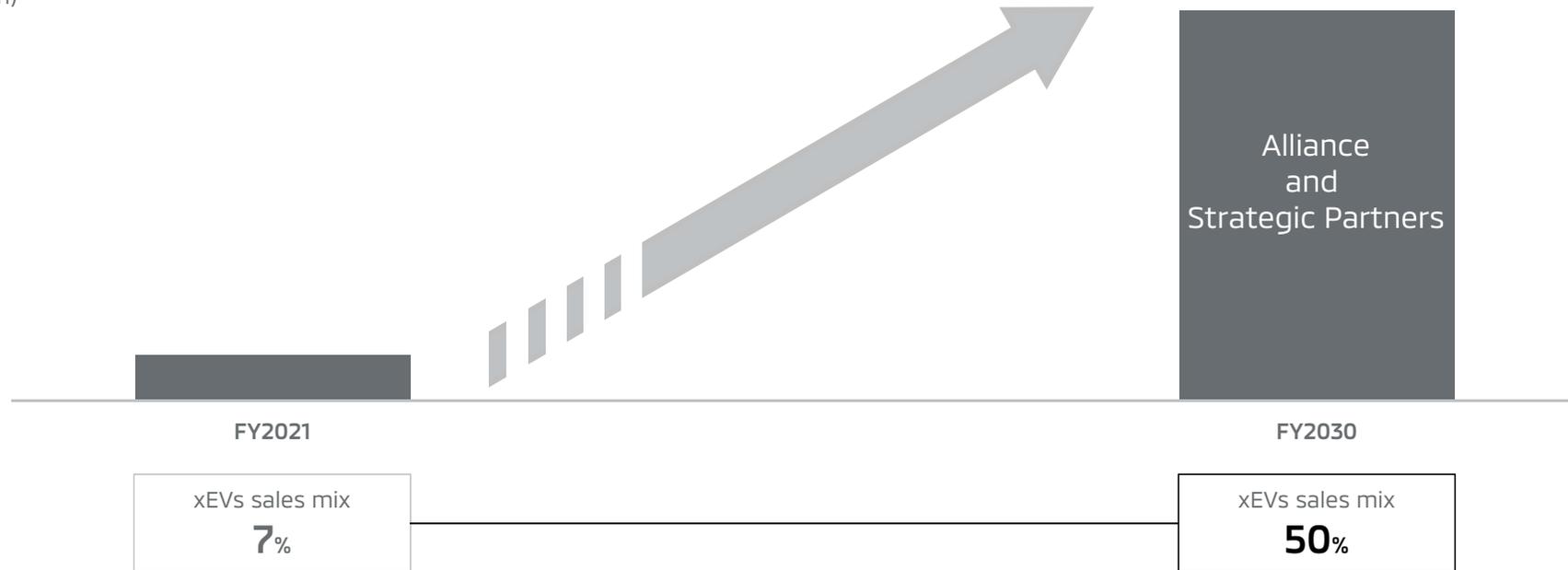
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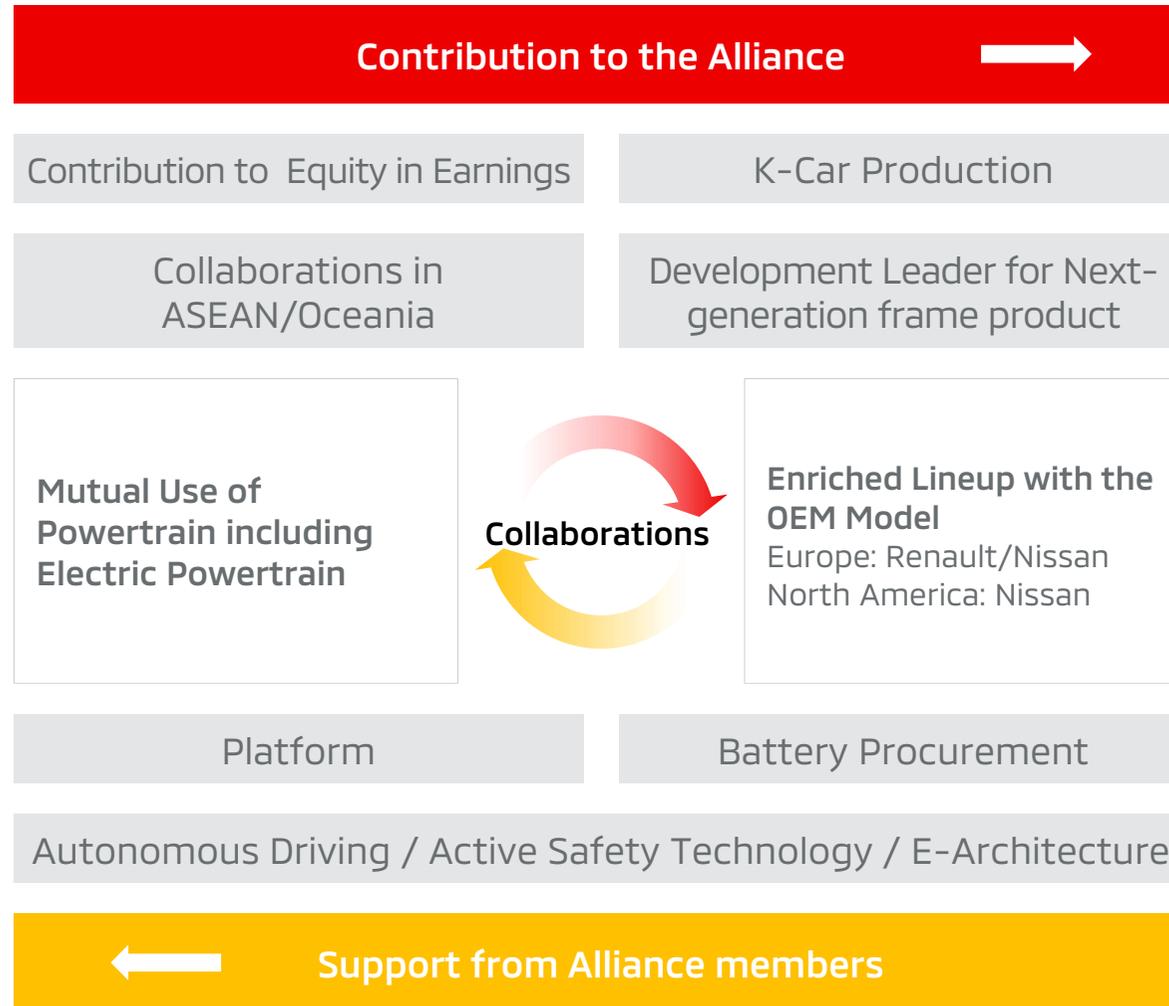
CO2 emission reduction activities through collaboration with suppliers/transporters
in the fields of procurement and distribution

Battery Procurement for Carbon Neutrality

Target for **15GWh** (up to 2030)
Total Investment **¥210.0bn**

(GWh)



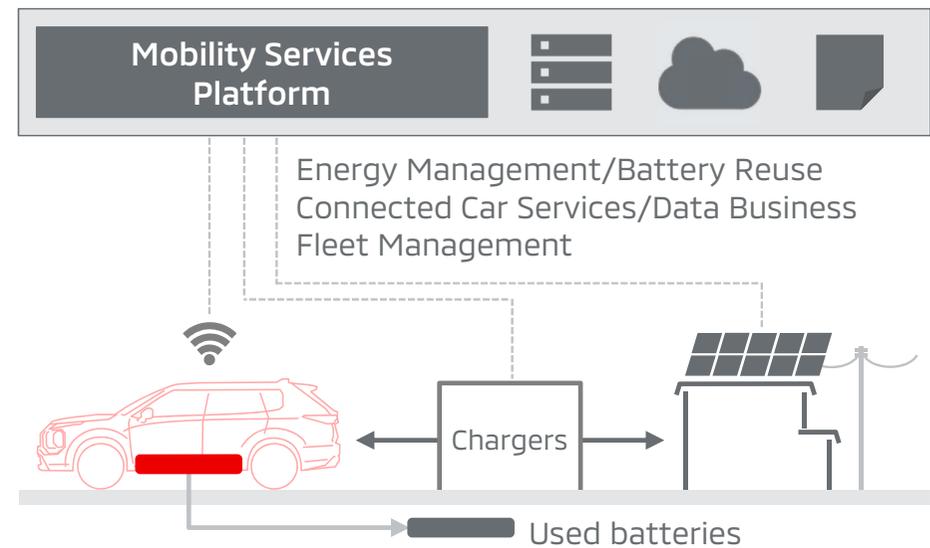


An Important Pillar of Revenue after Existing Business

- 1 Vehicle Sales
- 2 Financing (Leasing)
- 3 After Sales
- 4 Mobility Business**

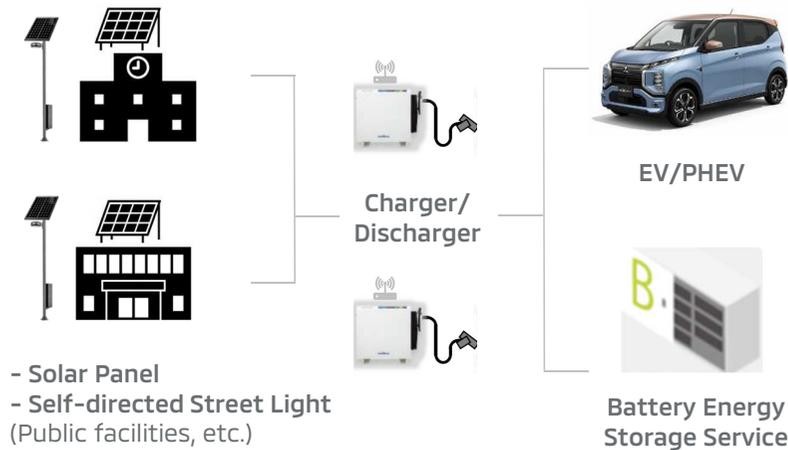
- Utilize vehicle data / vehicle remote operation functions / used traction batteries as unique assets of automotive manufacturers
- Collaborate with partners / municipalities, and grow the mobility business into a fourth pillar of revenue after vehicle sales, financing (leasing), and after sales

Initiatives for Energy Management / Battery Reuse / Data Business



- Initiatives for energy management and reuse of used battery toward carbon neutrality
- Business rollout using vehicle data
- Provision of total mobility solutions combining leasing and after sales

Energy Management (Advance Decarbonization Regions / Collaboration with GI Fund*)



- Collaboration with municipalities and the Japan Post Group on carbon neutrality using traction batteries/ used batteries, and use as a power supply in natural disasters (power cuts, etc.)
- Collaboration with government measures such as Advance Decarbonization Regions and GI Fund in these initiatives
- First initiative in Okazaki City, and aim to expand this going forward

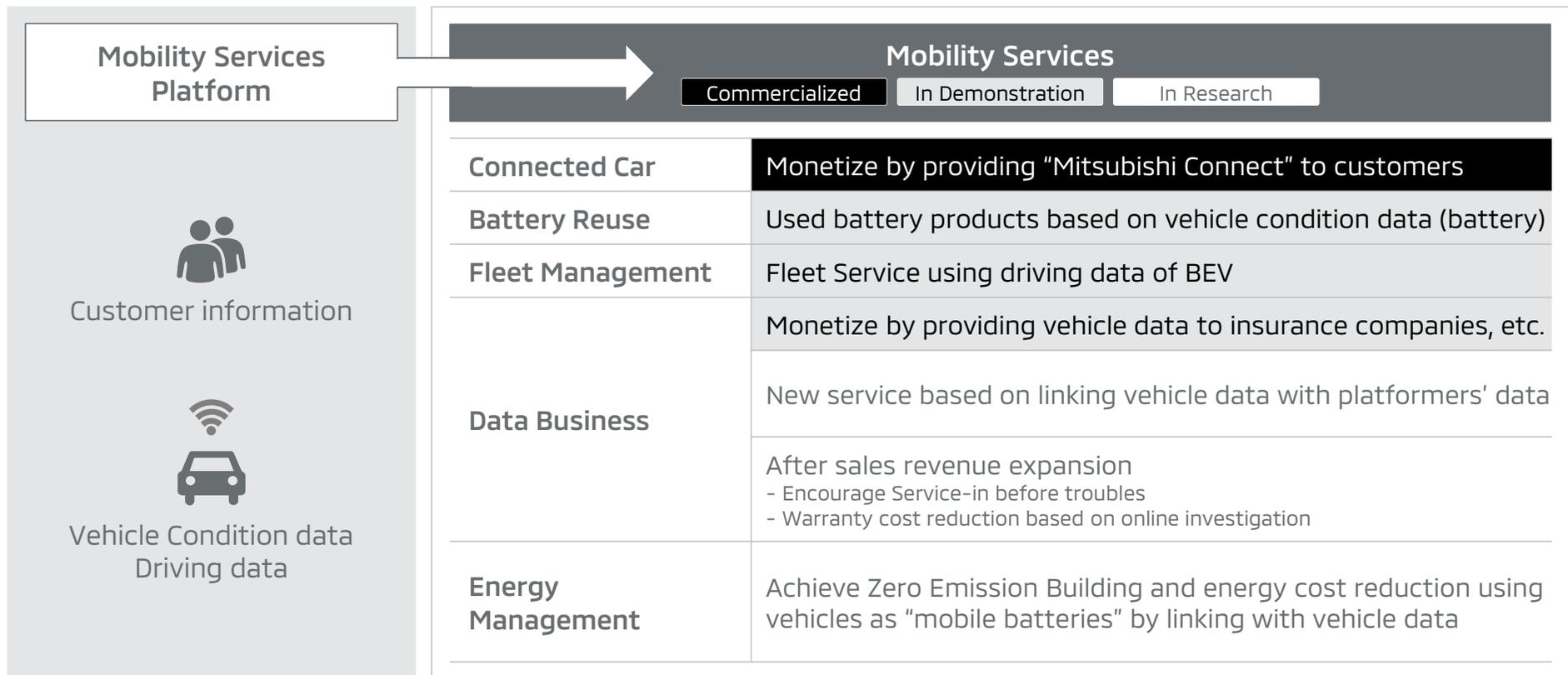
*Green Innovation Fund from the Ministry of Economy, Trade and Industry

Battery Reuse (Self-directed Street Light with Used Batteries)



- Developing Self-directed Street Light utilizing battery modules with MIRAI-LABO (to be set up in FY2022)
- Start testing to evaluate CO2 reductions for manufacturing through reuse, and possibility to run without an external electricity supply
- Expansion to public facilities in municipalities, factories, etc.

Combining Vehicle Data and Customer Information to Enhance Value Chain including After Sales and Marketing and to Develop New Businesses such as Data Sales and Linking with Third Parties



Establish Great Workplace to Nurture Employee Engagement and HR Development as the Base for Action Guidelines "MMC WAY"

Action Guidelines "MMC WAY" (Updated in FY22)



THINK OF OUR CUSTOMERS, STRENGTHEN TRUST
お客様を第一に考え、常に信頼を得続ける



ENRICH SOCIETY
社会の発展に貢献する



WELCOME ALL FACTS, SHARE DIFFICULT NEWS FIRST
事実を直視し、悪い情報ほど迅速に共有する



CONDUCT AND CHALLENGE YOURSELF PROFESSIONALLY
プロとして、自ら行動し枠を超えて挑戦する



RESPECT ALL, WORK AS A BROADER TEAM
互いに敬意を払い、組織や属性を越えて共働する

Strategic HR Priorities

Build Better Place to Work

- Adopt location-free work arrangements
- Introduce flexible working style in consideration of childcare and family nursing care

Enhance Learning Opportunities/Reskilling Programs

- Expand mutual talent exchanges between Japan and overseas and global career development programs
- Launch digital reskilling programs to support DX
- Embed technical expertise into HR system and processes

Secure/Cultivate Diverse Workforce

- Implement flexible total rewards strategy and structure
- Develop vibrant workplaces in which employees appreciate the differences to fulfill their potential



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MOTORS**

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