Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
Hong Kong, May 21, 2004

Mitsubishi Motors Corporation

Financial Results for FY2003
Business Revitalization Plan

Mitsubishi Motors Corporation

May 21, 2004
We pay our deepest respects to the spirit of the two victims who died as result of the wheel detachment accident that occurred in January 2002, and of the propeller shaft separation that occurred in October 2002. We also apologize to their families. Apologies go out to all others who have been affected by these tragedies as well as the general public.

MMC promises to go back to the basics of placing top on customers, safety and quality priority, and to change our corporate culture and increase transparency, thereby restoring our company into an organization that everyone can trust.

* Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
Financial Results for FY2003

Keiichiro Hashimoto, CFO

* Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
FY03 Summary

- Operating result in line with previous forecast
- Reversal of all of US and Japan deferred tax assets led to FY03 net loss far below previous forecast

Reversal of deferred tax assets

- Provided certain conditions are met, deferred tax assets can be booked based on projections for the next 5 years, and we had been followed this practice.
- In countries where a negative taxable income is expected in FY04, following on from FY03, we judged that the valuation of deferred tax assets should be conservative.
- In FY03, we reversed all of our US and Japan deferred tax asset (i.e. approx. 140 billion yen). (non-cash items)

* Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
## FY03 Summary of Financial Results

<table>
<thead>
<tr>
<th>(JPY 100M)</th>
<th>FY02 Actual</th>
<th>FY03 Actual</th>
<th>FY03 Feb 19 FC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>27,362</td>
<td>25,194</td>
<td>24,700</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>840</td>
<td>-969</td>
<td>-1,050</td>
</tr>
<tr>
<td><strong>Ordinary Profit</strong></td>
<td>674</td>
<td>-1,103</td>
<td>-1,150</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>439</td>
<td>-2,154</td>
<td>-720</td>
</tr>
<tr>
<td><strong>Exchange Rate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( \text{US $} )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( \text{JPY 123 /US $} )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( \text{JPY 117 /Euro} )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( \text{JPY 115 /US $} )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( \text{JPY 130 /Euro} )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( \text{JPY 117 /US $} )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( \text{JPY 129 /Euro} )</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Incl. truck & bus operations  2) FY02 numbers exclude the impact of change to account period of overseas subsidiaries.

*Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.*
FY03 Unit Sales by Region

Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
FY03 Net Sales by Region

1) Net sales Jan-December, 02
2) FY02 excludes net sales of truck & bus operations.

Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
### FY03 Operating Profit by Region

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>Europe</th>
<th>North America</th>
<th>Asia &amp; RoW</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2H</td>
<td>1H</td>
<td>1H</td>
<td>1H</td>
<td>1H</td>
</tr>
<tr>
<td>FY02</td>
<td>-548</td>
<td>-206</td>
<td>-111</td>
<td>696</td>
<td>840</td>
</tr>
<tr>
<td></td>
<td>-120</td>
<td>-147</td>
<td>-93</td>
<td>255</td>
<td>-205</td>
</tr>
<tr>
<td></td>
<td>-668</td>
<td>-353</td>
<td>-204</td>
<td>330</td>
<td>-969</td>
</tr>
<tr>
<td>FY03</td>
<td>-204</td>
<td>(+439)</td>
<td>(-2,490)</td>
<td>623</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(+315)</td>
<td>(+439)</td>
<td>(-2,490)</td>
<td>623</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-204</td>
<td>(-2,490)</td>
<td>623</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>1H</td>
<td>1H</td>
<td>1H</td>
<td>1H</td>
<td>1H</td>
</tr>
<tr>
<td>FY02</td>
<td>-1,040</td>
<td>397</td>
<td>-1,474</td>
<td>293</td>
<td>-764</td>
</tr>
<tr>
<td></td>
<td>-434</td>
<td>235</td>
<td>(-73)</td>
<td>255</td>
<td></td>
</tr>
<tr>
<td>FY03</td>
<td>-1,474</td>
<td>619</td>
<td>-764</td>
<td>330</td>
<td></td>
</tr>
<tr>
<td>FY02</td>
<td>1,016</td>
<td>152</td>
<td>-205</td>
<td>330</td>
<td></td>
</tr>
<tr>
<td>FY03</td>
<td>(-353)</td>
<td>85</td>
<td>(-969)</td>
<td>-205</td>
<td></td>
</tr>
<tr>
<td>FY02</td>
<td>-668</td>
<td>-120</td>
<td>-204</td>
<td>-2,490</td>
<td></td>
</tr>
<tr>
<td>FY03</td>
<td>(+315)</td>
<td>(+439)</td>
<td>(-2,490)</td>
<td>623</td>
<td></td>
</tr>
<tr>
<td>FY02</td>
<td>-548</td>
<td>-206</td>
<td>-111</td>
<td>696</td>
<td></td>
</tr>
<tr>
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</tr>
<tr>
<td>FY02</td>
<td>-668</td>
<td>-353</td>
<td>-204</td>
<td>330</td>
<td></td>
</tr>
<tr>
<td>FY03</td>
<td>(+439)</td>
<td>(+439)</td>
<td>(-2,490)</td>
<td>623</td>
<td></td>
</tr>
<tr>
<td>FY02</td>
<td>-204</td>
<td>-204</td>
<td>(-2,490)</td>
<td>623</td>
<td></td>
</tr>
<tr>
<td>FY03</td>
<td>(+315)</td>
<td>(+315)</td>
<td>(-2,490)</td>
<td>623</td>
<td></td>
</tr>
</tbody>
</table>

1) Operating profit Jan-December, 02
2) FY02 excludes operating profit of truck & bus operations.

Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
## FY03 Regional Performance

### Consolidated (JPY 100M)

<table>
<thead>
<tr>
<th></th>
<th>FY02 Actual</th>
<th>FY03 Actual</th>
<th>Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Japan</td>
<td>5,477</td>
<td>6,212</td>
<td>+735</td>
</tr>
<tr>
<td>- Europe</td>
<td>5,840</td>
<td>6,620</td>
<td>+780</td>
</tr>
<tr>
<td>- North America</td>
<td>9,876</td>
<td>6,008</td>
<td>-3,868</td>
</tr>
<tr>
<td>- Asia &amp; RoW</td>
<td>6,169</td>
<td>6,354</td>
<td>+185</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>27,362</td>
<td>25,194</td>
<td>-2,168</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Japan</td>
<td>-668</td>
<td>-353</td>
<td>+315</td>
</tr>
<tr>
<td>- Europe</td>
<td>-204</td>
<td>+235</td>
<td>+439</td>
</tr>
<tr>
<td>- North America</td>
<td>+1,016</td>
<td>-1,474</td>
<td>-2,490</td>
</tr>
<tr>
<td>- Asia &amp; RoW</td>
<td>+696</td>
<td>623</td>
<td>-73</td>
</tr>
</tbody>
</table>

1) Net sales and operating profit Jan-December, 02
2) FY02 excludes operating profit of truck & bus operations.

*Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.*
Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.

Deviation analysis of Operating Result for FY03

Difference: -1,809 oku-yen

-1,666
840

Japan: +39
Europe: +184
North America: -1,732
Asia & RoW: -157

-383
+5
+44
+398
-100
-107
-969

Volume / Mix
Price
Incentive / Advertis.
Forex
Material Cost, etc
MMCA loss reserve
Others

FY02
FY03

* Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
## FY03 Non-ordinary, Extraordinary and Tax related Items

<table>
<thead>
<tr>
<th>(JPY 100M)</th>
<th>FY02 Actual</th>
<th>FY03 Actual</th>
<th>FY03 Feb 19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Profit</strong></td>
<td>+840</td>
<td>-969</td>
<td>-1,050</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>-166</td>
<td>+251</td>
<td></td>
</tr>
<tr>
<td>Non-operating expense</td>
<td></td>
<td>-385</td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary Profit</strong></td>
<td>+674</td>
<td>-1,103</td>
<td>-1,150</td>
</tr>
<tr>
<td>Extraordinary profit</td>
<td>-3</td>
<td>+465</td>
<td></td>
</tr>
<tr>
<td>Extraordinary loss</td>
<td></td>
<td>-134</td>
<td></td>
</tr>
<tr>
<td><strong>Income before tax</strong></td>
<td>+671</td>
<td>-771</td>
<td></td>
</tr>
<tr>
<td>Minority Interest, Taxes</td>
<td>-232</td>
<td>-1,383</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>+439</td>
<td>-2,154</td>
<td>-720</td>
</tr>
</tbody>
</table>

FY02 numbers exclude the impact of change to account period of overseas subsidiaries as well as truck & bus operations.

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Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
What happened in 2004?

February
- Preparation of new mid-term business plan with support of DC
- Discussion for potential equity increase among DC and 3 Mitsubishi group companies

April
- DC announcement to cease further financial support
- Announcement by 3 Mitsubishi group companies to continue to support MMC
- Resignation of Rolf Eckrodt as President & CEO
- Establishment of 40-member revitalization team, in cooperation with 3 Mitsubishi group companies, to start drawing up the Revitalization Plan
- Yoichiro Okazaki to become Chairman, President & CEO

May
- Announcement of Business Revitalization Plan

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Confronting crisis

Turnaround far below targeted profit level

Credibility collapsed due to inappropriate response to recalls

This is our last chance

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Self revitalization

All employees to unite strength to revitalize MMC on our own

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Outline of MMC Revitalization Plan

1. Management transformation
   - Restoration of credibility
   - Complete execution of reform

2. Commitment

3. Transformation of cost structure

4. Product strategy

5. Regional strategy

6. DC Alliance

7. Financial targets

* Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
Organization to complete management transformation (two ‘external eyes’)

- Establish corporate ethics with external supervision
- Decisive step to realize business revitalization through equity injection from 3rd party

1) Phoenix Capital

*Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.*
Restoration of credibility

- Business Ethics Committee to supervise CSR Promotion Office under public scrutiny
- Consolidate quality assurance/control function into Quality Assurance Office
- CSR Promotion Office to constantly audit Quality Assurance Office and lead improvement

* Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
Complete execution of reforms

- Corporate Restructuring Officer (to be sent from Phoenix Capital) to define drastic restructuring measures from shareholders’ viewpoint
  - Cross functional activities consist of younger members to break through stereotypes
- Head of each operation function to be responsible for implementation
- Each operation function to be responsible for regional profit/loss

* Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
Simple organization

Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.

Number of executives

<table>
<thead>
<tr>
<th></th>
<th>FY03 E</th>
<th>FY04 E(FC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of executives</td>
<td>51</td>
<td>37</td>
</tr>
</tbody>
</table>

Number of departments

<table>
<thead>
<tr>
<th></th>
<th>FY03 E</th>
<th>FY04 E(FC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of departments</td>
<td>230</td>
<td>150</td>
</tr>
</tbody>
</table>
Outline of MMC Revitalization Plan

1. Management transformation
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Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.

Achievement of the goals by a V-shaped recovery

- Cost structure transformation
- Return to growth
- Positive ordinary profit
- Positive net income

Note: The above commitment is premised on the implementation of the initiatives in the current Revitalization Plan.
Outline of MMC Revitalization Plan

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Drastic transformation of cost structure

Radical reduction of fixed costs
  - Reduction of production capacity
  - Headcount reduction

Drastic reduction of material costs which covers significant portion of variable costs

Other cost reduction opportunities
  - Consolidation of platforms
  - US sales financing Business
  - Relocation of HQ functions to Kyoto

* Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
### Transformation of cost structure

<table>
<thead>
<tr>
<th></th>
<th>Targets</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of</td>
<td>-17%</td>
<td>FY06</td>
</tr>
<tr>
<td>Production capacity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headcount reduction</td>
<td>-30%</td>
<td>FY06</td>
</tr>
<tr>
<td></td>
<td>(7,600 FTE)</td>
<td></td>
</tr>
<tr>
<td>Material cost</td>
<td>-15%</td>
<td>FY06</td>
</tr>
<tr>
<td>reduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platform consolidation</td>
<td>15 → 6</td>
<td>FY10</td>
</tr>
</tbody>
</table>

*Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.*
### Transformation of cost structure

<table>
<thead>
<tr>
<th></th>
<th>FY2004</th>
<th>FY2005</th>
<th>FY2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed cost reduction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production capacity</td>
<td>140 oku-yen</td>
<td>540 oku-yen</td>
<td>850 oku-yen</td>
</tr>
<tr>
<td>Indirect headcount</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platforms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Variable cost reduction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material cost</td>
<td>410 oku-yen</td>
<td>990 oku-yen</td>
<td>1,540 oku-yen</td>
</tr>
<tr>
<td>Sales expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*(vs. FY03)*

*Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.*
Reduction of production capacity

- Consolidate 3 domestic plants into 2
- Study production capacity adjustment of MMNA (US)
- Close MMAL (Australia) engine plant in FY05

* Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
**Reduction of production capacity: Japan**

**Current problems**
- Excess production capacity in Japan
  - Annual capacity: 900,000 units
  - FY04 production plan: 700,000 units

**Revitalization Plan**
- Close assembly line in Okazaki by FY06
  - Aging backbone facility
  - No large-SUV facility
  - 5 billion yen fixed cost saving per year

- PMC
- Okazaki
- Mizushima

*Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.*
Reduction of production capacity: Australia

Current problem

- Low utilization due to lower export and domestic sales
  - Excess production capacity
    - Capacity 62,000 units
    - FY03 actual 32,000 units
  - Aging models (past 8 years)

Revitalization Plan

- Close engine plant in FY05
- Downsize assembly plant to 30,000 units
  - Fixed cost reduction by restructuring
  - Sales expansion through Magna successor in FY05

Engine plant (Lonsdale)

Assembly plant (Tonsley)

Downsize

- Close
- Import engine from Japan

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Headcount reduction

Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.

Indirect labor: 30%

Total: 22%
Material cost reduction

**Past**
- **[Reduction of Direct materials]**
  - Cross functional activities focusing on parts

**Revitalization Plan**
- Additional initiatives focusing on models
  - Dedicated design team
  - Examination of drawings
  - Review specification and equipment
  - Tear down
  - Reduce number of variety, Parts commonization
- Global sourcing
- Cross functional activities overseas
- Die cost reduction
- Collaborative effort across organization/geography

**Financial Effect**

<table>
<thead>
<tr>
<th></th>
<th>FY04 (FC)</th>
<th>FY05 (Target)</th>
<th>FY06 (Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(JPY 100M)</strong></td>
<td>360</td>
<td>750</td>
<td>1200</td>
</tr>
</tbody>
</table>

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Platform integration

Current 15 P/F → 6 P/F 2010 Target

A-seg.
- Minica, eK Wagon
- minicab
- Pajero Mini

New generation mini P/F

B-seg.
- Colt

Small FF P/F

C-seg.
- Lancer

Mid-size FF P/F

D-seg.
- Grandis
- Galant
- Eclipse
- Diamante

Full-size FF P/F

SUV
- Pajero io
- Pajero
- Freeca
- L200 Strada

FR SUV P/F

Com
- Space Gear
- Delica

Commercial FR P/F

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### Issues of US sales financing business

- Significant credit loss
- Rapid growth of total assets serviced
- Increased complexity in the total portfolio
- Insufficient staffing
- Increase in funding cost

### Revitalization Plan

- Review of captive sales financing business
- Continue framework to provide competitive sales financing products to customers and dealers
- Run off existing portfolio
- Potential strategic alliance with external parties

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Consolidation of HQ function to production location

- Bring back functions which should be at work sites
- Realize small HQ utilizing existing resources at a maximum
- Potential reduction of 30% headcount, approx. 2 billion yen annual saving of running costs

<table>
<thead>
<tr>
<th>Present</th>
<th>FY06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shinagawa (1,400)</td>
<td>Tokyo (100)</td>
</tr>
<tr>
<td>Okazaki (200)</td>
<td>Kyoto (700)</td>
</tr>
</tbody>
</table>

*HQ relocation*

( ): headcount

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Outline of MMC Revitalization Plan

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7. Financial target

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Return to “MMC DNA car” (SUV: Pajero, Sporty: Lancer Evolution)
Revival plan of “MMC DNA”

<table>
<thead>
<tr>
<th>Year</th>
<th>CY04</th>
<th>CY05</th>
<th>CY06</th>
<th>CY07</th>
<th>CY08</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;SUV”DNA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Sporty”DNA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology DNA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MMC engine</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aluminum block + MIVEC</td>
<td>World Engine</td>
<td>New mini engine</td>
<td>High-efficiency TURBO</td>
<td>Next GDI</td>
<td>MIVEC</td>
</tr>
<tr>
<td>MMC chassis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Next age suspension</td>
<td>All wheel control (S-AWC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MMC packaging</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comfortable SUV</td>
<td>New minicar platform</td>
<td>4WD mono-box</td>
<td>MR SUV</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) to be mounted in CY06

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Introduction of Product Executive (PX)

Model-specific Product Executive (PX) takes charge of end-to-end product lifecycle from product planning, styling, development, improvement down through quality follow-up.

Current
- Pre-development design staff

PX
- Product planning/styling
- Development & production
- Sales
- Customers

Current
- Pre-development design staff

“Produce”
- Design
- Technology
- Cost
- Quality

“Sell”
- Product planning
- Development
- Purchasing
- Production
- Quality

Sales planning
- Advertising
- Sales structure

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Aggressive introduction of “MMC DNA” Models

<table>
<thead>
<tr>
<th></th>
<th>FY00-FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY04-FY07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td></td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Models</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Models</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Models</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Models</td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Models</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Models</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Models</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Models</td>
</tr>
</tbody>
</table>

New Products

Full model change

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Outline of MMC Revitalization Plan

1. Management transformation
   - Restoration of credibility
   - Complete execution of reform

2. Commitment

3. Transformation of cost structure

4. Product strategy

5. Regional strategy

6. DC Alliance

7. Financial target

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Japan: Product offensive based on “MMC DNA”, close communication to 3.6 million users

<table>
<thead>
<tr>
<th>Model</th>
<th>Current problem</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“OEM with no attractive car”</td>
</tr>
<tr>
<td></td>
<td>Unfocused / follower model</td>
</tr>
<tr>
<td></td>
<td>Loss of consumer confidence caused by lack of appropriate actions at product recalls</td>
</tr>
</tbody>
</table>

| Sales   | Loss of strength at dealers                                                      |

Negative spiral toward low revenue

<table>
<thead>
<tr>
<th>Revitalization Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Rapid fire” of customer focused, MMC DNA vehicles</td>
</tr>
<tr>
<td>FY04: 1, FY05: 2 models</td>
</tr>
<tr>
<td>Accelerate CRM</td>
</tr>
<tr>
<td>Thorough contact to MMC customers</td>
</tr>
<tr>
<td>Call Center</td>
</tr>
<tr>
<td>Free inspection / 24H call support</td>
</tr>
<tr>
<td>Customer follow-up utilizing IT infrastructure</td>
</tr>
<tr>
<td>Accelerate outlet renewal</td>
</tr>
<tr>
<td>Sharing dealer best practice</td>
</tr>
<tr>
<td>Shift sub-dealer to satellite shops</td>
</tr>
</tbody>
</table>

Return to customer centric sales cycle

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### Current Problems

- **High cost structure due to excess capacity**
- **Volume ÷ Adverse effect due to increase fleet**
  - Lower residual value
  - Higher incentives
- **Volume ÷ High dependency on sales finance**
  - Inadequate risk control, huge loss mainly due to risky products

### Revitalization Plan

- **Production capacity adjustment**
- **Lower fleet business**
  - Maintain residual value
  - Lower incentives
- **Introduction of special action models**
- **New products: FY05:3 models**
- **Appropriate risk control**
- **Downsize managed portfolio**
- **Keep service level by leveraging outside partner**

---

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**US: Size adjustment for profitability**

*Negative spiral toward low revenue*  
*Return to demand-supply balanced business*
China: Pursuit of profit at high growth market

- Conversion of JV’s production and sales channel into MMC brand through increased equity
  - Enlarged profit and stable operation through tighter control of JV
- Reinforcement of product line-up by introduction of new cars / Asian cars
- Transformation of Engine / Transmission JV into the Hub of parts supply for Asia

*Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.*
### Volume by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>FY01</th>
<th>FY02</th>
<th>FY03</th>
<th>FY04 (FC)</th>
<th>FY05 (Target)</th>
<th>FY06 (Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>467</td>
<td>467</td>
<td>443</td>
<td>354</td>
<td>346</td>
<td>373</td>
</tr>
<tr>
<td>N. Asia</td>
<td>113</td>
<td>179</td>
<td>238</td>
<td>306</td>
<td>340</td>
<td>424</td>
</tr>
<tr>
<td>NA</td>
<td>357</td>
<td>343</td>
<td>273</td>
<td>233</td>
<td>258</td>
<td>292</td>
</tr>
<tr>
<td>Europe</td>
<td>207</td>
<td>200</td>
<td>214</td>
<td>260</td>
<td>223</td>
<td>254</td>
</tr>
<tr>
<td>Japan</td>
<td>405</td>
<td>354</td>
<td>359</td>
<td>300</td>
<td>336</td>
<td>363</td>
</tr>
</tbody>
</table>

1) Unit decrease in Other area after 04 is mainly caused by elimination of vehicle for Malaysia Proton T/M

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7. Financial target

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### Ongoing main DC Alliance will continue

<table>
<thead>
<tr>
<th>Ongoing main DC alliance</th>
<th>Future direction of alliance</th>
<th>A direction of alliances on future issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint development &amp; production of a platform of B seg. (Colt class) (EU)</td>
<td>Continue</td>
<td>Each issue of future alliances will be gone through on economical rationality</td>
</tr>
<tr>
<td>Joint development &amp; production of world engines (North America)</td>
<td>Continue</td>
<td></td>
</tr>
<tr>
<td>Joint development of platforms of C seg. (Lancer class) (North America)</td>
<td>Continue</td>
<td></td>
</tr>
<tr>
<td>OEM of pick-up trucks from Chrysler (North America)</td>
<td>Continue</td>
<td></td>
</tr>
</tbody>
</table>

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Outline of MMC Revitalization Plan

1. Management transformation
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   - Complete execution of reform

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7. Financial targets

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Transformation of cost structure by the Revitalization Plan

Deviation analysis of operating result (FY03 to FY06)

FY03
-969 oku-yen

FY04(FC)
-1,200 oku-yen

FY05(Target)
200 oku-yen

FY06(Target)
1,200 oku-yen

Headcount reduction,
adjustment production,
expenditure cut etc.

R&D investment etc.

(+) Headcount reduction,
adjustment production,
platform integration etc.

(-) R&D investment etc.

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# Financial target (P/L)

<table>
<thead>
<tr>
<th></th>
<th>FY03 actual</th>
<th>FY04 Forecast</th>
<th>FY05 target</th>
<th>FY06 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>25,194</td>
<td>22,500</td>
<td>21,800</td>
<td>24,900</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>-969</td>
<td>-1,200</td>
<td>200</td>
<td>1,200</td>
</tr>
<tr>
<td>(Operating profit margin)</td>
<td>(-3.8%)</td>
<td>(-5.3%)</td>
<td>(0.9%)</td>
<td>(4.8%)</td>
</tr>
<tr>
<td><strong>Ordinary profit</strong></td>
<td>-1,103</td>
<td>-1,500</td>
<td>30</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>-2,154</td>
<td>-2,300</td>
<td>100</td>
<td>700</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Interest bearing debt (Gross)</th>
<th>Target</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>-40% or more (vs. FY03)</td>
<td></td>
<td>FY06</td>
</tr>
</tbody>
</table>

| Debt equity ratio             | Less than 2.5 | FY06     |

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Support: Equity enhancement measures

<table>
<thead>
<tr>
<th>Equity increase</th>
<th>4,500 oku-yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsubishi Gr.</td>
<td>2,700 oku-yen</td>
</tr>
<tr>
<td>[Preferred stock (w/ compulsory conversion right):]</td>
<td></td>
</tr>
<tr>
<td>Mitsubishi Heavy Industry</td>
<td></td>
</tr>
<tr>
<td>Mitsubishi Corporation</td>
<td></td>
</tr>
<tr>
<td>Bank of Tokyo Mitsubishi</td>
<td></td>
</tr>
<tr>
<td>Other Mitsubishi companies</td>
<td></td>
</tr>
<tr>
<td>[Preferred stock (debt equity swap):]</td>
<td></td>
</tr>
<tr>
<td>1,400 oku-yen</td>
<td></td>
</tr>
<tr>
<td>Bank of Tokyo Mitsubishi</td>
<td></td>
</tr>
<tr>
<td>Mitsubishi Trust Bank</td>
<td></td>
</tr>
<tr>
<td>China Motors (CMC)</td>
<td>100 oku-yen</td>
</tr>
<tr>
<td>Private placement</td>
<td>1,700 oku-yen</td>
</tr>
<tr>
<td>[Common stock: 700 oky-yen] (Note 1)</td>
<td></td>
</tr>
<tr>
<td>Phoenix Capital</td>
<td></td>
</tr>
<tr>
<td>[Preferred stock: 1,000 oku-yen]</td>
<td></td>
</tr>
<tr>
<td>JP Morgan</td>
<td></td>
</tr>
</tbody>
</table>

Equity increase 4,500 oku-yen
Operating C/F 4,800 oku-yen
Cash 700 oku-yen
For restructuring (FY04-06: accumulated) 10,000 oku-yen

Use of proceed

- Revitalization 7,200 oku-yen
- Capex 3,600 oku-yen
- R&D 2,900 oku-yen
- Restructuring 700 oku-yen
- Debt repayment 2,800 oku-yen

Note 1: Maximum 1,000 oku-yen
Note 2: Amounts of subscription are subject to the market condition.

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All statements herein, other than historical facts, contain forward-looking statements and are based on our forecasts, expectations, target, assumptions, plans and evaluation as of the date hereof. Any expected number is calculated or obtained based on certain assumption. 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. Such significant factors include, but not limited to:

- our ability to successfully implement various initiatives and achieve the target as contemplated by the MMC Revitalization Plan;
- whether we could receive any additional capital contribution from the Mitsubishi group corporations and others as contemplated by the MMC Revitalization Plan;
- whether we are able to maintain our current relationship with, and obtain support from, each of the Mitsubishi group corporations;
- any possibility that our business, operating results and reputation may be materially adversely affected by any product quality problems in the past and future of our group and of Mitsubishi Fuso Truck & Bus Co., Ltd. (“MFTBC”) that was spun off from us and by any civil proceedings, recalls, administrative or criminal sanctions that may be brought or executed relating thereto;
- whether we are able to successfully reform our quality control system and corporate culture so that we recover the reliance of our customers;
- our ability to develop and offer new and innovative products that have competitiveness and match the needs of our customers;

* Targeted numbers in this presentation are subject to implementation of initiatives which are included in the Revitalization Plan.
- our ability to recover the planned sales volume and profitability in a highly competitive automotive market;
- whether we are able to streamline our financial services business in the United States as we planned;
- whether we are able to maintain borrowings of our group as we planned and whether we are able to finance new funds in an appropriate amount and with an appropriate cost in a timely manner when needed;
- uncertainty in the amount of deferred tax assets that we incur in the future;
- possible future impairment losses resulting from the introduction of asset impairment accounting under Japanese GAAP;
- possible fluctuations in interest rates, exchange rates and oil prices;
- possible changes in environmental, safety and other laws, regulations and government policies; and
- general economic conditions in Japan and overseas, possible changes in securities market and other circumstances and whether we are able to appropriately cope with these circumstances.

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● It should be noted that potential risks and uncertainties are not limited to the above and that we undertake no obligation to update the information in these statements to reflect any development or event in the future.