



---

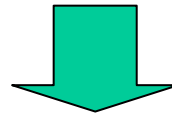
**MMC's ASEAN Business**  
**- ASEAN Challenge 12 -**  
**Achieve 12% share with 12 tactics**

---

October 11, 2011  
Mitsubishi Motors Corporation

## Contents:

1. Emerging markets
2. Growth strategy in ASEAN region
3. Strengthen Thailand production business
4. Enhance local production in the ASEAN region
5. Expand collaboration with Proton

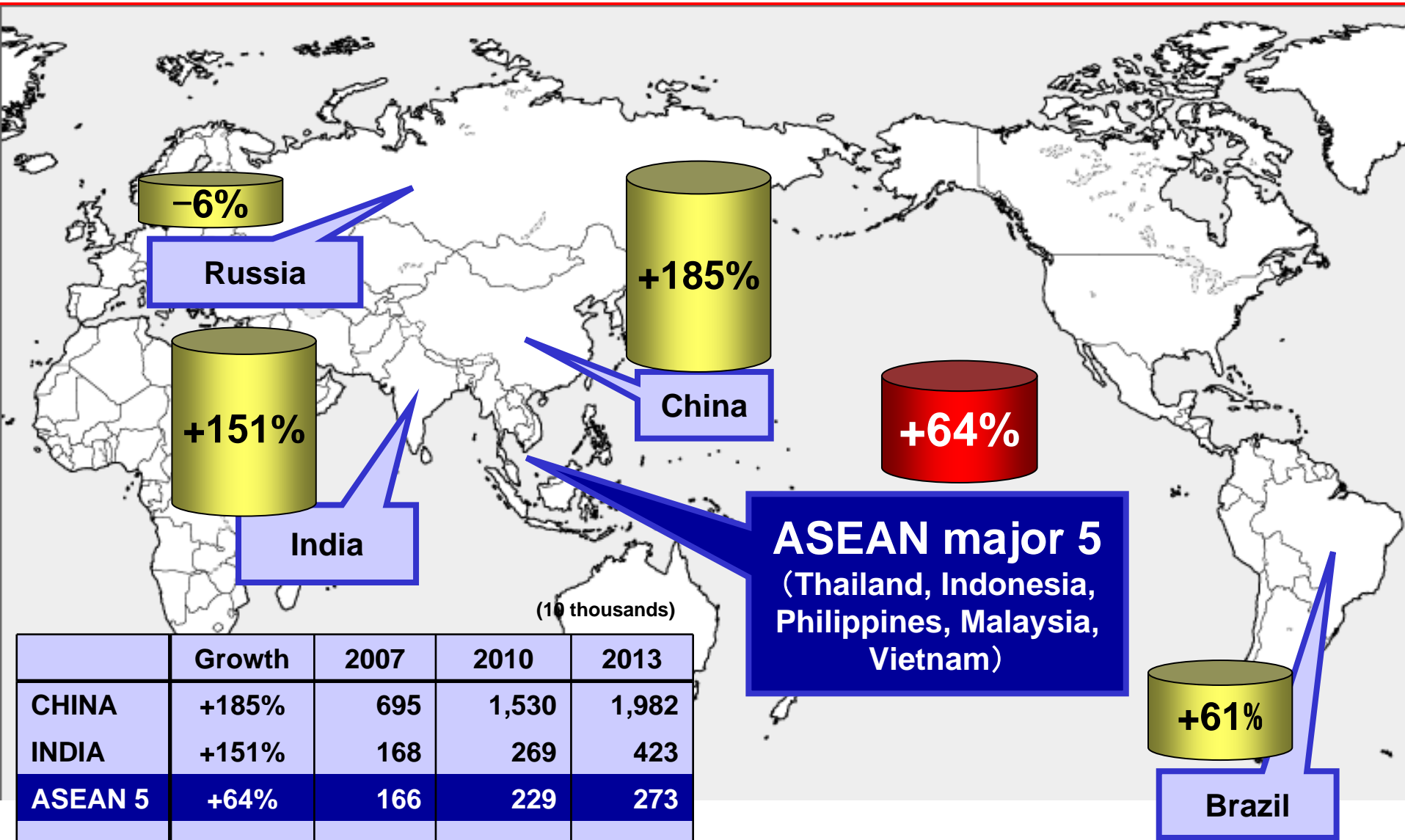


Achieve 12% market share in ASEAN major 5 countries

**“ASEAN Challenge 12”**

# 1. Emerging markets

# 1. Emerging markets: continuing growth ( 2007 vs. 2013 )



	Growth	2007	2010	2013
CHINA	+185%	695	1,530	1,982
INDIA	+151%	168	269	423
<b>ASEAN 5</b>	<b>+64%</b>	<b>166</b>	<b>229</b>	<b>273</b>
BRAZIL	+61%	238	333	384
RUSSIA	-6%	259	191	244

Note: 1. Total demand data source: Global Insight, June 2011  
 2. PC and LCV total (excludes trucks and buses)

## 1. Emerging markets: Mitsubishi Motors in the ASEAN region

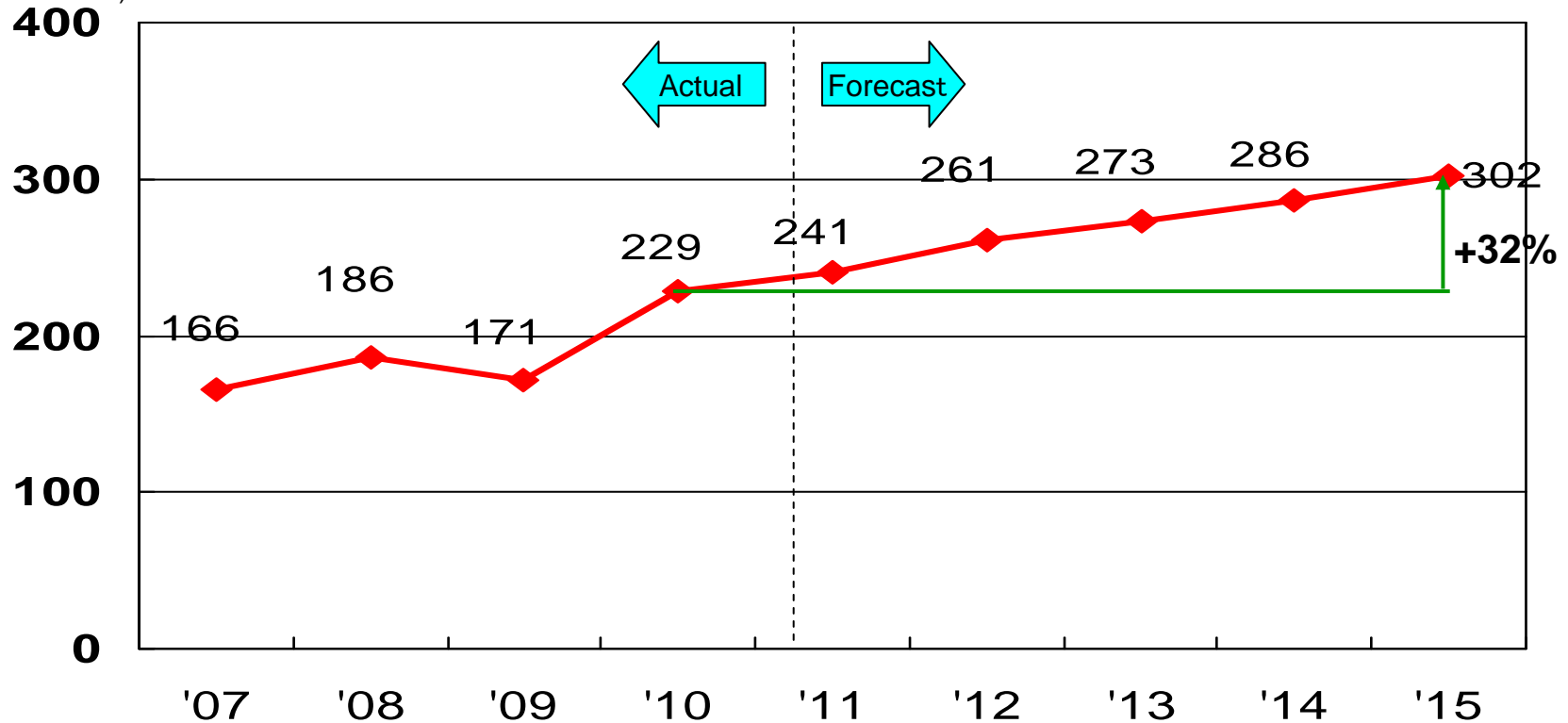


- 1) The growth of the ASEAN region is more stable compared to others. Together with effective governmental policies to promote local production, many Japanese automakers have built production facilities there for years. Accordingly the region has become a stable market for Japanese vehicles.**
- 2) MMC has production sites in 4 countries among ASEAN major 5; Thailand, Indonesia, the Philippines and Vietnam. In Malaysia, our strategic partner Proton produces Inspira, an MMC licensed model based on *Lancer*.**
- 3) MMC positions Thailand as its global production hub. In the other 4 countries, models for each domestic market are being produced.**
- 4) Supported by a long history of sales and production, MMC's market share in the ASEAN major 5 countries recorded 6.5% in FY2010 (excluding KD units volume for Proton). Latest actual figures for the current FY2011 to date (April-August) are even better with market share of 8.8%.**
- 5) From hereon, MMC positions ASEAN market as its engine for growth and will proceed to implement strategic actions tailored to the region.**

## Strengths of ASEAN market : scale and potential

- Impact caused by the 2009 Lehman Shock was limited.
- Projected market growth rate from 2007 to 2015 is +82%, and the market volume is expected to exceed 3 million units.

(10 thousand units)

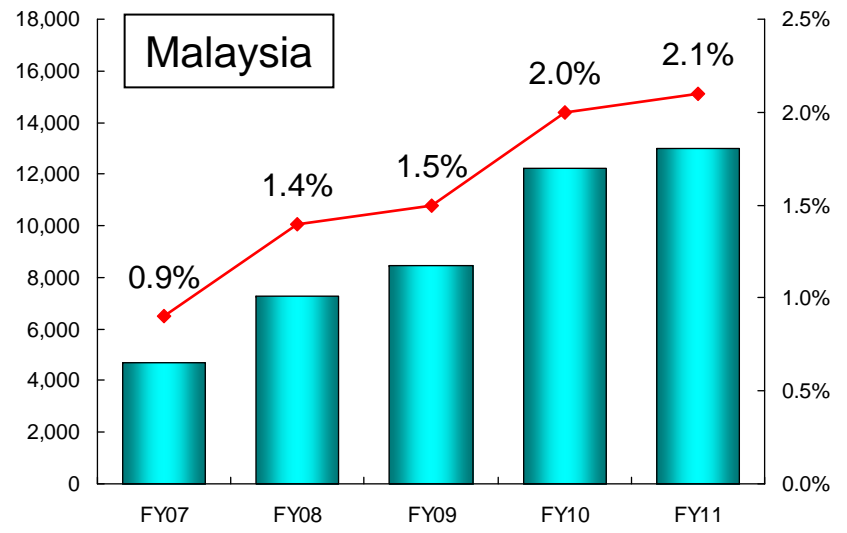
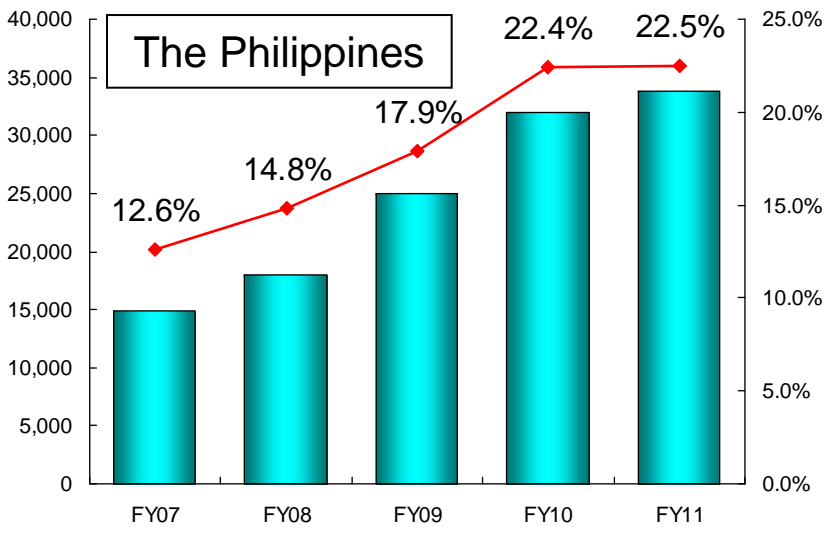
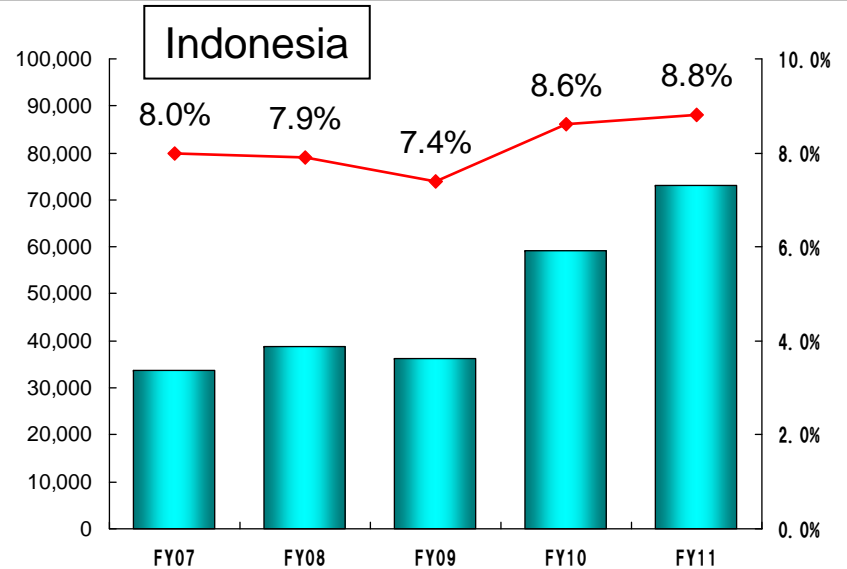
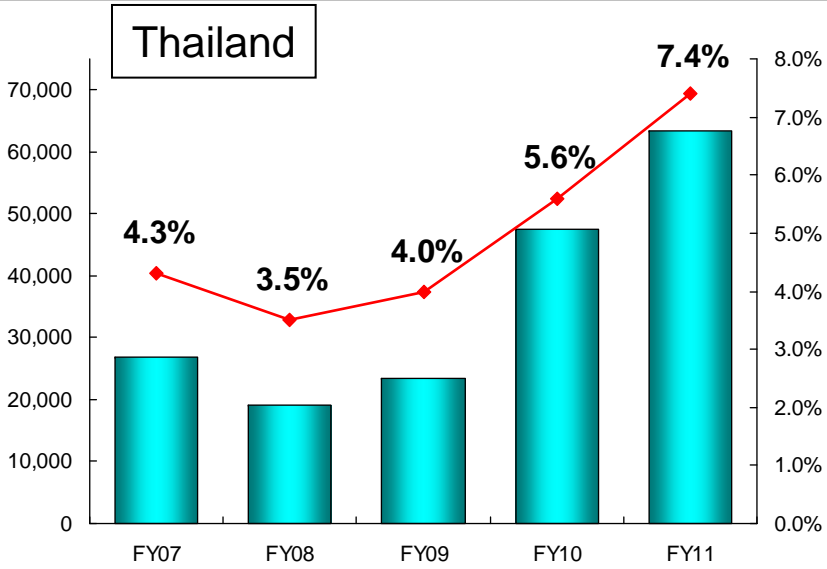


Notes: 1. Total demand data source: Global Insight, June 2011 edition.

2. Figures shown are summed total of Thailand, Indonesia, the Philippines, Malaysia, and Vietnam.

3. PC+LCV total (excludes trucks and buses)

# 1. Emerging markets: MMC sales and shares in major ASEAN countries



**MMC market share of ASEAN major 5 countries total (including Vietnam)**

- FY2010 : 6.5%
- FY2011 to date (April to August) : 8.8%

# 1. Emerging markets: Production sites in the ASEAN region (as of Sep 2011)

**Models for exports + sale in home market**

**Models for sale in home market**

**Thailand**



**Vietnam**



**The Philippines**



**Malaysia**



**Indonesia**



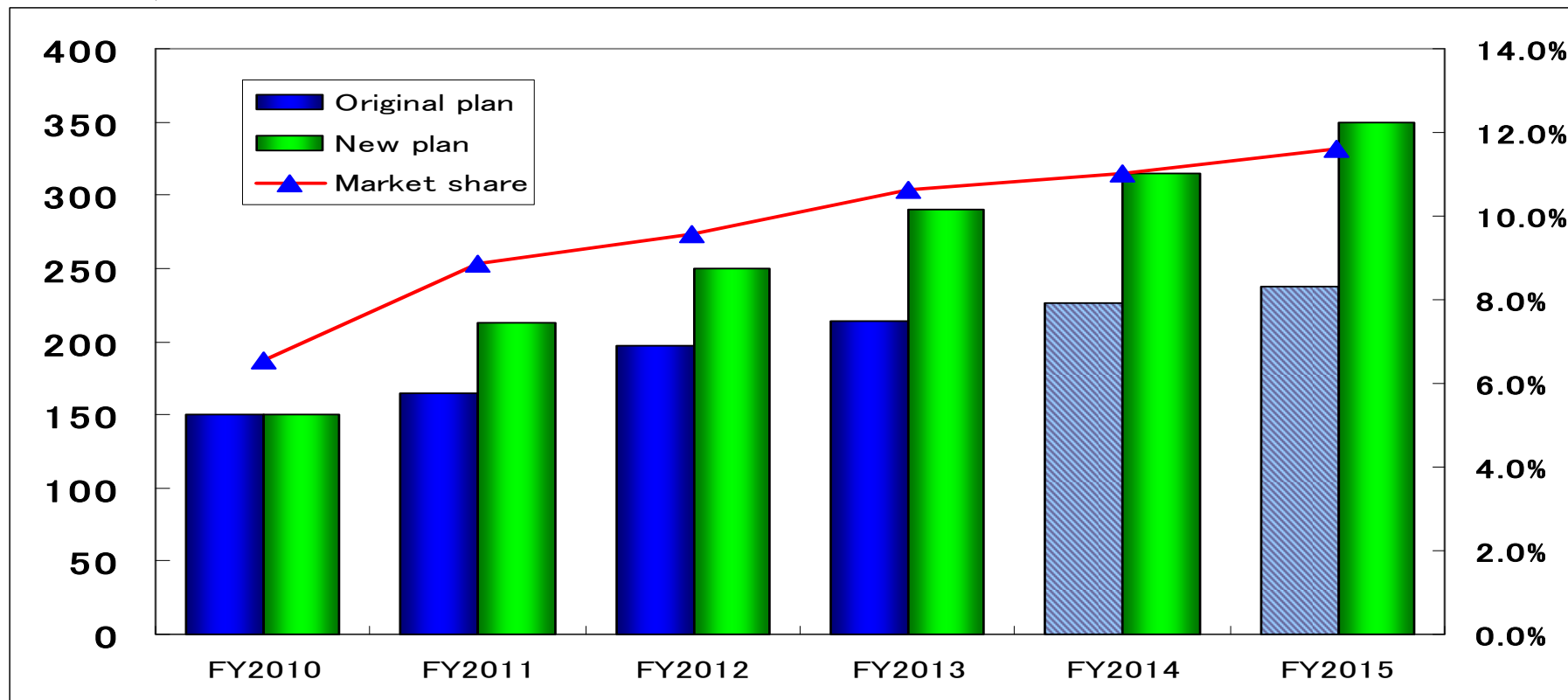
- Production sites and partners covering all ASEAN major 5 countries.
- Thailand positioned as global hub for exports.
- In other countries, models for each domestic markets are being produced.

## **2. Growth strategy in the ASEAN region**



## 2. Growth strategy in ASEAN: New target of 12% market share set

**New target set : To achieve sales volume of 360,000 units and market share of 12% in ASEAN major 5 countries in FY2015**

(thousand units)



Notes:

- 1) Planned sales volume of ASEAN major 5 countries (aggregated)
- 2)  Originally planned figures reflected in "JUMP 2013" (figures for 2014/15 are tentative)
- 3)  Newly planned target figures as of Sep 2011
- 4) Line chart : newly planned target market share of ASEAN major 5 countries (aggregated)

## 2. Growth strategy in ASEAN: 12 challenges to achieve the new target



### 1. Strengthening of Thailand production business

- ① Production of “Global Small”: from March 2012
- ② Commissioned production: FY2012 / 1st half
- ③ Expansion of production capacity at factory #1 & #2: FY2012 / 1st half

### 2. Enhancement of local production

- ④ Compact SUV in Indonesia and Malaysia: FY2012 / 1st half
- ⑤ *Pajero Sport* in Vietnam: started in Aug 2011
- ⑥ “Global Small” in Vietnam (under study): FY2013 / 2nd half
- ⑦ Strengthen functions of ATC in the Philippines: FY2013 / 1st half
- ⑧ *Pajero Sport* in Bangladesh: started in Aug 2011
- ⑨ Small size sedan in Bangladesh (under study): FY2013 / 2nd half
- ⑩ *Pajero Sport* in India (under preparation): FY2012 / 1st half

### 3. Expansion of collaboration with Proton

- ⑪ Production of MMC-brand vehicles at Proton’s facility: FY2013 / 1st half
- ⑫ Provision of Malaysia-made components (engines, etc.): FY2013 / 1st half  
(To & outside ASEAN region)



MITSUBISHI Concept Global Small

### **3. Strengthen Thailand production business**

### 3. Strengthen Thai production business: Addition of “Global Small”



Current local production models



New local production model to be introduced



Concept “Global Small”

### 3. Strengthen Thai production business: Increasing production capacity



#### Production capacity increasing plan at MMTh

(thousand units)

	FY2010			FY2013		Capacity increase
	Models	Units	Production capacity	Models	Production capacity	
Factory #1	Pajero Sport Lancer, etc	64	64	MMC models	20	+16
				Commission	60	
Factory #2	Triton	134	150	Triton Pajero Sport	230	+80
Factory #3				"Global Small"	150	+150
BU Total	MMC models	198	214	MMC models	400	+246
				Commission	60	
				Total	460	
KD		28	30		63	+33
Grand total		226	244		523	+279

**【BU production capacity increasing plan by factories】**

Factory #1: 64,000 units ⇒ 80,000 units + 16,000 units / year

Factory #2: 150,000 units ⇒ 230,000 units + 80,000 units / year

Factory #3: + 150,000 units / year

**BU Total: 214,000 units ⇒ 460,000units +246,000 units / year**

### 3. Strengthen Thai production business: Construction of factory #3

#### Progress of the construction of factory #3 (as of Sep 2011)



- Preparation on track.
- SOP of “Global Small” set at March 2012.

#### Welding line



#### Assembling line



## **4. Enhance local production in the ASEAN region**

## 4. Enhance local production in the ASEAN region: Indonesia

Local production of compact SUV under deliberation to respond to growing demand for passenger vehicles. Planned SOP timing: FY2012 / 1st half.

### MMC model local production sites



MKM: P. T. Mitsubishi Krama Yudha Motors and Manufacturing (sheet-metal works, engines, T/Ms)



KRM: P. T. Krama Yudha Ratu Motor (vehicle assembling)

### Current local production models



L300



T-120

+



Compact SUV

## 4. Enhance local production in the ASEAN region: Malaysia

Local production of compact SUV at Proton under deliberation.  
Planned SOP timing: FY2012 / 1st half



PROTON: Sha Alam factory

- Proton's INSPIRA, produced under license from MMC, shares the same platform with MMC's compact SUV.
- Production efficiency to be pursued by using the same assembly line which currently is producing INSPIRA.



Proton INSPIRA

+



Compact SUV

## 4. Enhance local production in the ASEAN region: Vietnam

Expand business by adding locally produced models.



VSM: Vina Star Motors Corporation

Current local  
production model

Newly added local  
production model  
SOP: Aug 2011

Addition of “Global Small”  
from FY 2013 / 2<sup>nd</sup> half  
currently under study



*Zinger*

+



*Pajero Sport*

+



Concept “Global Small”

## 4. Enhance local production in the ASEAN region: the Philippines (1)

Strengthen sales competitiveness by adding new variation to the current local production model.



Add new engine displacement model (1.6L model) to locally produced *Lancer EX* from Dec 2011.



MMPC: Mitsubishi Motors Philippines Corp.  
ATC : Asian Transmission Corporation



*L300*



*Adventure*



*Lancer EX*

## 4. Enhance local production in the ASEAN region: the Philippines (2)

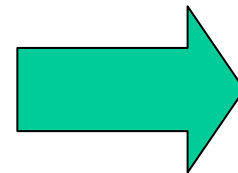
Strengthen the function of ATC, MMPC's affiliate transmission manufacturing and engine assembling company in the Philippines, as a component provider centering on transmissions in the ASEAN region.



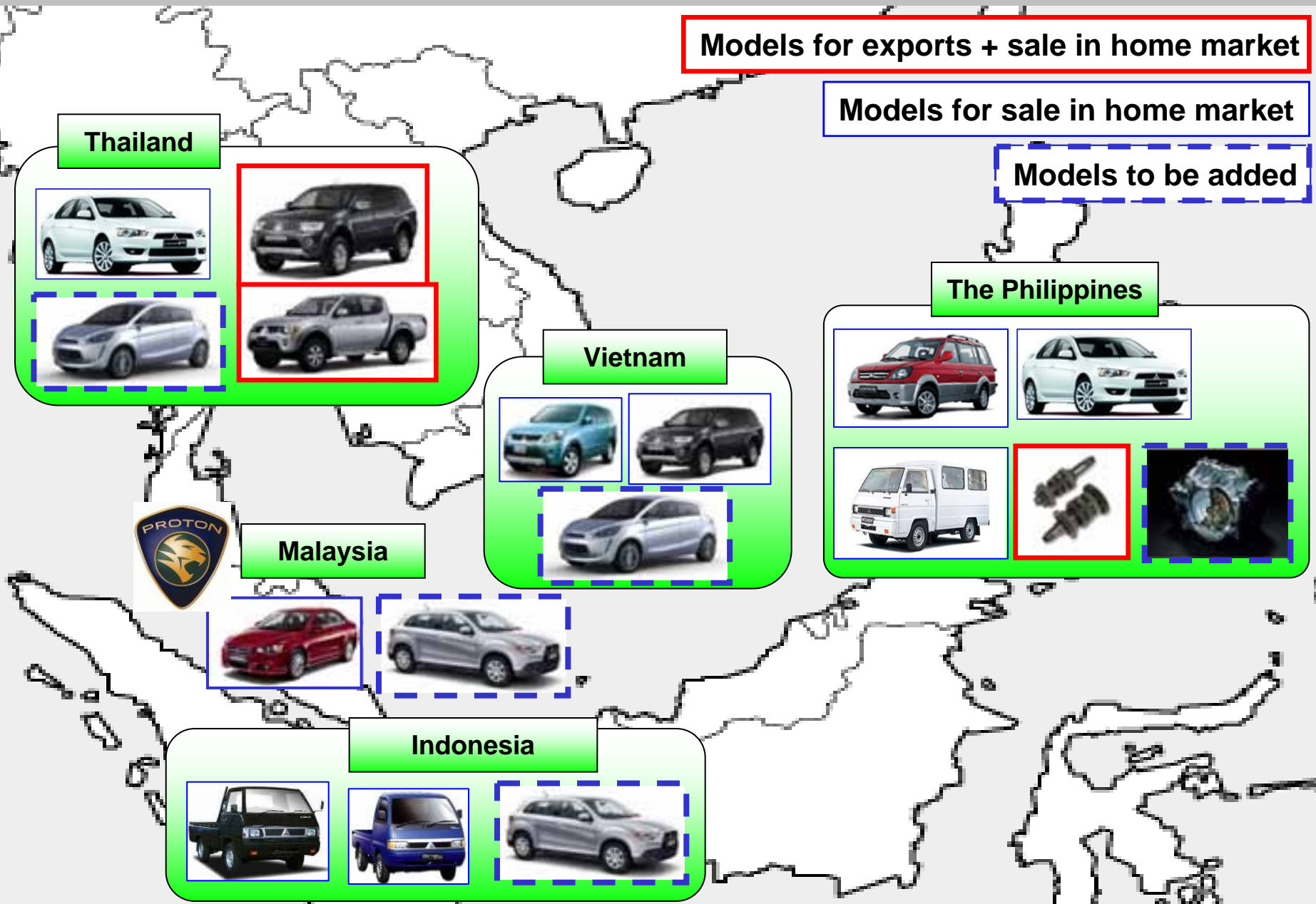
- ATC currently produces transmission parts such as gears, and exports them to Japan and ASEAN countries.
- It also does transmission/engine assemblies.



- Production & assembling of next generation transmission, as well as exporting them including their parts to Japan and ASEAN countries are now under study.



# 4. Enhance local production in the ASEAN region: Addition of local production models and components



# 4. Enhance local production in the ASEAN region: India & Bangladesh



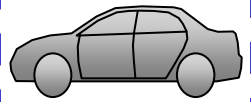
Models for sale in home market

Models to be added

India



Bangladesh



National car (sedan)

## **5. Expand collaboration with Proton**

### Formulation of a new collaborative relationship

The collaborative items being considered between the two parties are set to cover areas and activities such as:

- **Joint production of engines in Malaysia**
- **Consignment production of MMC-brand vehicles at Proton facilities**
- **Sharing of major parts and components between MMC's "Global Small", which is to be launched next March starting in Thailand, and Proton's upcoming "Global Small Car"**
- **Provision of MMC's future technologies such as electric, plug-in hybrid and hybrid vehicle technology**

The collaboration aims to provide yet another win-win relationship where MMC will be able to expand its presence in the ASEAN market while Proton will be able to also expand its model line-up and make effective use of its production facilities.

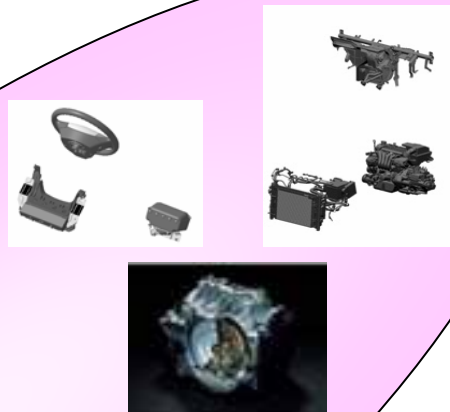
## 5. Expand collaboration with Proton: Sharing of major parts & components

### Sharing of major parts and components of the all-new small passenger vehicles respectively being developed by MMC and Proton

MMC and Proton will pursue cost merit by sharing engines, transmissions and other major components between MMC's "Global Small" and Proton's "Global Small Car".



MMC Concept "Global Small"



Proton EMAS (from 2010 Geneva Auto Salon)

## 5. Expand collaboration with Proton: Joint production in Malaysia

### Joint production of engines and vehicles in Malaysia

Promote localization of MMC engines, as well as utilization of Proton's existing production capacity for MMC-brand vehicle assembly.

- ➔ Enhance competitiveness and expand sales volume of MMC vehicles in Malaysian market through cost merits and tax merits to be received from engine localization.
- ➔ Control new capital investment through utilization of Proton's existing production facility as MMC's second production hub in ASEAN region after Thailand.
- ➔ Reduce foreign exchange risk through expanding collaboration with Proton.



#### Joint engine production

Deliberate provision of engines to Thailand and other countries



#### Production of MMC-brand vehicles at Proton's facility

- Expand sales in Malaysian market
- Deliberate exports to outside Malaysia



Proton: Tanjung Malim factory

**6. Achieve 12% market share in ASEAN major 5 countries through local production enhancement**

**- ASEAN Challenge 12 -**

# 6. "ASEAN Challenge 12"

**Models for exports + sale in home market**

**Models for sale in home market**

**Thailand**



**Vietnam**



**The Philippines**



**Malaysia**



**Progress from FY2011**

- Addition of "Global Small"
- Provision of engines/vehicles from Malaysia
- Components provision from the Philippines
- Addition of local production models in each countries

**Indonesia**



**Targets to be reached in FY2015**  
Achieve unit sales volume of 360,000 units and market share of 12% in ASEAN major 5 countries.

**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.**

**Potential risks and uncertainties are not limited to the above and MMC is not under any obligation to update the information in this presentation to reflect any developments or events in the future.**

**If you are interested in investing in Mitsubishi Motors, you are requested to make a final investment decision at your own risk, taking the foregoing into consideration. Please note that neither Mitsubishi Motors nor any third party providing information shall be responsible for any damage you may suffer due to investment in Mitsubishi Motors based on the information shown in this presentation.**

Drive@earth



**MITSUBISHI MOTORS**