

Additional Measures to Achieve Business Revitalization Plan Targets

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Introduction



Mitsubishi Motors once again apologizes for the spate of recall problems, leading to the arrest of former executives including a former president, and the continued concern and trouble we have caused. We also pay our deepest respects to the spirits of the two victims who had died, and apologize to their families.

Each employee takes the recent scandals very seriously and we will continue to tackle the challenges posed in our last chance for survival by strengthening compliance to reform our corporate culture and ensure the targets outlined in our business revitalization plan are achieved. We will work to regain your trust as soon as possible and turn ourselves into a company that can make a positive contribution to society.

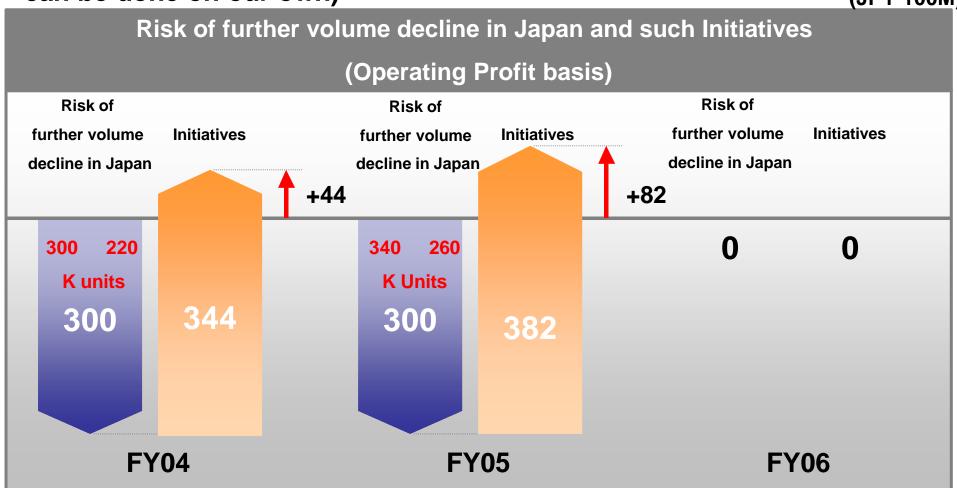
To do this, we have already implemented measures to enhance compliance.

To improve our profit structure, we have outlined and will implement a number of additional measures that we can undertake ourselves to stave off any risks from domestic sales.





Absorb the risk of further volume decline in Japan, by accelerating & adding initiatives to improve profit structure (prioritize initiatives that can be done on our own)



Last Chance: Stepping up to the Challenge



Measures to counter downside risks of domestic sales

(JPY 100M)

All-out cost cutti	
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Restoring customer trust

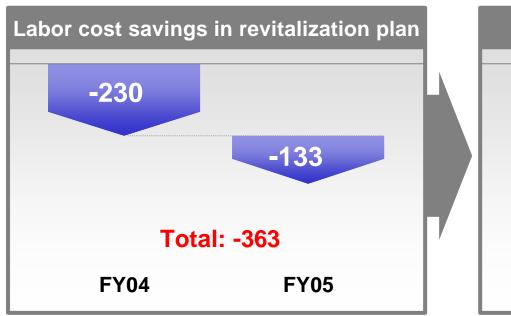
Across-the-board compliance

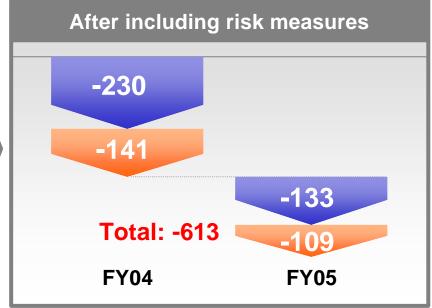
	FY04	FY05	
Labor Cost	-141	-109	
SG&A	-153	-203	
Others	-50	-70	
Total	-344	-382	

1. All-out Cost Cutting



Additional labor cost savings: FY04 –14.1 billion yen; FY05 –10.9 billion yen (JPY 100M)





[Additional initiatives]

- Executives: Forgo retirement allowances, remuneration cuts (-30% to 50%)
 in FY04/05
- Managers: 10% on year cut in remuneration in FY04/05
- Rank-and-file: 5% cut in monthly salary in FY04/05
- Cancel 2004 year-end bonus
- Accelerate headcount reduction; review employment, etc.
- Review pension rates (4% 1.5%)

1-2. All-out Cost Cutting



	Initiatives	FY04	FY05
(JPY 100M)			
SG&A	 Suspend all new IT projects, except regulation related project Additional reduction of dom. advertisement cost All-out cost cutting at HQ & R&D Overseas Reduce outsourcing, travel, system related cost by half Advertisement & SG&A by focusing key models 	80 73 (153)	120 83 (203)
Other Cost	 Accelerate the cost reduction of spare parts, accessories and indirect materials Headcount reduction by bundling sub-line operations, Accelerate product efficiency Additional reduction of packing Additional reduction of export expenses by reviewing outsourcing partners 	(50)	(70)

2. Restoring Customer Trust in Japan



For all drivers of Mitsubishi cars...

Free vehicle inspections

- 20-point inspection and oil change -

...on offer now!

For peace of mind for new purchasers...

3-year full support program

- Free inspections; 24-hour roadside service -

...on offer now!

3. Product Plan



As announced in May 21 Revitalization Plan, we have already started new product developments which are in line with "SUV DNA" "Sporty DNA" characterized as robust and driving, and this approach has not been changed.

In this fall, we are to hold "new car concept preview", to present all new vehicles to be introduced by the end of FY07.

4.1 Management Philosophy



Compliance First

Safety First

Customers First

Compliance First Initiatives

- 1. Integrate compliance and communication functions into CSR Promotion Office
- 2. Business Ethics Committee to supervise CSR Promotion Office under public scrutiny
- 3. Completely rethink cycle of planning, implementing, reviewing to ensure thorough compliance; have all executives sign a compliance pledge

Safety First Initiatives

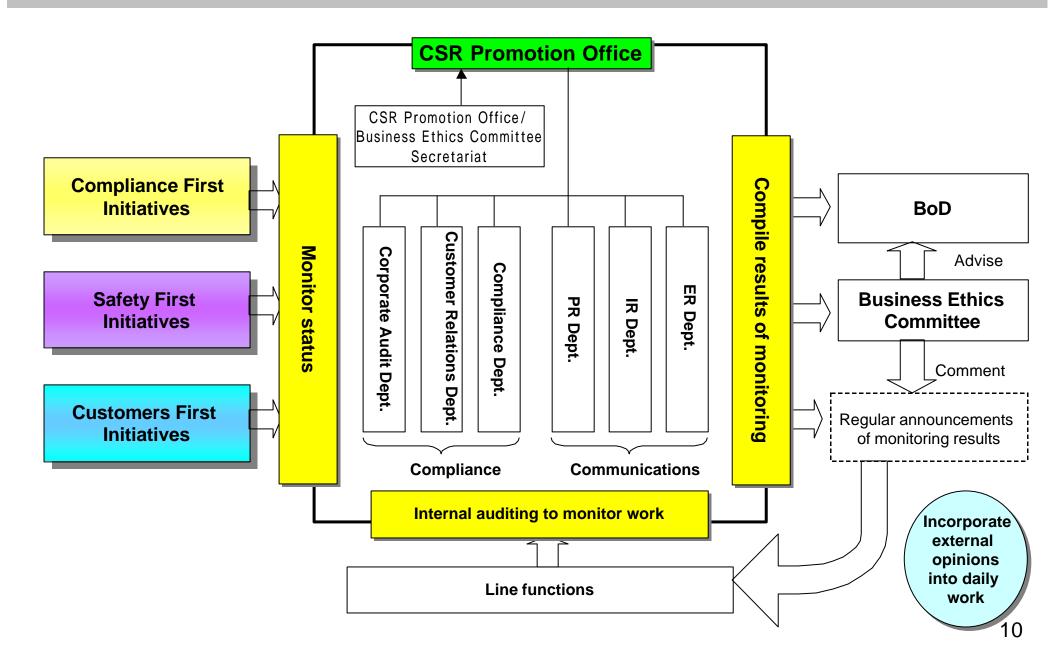
- 1. Consolidate platforms to focus R&D/manufacturing resources
- 2. Model-specific Product Executive to take charge of end-to-end product lifecycle
- Quality departments at plant to be shifted to head office Quality Assurance Office
- 4. Corporate Audit Dept. to audit Quality Assurance Office on status of quality assurance checks
- Consider company-wide incentives as reward for quality improvements in R&D/manufacturing

Customers First Initiatives

- 1. Consolidate PR/IR to centralize and actively disclose information
 - Analyze/disclose cause of past scandals
- Audit/disclose Quality Assurance Office operations (twice a year)
- Include opinion of stakeholders in management issues
- 2. Improve customer satisfaction
 - Dealer standards to improve sales and service quality, verify with CSI/SSI
 - Strengthen R&D capabilities (based on consumer needs)
 - Strengthen brand strategy
- 3. Consolidate advertising activities
- Communicate uniform message
- Effective media mix
- Communicate messages matched to public needs

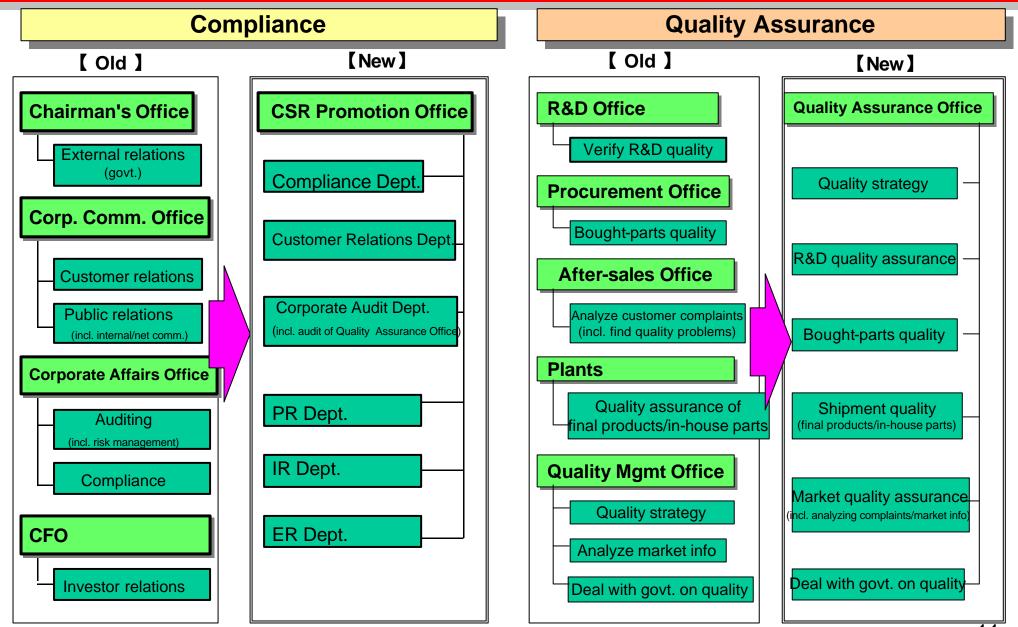
4.2 Enhanced Internal Auditing/Transparency





4.3 Compliance/Quality Assurance Organization





4.4 Schedule for Compliance First



Compliance is obeying the law, international rules and company regulations as well as acting in line with social norms

