FACTS & FIGURES
MITSUBISHI MOTORS CORPORATION
2001

Glossary of acronyms and other abbreviations used in this publication

A	ABS	Anti-lock braking system
	ACD	Active Center Differential
	ASC	Active stability control
	ASV	Advanced Safety Vehicle
	ATC	Asian Transmission Corp.
	AYC	Active yaw control
C	CCD	Charge coupled device
	CFA	Hunan Changfeng Motor Co., Ltd.
	CMC	China Motor Corp.
F	FUSO	Mitsubishi truck brand
G	GDI	Gasoline direct injection
H	HC	Hydrocarbons
	HDMC	Harbin Dongan Automotive Engine Manufacturing Co., Ltd.
	HMC	Hyundai Motor Co.
	HML	Hindustan Motors Ltd.
I	INVECS	Intelligent & innovative vehicle electronic control system
	ITS	Intelligent transport system
J	JAMA	Japan Automobile Manufacturing Association
M	MBECS	Motor vehicle brake energy conservation system
	MC	Mitsubishi Corporation
	MDAS	Mitsubishi driver's attention monitoring system
	MFTA	Mitsubishi Fuso Truck of America, Inc.
	MHI	Mitsubishi Heavy Industries, Ltd.
	MHTC	MMC Holding (Thailand) Co., Ltd.
	MIE	MMC Investment of Europe B.V.
	MILS	Mitsubishi intelligent load monitoring system
	MKM	P.T. Mitsubishi Krama Yudha Motors & Manufacturing
	MMA	Mitsubishi Motors America Inc.
	MMAL	Mitsubishi Motors Australia, Ltd.
	MMC	Mitsubishi Motors Corporation
	MMCA	Mitsubishi Motors Credit of America, Inc.
	MMCE	MMC Automoviles Espana SA.
	MME	Mitsubishi Motors Europe B.V.
	MMGF	Mitsubishi Motor Parts Sales of Gulf
	MMMA	Mitsubishi Motor Manufacturing of America, Inc.
	MMNZ	Mitsubishi Motors New Zealand Ltd.
	MMPC	Mitsubishi Motors Philippines Corp.
	MMRE	Mitsubishi Motor Marketing Research Europe GmbH
	MMSA	Mitsubishi Motor Sales of America, Inc.
	MMSC	Mitsubishi Motor Sales of Caribbean, Inc.
	MMSD	Mitsubishi Motor Sales Denmark AS
	MMSE	Mitsubishi Motor Sales Europe B.V.
	MPI	Multi-point injection
	MRDA	Mitsubishi Motors R&D of America, Inc.
	MRDE	Mitsubishi Motor R&D Europe GmbH
	MSC	MMC Sittipol Co., Ltd.
	MTE	Mitsubishi Trucks Europe-Sociedade Europeia de Automoveis, S.A.
	MVV	Mitsubishi Vertical Vortex
N	NedCar	Netherlands Car B.V.
	NOx	Oxides of nitrogen
P	PDC	Preview Distance Control
	PROTON	Perusahaan Otomobil Nasional Bhd.
R	RISE	Realized impact safety evolution
S	SRS	Supplemental restraint system
	SAME	Shenyang Aerospace Mitsubishi Motors Manufacturing Co., Ltd.
T	TCL	Traction ControL
V	VSM	VinaStar Motors Corp.

MITSUBISHI MOTORS CORPORATION is pleased to present FACTS & FIGURES 2001 for all those with an interest in the company. This booklet is intended to provide a general overview of the company's main products, as well as its research and development, production, sales, exports, and other operations. We hope that FACTS & FIGURES 2001 will be of assistance and value. Any suggestions as to how we may improve the booklet will be welcomed.

October 2001

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Mitsubishi Motors is on the World Wide Web
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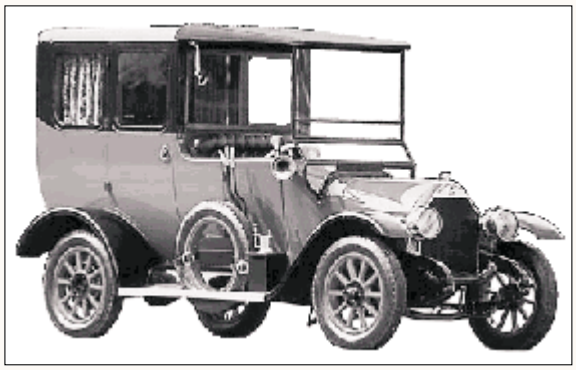

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I Corporate outline

1. Introduction

As an independent public company, Mitsubishi Motors Corporation is Japan's newest automobile manufacturer. It is also one of the very few firms in the world that produces a full line of automotive products, ranging from 660-cc mini cars to passenger cars, light commercial vehicles and heavy-duty trucks and buses.

The company was established in 1970 when the automotive division of Mitsubishi Heavy Industries was spun off and formed into a separate entity. Although its history as an independent firm is relatively short, Mitsubishi Motors' automotive tradition goes back to 1917 when the Mitsubishi Model A, Japan's first series-production automobile, was introduced. Under the Mitsubishi name, the Fuso B46 bus went into production in 1932. Following the suspension of consumer vehicle production during World War II, Mitsubishi truck and passenger car production resumed in 1946 and 1960 respectively.

Mitsubishi Motors shares were offered to the public in 1988 when it became the first private company to be listed directly on the first section of the Tokyo, Osaka and Nagoya stock exchanges. Shares were listed on the rest of Japan's stock exchanges in 1989.

The arrival of the 21st century will see competition on the world's markets continuing to grow in intensity. To strengthen its operational base on a global scale and boost its competitiveness in those markets, MMC has recently formed a major equity and operating alliance with DaimlerChrysler.

▪ Corporate profile

Head office:	33-8, Shiba 5-chome, Minato-ku, Tokyo, Japan 108-8410
Established:	April 22, 1970
Paid-in capital:	¥252,201,223,926 (March 31, 2001)
Common stock issued:	1,470,163,624 shares (March 31,2001)
Business activities:	Manufacture and sale of motor vehicles, associated components, industrial engines.
Major shareholders: (March 31, 2001)	DaimlerChrysler A.G. 34.00%
	Mitsubishi Heavy Industries, Ltd. 16.91%
	Capital Research and Management Company 6.58%
	Mitsubishi Corporation 5.27%
	AB Volvo 3.30%
	The Mitsubishi Trust & Banking Corporation 3.02%
	The Bank of Tokyo-Mitsubishi, Ltd. 2.93%
	The Chase Manhattan Bank, NA London 1.58%
	Meiji Life Insurance Company 1.36%
	Mitsubishi Jiko Employees Shareholding Association 1.32%
President & CEO:	Takashi Sonobe
Employees:	24,360 (non-consolidated; March 31, 2001)
	62,887 (consolidated; March 31, 2001)

2. MMC mid-term management strategy

The global economy in fiscal 2000 enjoyed good health overall, with firm growth in European economies balancing out the clouds that started to appear over the United States economy after its extended run of dynamic and consistent growth. In Japan, stimulatory measures introduced by the government started to produce results and nudged the economy along a path of gentle recovery. This has been tempered, however, by a downward turn in employment and stubbornly high unemployment rates levels have depressed consumer spending. As a result, the improvement in the Japanese economy seen earlier in the year was marking time by the end of the fiscal year.

In March 2000, MMC entered a strategic alliance agreement with DaimlerChrysler covering development, production and sales in the passenger car sector. In April 2001, DaimlerChrysler replaced AB Volvo as MMC's strategic partner in the commercial vehicle sector in a formal agreement under which it acquired AB Volvo's 3.3% holding in MMC as well as agreements relating to operational ties with MMC. As a result of this, MMC will now move forward in both its passenger car and its commercial vehicle operations working hand-in-hand with its alliance partner DaimlerChrysler.

In February 2001, MMC unveiled the Mitsubishi Motors Turnaround Plan — a new management vision that charts a path to stable growth and to the restoration of customer trust and confidence. The new plan sets a consolidated operating profit margin target of 4.5% for fiscal 2003 and the measures laid out in the plan for achieving this target are currently being implemented. These include:*Sweeping structural reforms that realize clearer delineation of duties and accountability, that reduce the number of layers in the management hierarchy and that establish a human resources and remuneration committee; *The abolition of the Executive Advisory System; *Reductions in material costs; *A 14% reduction in the MMC group headcount; *The introduction of a new quality control system to ensure that customers are supplied with products of the highest quality; *A 28 % reduction in passenger car production capacity in Japan.

MMC is keenly aware that true recovery will come only through achievement of the Turnaround Plan's targets and goals. Fired by an indomitable resolve, everyone in the MMC group of companies is working together to execute the Turnaround Plan speedily and faithfully and to reap the synergistic benefits flowing from the DaimlerChrysler alliance. Herein lies the path to maximizing the effectiveness and profitability of the company's market operations.

3. The Mitsubishi Motors Turnaround Plan

MMC's alliance with DaimlerChrysler heralded the start of a new chapter in the company's history. Hand-in-hand with its new partner, MMC is energetically and staunchly implementing new business strategies that will have impact on all its global activities. Fired with a rekindled sense of purpose and mission, on 1 April 2001 MMC set about implementing the initiatives and measures laid out in the Mitsubishi Motors Turnaround Plan – the blueprint that charts the path by which the company will create enhanced value for its stakeholders, shareholders and for society itself.

The Turnaround Plan stipulates new quality and design standards that will see MMC regain its position as a highly respected global automotive maker. It also prescribes a dynamic and transparent process that will lead to sustainable growth and to regaining customer confidence. Implementation of Turnaround will see the company break even in fiscal 2001 and achieve a 4.5% operating profit margin by fiscal 2003. The winners will be MMC customers, shareholders, suppliers, dealers, other business partners and employees.

Over the past three years, MMC has formulated and implemented two mid-term management plans: Renewal Mitsubishi 2001, and Heart-Beat 21. Under these plans, in its truck and bus operations the company has closed production facilities, reduced payroll and consolidated the sales organization. These measures have succeeded in making MMC commercial vehicle operations in Japan profitable at levels of demand that are now only half those seen when the market was at its peak. However, these plans failed to produce the expected results in MMC car operations, mainly because of problems in the corporate culture and a bloated corporate structure. MMC is attacking these problems at their root, and working to bring about substantial improvements in the health and strength of the company. MMC is determined to successfully carry through the Turnaround reforms while retaining the craftsman's dedication to and pride in creating superior products that always has been the company's trademark.

1. New management structure and corporate organization

On 28 March 2001 MMC announced a new management structure and corporate organization that will forcefully drive the Turnaround through to completion. The new corporate organization is characterized by both the speed of its implementation and the far-reaching changes to the existing structure in terms of organizational functions as well as personnel. These goals of the corporate reorganization include:

- Clear responsibility and personal accountability in all job descriptions,
- Fast and unfiltered information flow via a reduced number of management layers,
- Delegation of decision-making power to operative management levels,
- Implementation of strict operational rules and controlling measures at all levels,
- Performance-based evaluation and promotion rules for all employees.

(1) Simpler, leaner organizational structure

The strategy of the new leadership is to streamline systems; to create an organization that works smoother and quicker. To achieve this goal, organizational elements have been consolidated and the responsibility for achieving targets at department and section head levels made clearer; this being accompanied by the necessary transfer and delegation of authority. Each Corporate Office will be reorganized at department and section levels to realize a more streamlined hierarchy of four management layers and a greatly reduced number of management posts. The new mid-level management organization will also feature a clearer distinction between administrators (managers) and those with the specialized knowledge and skills required by a particular department or section (specialists).

Under the reorganization carried through in June 2001, the number of Executive Officers (overseas fellows included) was trimmed from 38 to 30 and the Executive Advisory System at MMC was abolished. The Executive Councilor System, Executive Advisory System and the position of Chairman at MMC group companies were also abolished.

(2) Human resources and training

MMC is keen to realize a more equitable performance evaluation system and to allot praise and blame as and where they are due. For this purpose, MMC will give the highest priority to clarifying responsibilities and authority, and to reflecting levels of achievement in performance assessment and compensation. MMC is making concerted efforts to improve training and education with the introduction of courses tailored to the separate needs of management and specialist personnel, as well as courses in personal development for both executive and general staff alike, courses catering to individual specializations, and courses in people skills and communication.

The evaluation system will also be revamped at an early stage to one that is more multidimensional. The company will also introduce an assessment process which managers must pass before they can move up to the next tier of management.

2. Turnaround Plan achievements by operational category (as at 1 July 2001)

(1) Car business

❑ New product strategy

MMC launched the new-age crossover vehicle "Airtrek" on the Japanese domestic market in June, the company's first new model since it began implementation of the Turnaround. The latest global model in the company's lineup, MMC will be launching Airtrek in Europe and the US in the near future. MMC also plans to introduce a new-concept minicar in the autumn of 2001, and the codenamed Z-Car model in the second half of 2002 – both on the Japanese market. These new models mark the start of an aggressive product drive by the company.

To support its new product strategy, MMC is increasing R&D spending by ¥30 billion in fiscal 2001, and will be prioritizing R&D investment from fiscal 2002 onwards. In May 2001, MMC appointed former Mercedes Benz designer Olivier Boulay to head its design team. Changes to the corporate organization implemented in June 2001 have further strengthened the design division. MMC will make its products more attractive by improving the quality of Mitsubishi vehicle exteriors and interiors and by satisfying customer demands more precisely in terms of performance and equipment specifications. The first dramatic step in this direction will be the exciting concept models MMC will exhibit at the Tokyo Motor Show in October 2001. These cars will be a visual indication of the direction the Mitsubishi brand design is taking.

MMC is also seeking to make its products more competitive by looking at more rational ways of sharing platforms and by increasing the number of parts and components common to different models. The company is also trimming the number of platforms and its model portfolio in order to optimize the balance between development workload and allocation of engineering resources.

❑ Car production and sales operations

MMC is working to achieve a more rational scale of production, cutting domestic production capacity by 28 percent. The first step in this program will be the closure of the assembly line at the Oye plant in Nagoya in September 2001. To concentrate resources more effectively on its core business, MMC is also working to trim its production activities by seeking further opportunities for outsourcing parts and components.

MMC is seeking to achieve break-even in fiscal 2001 through a number of strategies that include a restructuring and streamlining of the domestic dealer network and by investing in sales support activities. In Europe, MMC is working to bring its car operations back to break-even in fiscal 2003: by restructuring to reduce costs; through a long-term product strategy that will boost sales; and by expanding local production resources with the introduction of the Z-Car.

(2) Truck and bus business

MMC truck and bus operations have already turned the corner, returning to profitability in fiscal 2000. The closure of the Maruko Plant in Tokyo and other cut backs to bring production capacity in line with market demand and reductions in payroll have enabled the company to bring its break-even volume down from 165,000 units in fiscal 1998 to 149,000 in fiscal 2000. MMC has boosted efficiencies in its domestic sales organization through a process of consolidation, reducing the number of sales companies from 45 in fiscal 1998 to 36 in fiscal 2000. Restructuring under the Turnaround will lead to a further strengthening of MMC truck and bus operations.

(3) Alliance with DaimlerChrysler

MMC considers sharing of platforms and cooperation in purchasing and distribution activities to be high-priority themes in its alliance with DaimlerChrysler. In the alliance, MMC will have a particularly important role to play in the area of platforms. In addition to the European-market Z-Car project already under way, the company is looking at platform sharing with the Chrysler group in small- and mid-size classes. Alliance synergies are expected to bring cost savings with reduced R&D investment, lower development workloads and economies of scale resulting from greater sharing and complementation of parts and components.

In April 2001, MMC joined hands with DaimlerChrysler in the truck and bus business. As well as maximizing the synergistic benefits for the MMC group, the new organization is now even better positioned to strengthen its business structure.

MMC and DaimlerChrysler have already began collaboration in the truck and bus business, and are working towards the creation of win-win projects in this sector.

(4) Reducing cost of materials

MMC will achieve reductions in its material costs primarily through: the implementation of the Common Supplier and MMC Operation System (COSMOS), which will strengthen cooperation with world-class suppliers; through the introduction of new cost reduction programs; and through greater use of global sourcing. The new cost reduction programs are built around benchmarking and value analysis based on cost reduction procedures employed at DaimlerChrysler.

(5) Reducing fixed costs

Under the Turnaround, cost optimization efforts will bring about a substantial reduction in fixed costs over the next three years. One vital initiative is the 14% reduction in the MMC group headcount to be implemented by the end of fiscal 2003. A total of 9,500 people, this breaks down into over 4,000 at MMC itself and over 5,000 at MMC affiliates both in Japan and overseas. The company will achieve more than half this goal by the end of fiscal 2001. These reductions will be achieved: by not supplementing attrition; by temporarily halting or reducing new hiring; by implementing early-retirement programs; and, by outsourcing.

(6) Radical changes in work process & IT investment

One of the key goals of the Turnaround is improving efficiencies in, and even revolutionizing, work processes throughout the company. Information Technology (IT) provides a potent tool for driving through such a revolution and it will be aggressively employed to maximize those efficiencies.

The first stage of the program will see the integration of e-mail and groupware systems, preparing the way for full-blown modernization of the MMC group's IT global infrastructure. This is an essential step in ensuring that collaboration between MMC and DaimlerChrysler develops as rapidly and smoothly as possible. The next-generation IT infrastructure will provide the base for development, purchasing, production, sales, quality control, accounting, personnel, and other functions to be integrated into a single system that fully meets the requirements of the Internet age.

(7) Improved quality control

MMC has introduced a Quality Check Gate (QCG) system that is based on DaimlerChrysler's quality control system. Covering all stages of product creation, from conceptualization through production, the QCG system establishes 15 check gates each with its own stringent set of criteria that must be fully met before a product can move on to the next stage. MMC is also working to improve after-sales quality with the introduction of an automated complaint and defect registration management system. This will promote greater consistency in decisions on remedial measures for complaints and defects reported by dealers and customers, and will prevent omissions in the recording of such reports. The system also creates a database that will speed up implementation of remedial action and otherwise improve after-sales quality.

For MMC to meet, or even exceed, customer expectations: development, production, and sales divisions must share the same quality targets and have access to the same quality-related information; no product will be brought to market unless it meets all quality targets; and defects must be remedied quickly and in a transparent manner that places the interests of the customer first.

(8) Management process

In its process improvement program, MMC is giving top priority to upgrading controlling functions throughout the whole management process.

The company is raising quality levels in bottom-up planning and decision-making throughout the organization by more clearly defining the parameters involved. Accountability will also be more strictly enforced by monitoring an individual's commitment to allotted tasks or duties throughout the execution of a plan.

MMC is switching management priorities to its consolidated operations and is encouraging staff to think in terms of raising efficiencies throughout the MMC group as a whole. The various control functions currently dispersed between offices, production facilities and major subsidiaries will be consolidated into a system that allows more direct and faster access to management information.

(9) Turnaround Office

The Turnaround Office has been established to orchestrate all activities related to the Turnaround process. The Office is setting up a number of council bodies, through which it will steer the Turnaround by providing managerial staff with specific targets and by assuring they have a degree of flexibility in the execution of their duties. The Office will also closely follow the progress made by individual managers and assess individual performance on the basis of results achieved.

4. Corporate performance summary

(1) Sales & income over the years: 1990 - 2000FY (¥million)

Fiscal Year	Statement	Net Sales	Operating Profit	Ordinary Income	Net Income
1990	Non-consolidated	2,313,636	65,822	50,214	25,208
	Consolidated	2,797,770	89,725	55,750	25,852
1991	Non-consolidated	2,554,055	56,186	50,540	27,023
	Consolidated	3,087,136	86,802	60,541	29,514
1992	Non-consolidated	2,615,959	57,493	46,567	20,232
	Consolidated	3,180,430	77,091	50,225	25,832
1993	Non-consolidated	2,455,928	40,085	35,354	15,952
	Consolidated	2,946,932	40,758	21,250	5,584
1994	Non-consolidated	2,652,517	67,745	48,046	18,826
	Consolidated	3,414,133	95,912	53,296	12,615
1995	Non-consolidated	2,522,559	62,359	55,393	20,468
	Consolidated	3,537,018	71,911	31,305	12,736
1996	Non-consolidated	2,585,940	57,148	58,035	15,067
	Consolidated	3,672,085	45,660	9,524	11,599
1997	Non-consolidated	2,500,614	– 15,512	– 22,157	– 25,656
	Consolidated	3,735,228	3,197	– 54,520	– 101,846
1998	Non-consolidated	2,333,971	21,750	5,231	22,138
	Consolidated	3,512,606	55,944	– 4,176	5,668
1999	Non-consolidated	2,106,552	13,435	6,336	515
	Consolidated	3,334,974	22,473	– 3,758	– 23,331
2000	Non-consolidated	2,012,690	– 85,266	– 82,350	– 356,897
	Consolidated	3,276,716	– 73,865	– 94,057	– 278,139
2001 (Plan)	Non-consolidated	2,000,000	0	– 10,000	– 10,000
	Consolidated	3,500,000	20,000	0	0

(2) Operating results 1994 - 1999FY

❑ **Domestic sales and export volumes (non-consolidated)**

Fiscal Year	1996	1997	1998	1999	2000	2001 (Plan)
Domestic sales	767,000	623,000	601,000	576,000	520,000	528,000
Exports	462,000	556,000	511,000	419,000	462,000	402,000
Total	1,229,000	1,179,000	1,112,000	995,000	982,000	930,000
Overseas production	763,000	752,000	593,000	726,000	838,000	860,000

❑ **Domestic sales volume by category: MMC & industry**

Fiscal year	Cars		Trucks & buses		Total	
	MMC	Industry	MMC	Industry	MMC	Industry
1986	147,681	3,081,831	368,922	2,596,627	516,603	5,678,458
1987	168,854	3,298,396	406,159	2,809,762	575,013	6,108,158
1988	170,869	3,523,567	457,153	3,082,921	628,022	6,606,488
1989	263,592	4,588,808	397,259	2,658,892	660,851	7,247,700
1990	332,085	4,878,590	404,971	2,707,518	737,056	7,586,108
1991	335,811	4,611,427	420,598	2,625,107	756,409	7,236,534
1992	342,885	4,239,254	401,313	2,450,258	744,198	6,689,512
1993	373,954	3,947,078	347,667	2,224,444	721,621	6,171,522
1994	406,113	3,998,210	381,767	2,365,924	787,880	6,364,134
1995	425,038	4,086,881	384,634	2,406,191	809,672	6,493,072
1996	379,488	4,450,864	387,617	2,399,210	767,105	6,850,074
1997	323,794	3,886,028	299,480	2,067,456	623,274	5,953,484
1998	331,367	3,876,259	269,157	1,714,978	600,524	5,591,237
1999	315,748	3,917,563	260,710	1,687,720	576,458	5,607,283
2000	286,775	3,987,950	232,215	1,708,489	518,990	5,696,439

JAMA classification

5. Members of the board

Title & position	Name	Career in brief
Member of the Board President Chief Executive Officer Chief Business Ethics Officer [Representative Director]	 Takashi Sonobe 21/ 11/ 1940	1964 • Joined Mitsubishi Heavy Industries 1970 • Joined MMC 1998 • Chairman of Board MMMA and MMSA. 1999 • Managing Director MMC 2000 • Board Member; Representative Director; SVP; SEO; Team Leader International Alliance Promotion Team, MMC (June) • President, CEO and Chief Business Ethics Officer, MMC (November)
Member of the Board Executive Vice President Chief Operating Officer President MFTB [Representative Director]	 Rolf Eckrodt 25 / 6 / 1942	1966 • Director Sales and marketing, Passenger Cars, Mecedes-Benz AG 1990 • President, Mercedes-Benz do Brazil, S.A. 1992 • Deputy CEO and Chairman of the Board of Management, Adtranz (ABB Daimler-Benz Transportation GmbH) 1996 • President and CEO, Adtranz (DaimlerChrylser Rail Systems GmbH) 1998 • EVP, COO, MMC (June) 2001 Additional assignments • 1998: Appointed Honorary Consul of Brazil in Potsdam • 1993-96: Vice President German/Brazil Chamber of Commerce, Sao Paulo, Brazil
Member of the Board Executive Vice President Chief Operating Officer President MFTB [Representative Director]	 Takashi Usami 20/7/1940	1963 • Joined MHI 1970 • Joined MMC 1995 • Board Member, Deputy CGM Truck & Bus Development & Engineering Office, MMC 1998 • Managing Director, MMC 2000 • SVP, SEO , MMC / EVP, CGM Planning & Administration Office, MFTB 2001 • SVP, SEO, COO, MMC / President, MFTB (April) • EVP, COO, MMC / President, MFTB (June)
Member of the Board Senior Vice President Executive GM Int. Car Operations HQ Corporate GM European Car Operations Office [Representative Director]	 Steven A. Torok 20 / 7 /1951	1973 • Joined Chrysler Corporation 2000 • SVP, DaimlerChrysler Corporation. (May) 2000 • Board Member, SVP, SEO International Car Operations, MMC (October) 2001 • Board Member, SVP, SEO International Car Operations, MMC (April) • Board Member, SVP, Executive GM International Car Operations, Corporate GM European Car Operations Office, MMC (June)
Member of the Board Senior Vice President Executive GM Car R&D / Marketing HQ [Representative Director]	 Ulrich W. Walker 20 / 8 / 1951	1978 • Joined Daimler Benz AG 2000 • SVP, DaimlerChrysler AG (July) 2000 • Board Member, SVP, SEO, CGM Car Marketing Strategy Office, MMC (October) • Board Member, SVP, SEO; CGM Marketing Strategy Office, Corporate GM Car Product Strategy Office, MMC (December) 2001 • Board Member, SVP, SEO; Car R&D / Marketing, MMC (April) • Board Member, SVP, SEO; Executive GM Car R&D / Marketing, MMC (June)
Member of the Board Senior Vice President Chief Financial Officer [Representative Director]	 Junji Midorikawa 12 /12 /1940	1965 • Joined MHI 1970 • Joined MMC 1995 • Deputy Executive GM China Project Development Office, Assistant to CGM Corporate Planning & Strategy Office, MMC 1996 • Assistant to CGM Corporate Planning & Strategy Office, Assistant to CGM China Business Office, MMC 1997 • Deputy CGM Corporate Planning & Strategy Office, Assistant to CGM china Business Office, MMC 1998 • Board member, assistant to EVP, MMC 2000 • SEO, CGM Offices of Finance and Public Relations, MMC 2001 • SEO, Chief Financial Officer, MMC (April) • Board Member, SVP, CFO, MMC (June)
Member of the Board Senior Vice President Executive GM Corporate Affairs & Strategy Office [Representative Director]	 Hiroshi Yajima 18 / 6 /1941	1965 • Joined MHI 1970 • Joined MMC 1995 • GM International Business Planning Dept., Assistant to Executive GM China Project Development Office, MMC 1996 • GM International Business Planning Department, MMC 1997 • VP, MMSA 1998 • President, MMSA 2000 • CGM North America Car Operations Office, MMC / President, MMSA • In charge Corporate Affairs & Strategy, MMC / President, MMSA (April) 2001 • Board Member, SVP, Executive GM Corporate Affairs & Strategy Office, MMC (June)

Title & position	Name	Career in brief
Member of the Board Senior Vice President Executive GM Car Production HQ [Representative Director]	 Masanori Tani 29 /10 / 1942	1996 • Joined MHI 1970 • Joined MMC 1992 • GM Electronics Engineering Dept., Passenger Car Development & Engineering Office (PCED), MMC 1996 • Project Manager Product Development Office, PCED Office, MMC 1997 • Deputy GM Product Development Office, PCED Office, MMC 1998 • Deputy CGM Car Research & Development Center (CRDC), MMC (April) • Deputy CGM CRDC, MMC (June) 1999 • Chief Project Manager CRDC, MMC (June) • CPM Marketing Strategy Office, MMC (December) 2000 • CPM Marketing Strategy Office, CPM North America Car Operations Office, MMC (February) • EO, Deputy CGM marketing Strategy Office, CPM North America Car operations Office, MMC (June) • EO, Deputy CGM Car Product Management Office, Deputy CGM Corporate Marketing Strategy Office, CPM North America Car Operations Office, MMC (December) 2001 • EO Car Production, MMC (April) • Board Member, SVP, Executive GM Car Production Headquarters (June)
Member of the Board	 Manfred Bischoff 22 / 4 / 1942	1976 • Joined Daimler Benz AG 1995 • Board of Management Member (aerospace and rail systems), Daimler-Benz Aerospace AG 2000 • Board of Management Member (aerospace and industrial business), DaimlerChrysler (March) • Board Member, MMC (October) (Serving concurrently as Chairman of Supervisory Board, European Aeronautic Defence and Space Company AG)
Member of the Board	 Takashi Nishioka 3 / 5 / 1936	1959 • Joined Shin Mitsubishi Heavy Industries, Ltd. 1992 • Board Member, MHI 1995 • Managing Director, MHI 1998 • EVP, MHI 1999 • President, MHI (continues to hold post today) 2000 • Board Member, MMC (Serving concurrently as President, MHI)
Member of the Board	 Mikio Sasaki 8 / 10 / 1937	1960 • Joined Mitsubishi Corporation (MC) 1992 • Board Member, MC 1994 • Managing Director, MC 1998 • President, MC (continues to hold post today) 2000 • Board Member, MMC (Serving concurrently as President, MC)

***EVP** = Executive Vice President; **SVP** = Senior Vice President; **SEO** = Senior Executive Officer; **CGM** = Corporate General Manager; **CPM** = Chief Project Manager; **SEO** = Senior Executive Officer; **EO** = Executive Officer; **HQ** = Headquarters*
***MMMA** = Mitsubishi Motor Manufacturing of America, Inc.; **MMSA** = Mitsubishi Motor Sales of America, Inc.; **MHI** = Mitsubishi Heavy Industries; **MFTB** = Mitsubishi Fuso Truck & Bus Company; **MC** = Mitsubishi Corporation*

6. Statutory auditors

Title & Position	Name
Auditor	 Takahiko Tsuyuno 5 / 5 / 1940
Auditor	 Yasutoshi Shizukawa 5 / 9 / 1940

Title & position	Name
Auditor Senior Managing Director Mitsubishi Heavy Industries	 Hiroshi Nanjo 1 / 6 / 1940
Auditor Chairman Bank of Tokyo-Mitsubishi	 Shigemitu Miki 4 / 4 / 1935

7. Senior executive and executive officers

Title & Position	Name
Senior Executive Officer Corporate General Manager Corporate Controlling	 Joachim Coers 23 / 12 / 1965
Senior Executive Officer Corporate General Manager Corporate Finance	 Alexander Paufler 4 / 1 / 1953
Senior Executive Officer Corporate General Manager Corporate Strategy & Planning Office Corporate Affairs & Strategy Office	 Masakatsu Suzuki 1 / 10 / 1942
Senior Executive Officer Corporate General Manager Human Resources & Organization Office	 Atsushi Ueba 14 / 9 / 1941
Senior Executive Officer Corporate General Manager Car R&D Office Car R&D / Marketing HQ	 Akira Kijima 2 / 12 / 1943
Senior Executive Officer Corporate General Manager Domestic Car Operations Office	 Motoaki Inukai 5 / 7 / 1942
Senior Executive Officer Corporate General Manager Global Procurement & Supply Office	 Harald Bolstler 28 / 10 / 1950
Senior Executive Officer Corporate General Manager Turnaround Office	 Christian Cahn v. Seelen 15 / 5 / 1965

Title & position	Name
Senior Executive Officer Senior VP, MFTB Corporate General Manager T&B Development Office, MFTB	 Akio Hanawa 27 / 1 / 1941
Senior Executive Officer Vice President, MFTB Corporate General Manager T&B Production Office, MFTB	 Hisashi Watanabe 1 / 1 / 1943
Executive Officer Project Leader Corporate Controlling	 Mitsugu Nakabayashi 15 / 7 / 1942
Executive Officer Corporate General Manager Communication Office Corporate Affairs & Strategy Office	 Tadashi Omiya 29 / 9 / 1943
Executive Officer Chief Information Officer Corporate GM Global IT Office General Manager CRM IT & Interna- tional IT Coordination Depts. Global IT Office	 Bernd Staudinger 21 / 3 / 1963
Executive Officer Plant General Manager Nagoya Plant Car Production HQ	 Masayuki Tanji 18 / 1 / 1944
Executive Officer Plant General Manager Kyoto Plant Car Production HQ	 Tadayoshi Juge 9 / 11 / 1943
Executive Officer Plant General Manager Mizushima Plant Car Production HQ	 Makoto Maeda 25 / 2 / 1945

Title & Position	Name
Executive Officer Corporate General Manager Car Product Design Office	 Olivier Boulay 9 / 8 / 1957
Executive Officer Corporate General Manager Car Marketing Office Car R&D / Marketing HQ	 Kai-Uwe Seidenfuss 23 / 7 / 1965
Executive Officer Project Leader Car R&D Office Car R&D / Marketing HQ	 Hiromitsu Ando 28 / 10 / 1947
Executive Officer Corporate General Manager Int. Car Administration Office Int. Car Operations HQ	 Susumu Yashima 3 / 1 / 1945
Executive Officer Corporate General Manager American Car Operations Office Int. Car Operations HQ	 Hirao Iijima 14 / 10 / 1943
Executive Officer General Manager Purchasing Planning Dept. Global Procurement & Supply Office	 Yasuo Nakagwa 27 / 11 / 1945
Executive Officer Corporate General Manager Quality Management Office	 Akira Okamoto 24 / 2 / 1944

Title & position	Name
Executive Officer Corporate General Manager Planning & Administration Office Mitsubishi FUSO Truck & Bus Company	 Michio Hori 10 / 3 / 1943
Executive Officer Project Leader Quality Administration Mitsubishi FUSO Truck & Bus Company	 Tadashi Koshikawa 1 / 12 / 1942
Executive Officer Corporate General Manager Domestic T&B Sales Office Mitsubishi FUSO Truck & Bus Company	 Masayuki Nagano 7 / 3 / 1945
Executive Officer Vice President Netherlands Car B.V.	 Kuniaki Taira 28 / 1 / 1942
Executive Officer Vice President Mitsubishi Motors Europe B.V President Mitsubishi Motors Europe Turin SRL	 Koji Fujino 8 / 5 / 1942
Executive Officer Director Perusahaan Otomobil Nasional Bhd	 Takeshi Ota 10 / 4 / 1942
Executive Officer Director of the Board President Shenyang Aerospace Mitsubishi Motors Manufacturing Co., Ltd	 Yoshinobu Tadai 13 / 12 / 1940

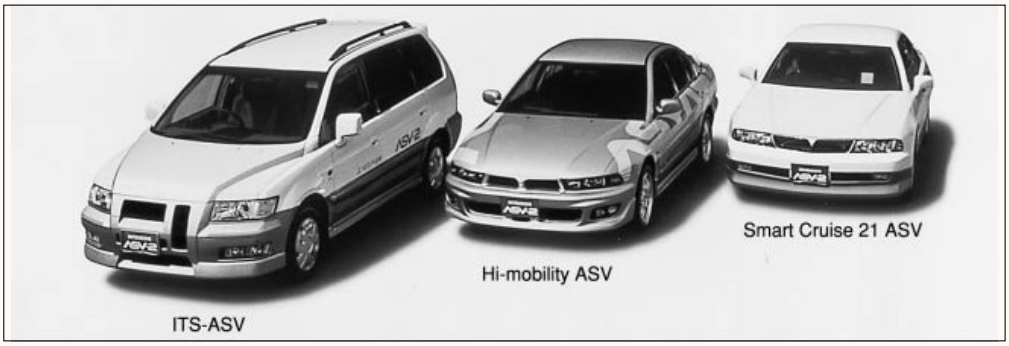
8. Corporate organization

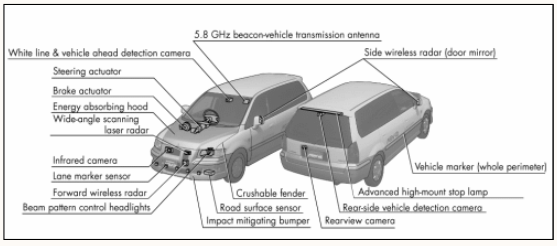
As of June 26, 2001

- Meeting of Shareholders
- Board of Directors
  - President (CEO)
  - Executive Committee
  - Car Operations — COO
    - CFO
      - Corporate Controlling
        - Accounting Dept.
        - Business Controlling Dept.
        - Sales Controlling Dept.
        - Product Controlling Dept.
        - Truck & Bus Controlling Dept.
      - Corporate Finance
        - Treasury Dept.
        - Tax Dept.
    - Corporate Affairs & Strategy Office
      - International Alliance Team
      - Strategy & Planning Office
      - Communication Office
        - Corporate Communications Dept.
        - Customer Relations Dept.
    - Human Resources & Organization Office
      - General Administration Dept.
      - Legal Dept.
      - Human Resources Dept.
    - Employee Counseling Office
    - Global IT Office
      - IT Strategy & eBusiness Dept.
      - IT Infrastructure Planning Dept.
      - Corporate Data Integration Center
      - engineering IT Dept.
      - Cross Function IT Dept.
      - SCM IT Dept.
      - CRM IT Dept.
      - Truck & Bus IT Dept.
      - International IT Coordination Dept.
    - Car Production Headquarters
      - Nagoya Plant
        - General Administration Dept.
        - Production Control Dept.
        - Oye Production Dept.
        - Okazaki Production Dept.
        - Quality Control Dept.
      - Kyoto Plant
        - Control Dept.
        - Kyoto Production Dept.
        - Shiga Production Dept.
        - Foundry Dept.
        - Quality Control Dept.
        - Hospital
      - Mizushima Plant
        - General Administration Dept.
        - Production Control Dept.
        - Passenger Car Assembling Production Dept.
        - Mini & Commercial Car Assembling Production Dept.
        - Parts Production Dept.
        - Quality Control Dept.
        - Hospital
      - Car Production Strategy & Planning Office
        - Production Strategy Dept.
        - Production Engineering Dept.
        - [Car Production Project]
        - Nagoya Production Engineering Dept.
        - Kyoto Production Engineering Dept.
        - Mizushima Production Engineering Dept.
    - Car Product Design Office
      - Advance Styling Design Dept.
      - Product Styling Design Dept.
      - Styling Design Engineering & Administration Dept.
    - Car R&D / Marketing Headquarters
      - [Planning & Coordination Car R&D/Marketing Headquarters]
      - [New Product Project]
      - [Car Brand Management & Marketing Communications
        - Brand Strategy Dept.
        - Marketing Communication Dept.
      - Car Marketing Office
        - Market Research & Planning Dept.
        - Product Management Dept. Passenger Cars
        - Product Management Dept. MPV/SUV
        - Product Management Dept. Pickups/Van & Powertrain/Telematic
        - Product Management Dept. Mini Cars
        - Global Aftersales Dept.
        - Accessories Development Dept.
      - Car Research & Development Office
        - [Engineering Verification Office]
        - Development Planning Dept.
        - Environmental & Technical Affairs Dept.
        - Intellectual Property Dept.
        - Certification & Regulation Compliance Dept.
        - Quality Promotion Dept.
        - Prototype Dept.
        - Advanced Engineering Concept Dept.
        - Advanced Engineering Strategy Dept.
        - [Product Development Project]
        - Chassis Design Dept.
        - Vehicle Dynamics Testing Dept.
        - Vehicle Testing Dept.
        - Body Design Dept.
        - Interior Design Dept.
        - Material Engineering Dept.
        - Safety Testing Dept.
        - Advanced Powertrain Dept.
        - Engine System Development Dept.
        - Engine Component Development Dept.
        - Transmission & Final Drive Development Dept.
        - Performance Testing Dept.
        - Advanced Electrical/Electronics Dept.
        - Electrical/Electronics System Dept.
  - Board of Statutory Auditors
    - Statutory Auditors
- Mitsubishi FUSO Truck & Bus Company — COO
  - International Car Operations Headquarters
    - International Car Administration Office
      - Export Operations Dept.
      - International Product Planning & Marketing Dept.
      - International After-Sales Dept.
    - American Car Operations Office (in USA)
      - North America Dept.
      - Latin America Dept.
    - European Car Operations Office (in Europe)
      - Europe Dept.
    - Asia, Oceania, Middle East & Africa Car Operations Office
      - Asia Dept.
      - ASEAN Dept.
      - Oceania Dept.
      - Middle East & Africa Dept.
    - Sales Controlling & International Business Planning Dept.
  - Domestic Car Operations Office
    - Car Sales Planning Dept.
    - Sales Transformation Promotion Dept.
    - Car Sales Promotion Dept.
    - Car Dealer Management Dept.
    - Customer Satisfaction Dept.
    - Car Service Dept.
    - Car Fleet Sales Promotion Dept.
    - Tokyo Fleet Sales Dept.
    - Hokubu Region Sales Dept.
    - Tobu Region Sales Dept.
    - Chubu Region Sales Dept.
    - Seibu Region Sales Dept.
    - Minicar Sales Promotion Dept.
    - Parts Sales Promotion Dept.
  - Global Procurement & Supply Office
    - Purchasing Planning Dept.
    - Power Train Parts Purchasing Dept.
    - Chassis & Body Parts Purchasing Dept.
    - Trim & Electrical Parts Purchasing Dept.
    - Raw Material & Processing Parts Purchasing Dept.
    - Indirect Materials & Service Dept.
    - [Supplying]
      - Supply Planning & Reporting Dept.
      - Supply Programming & Ordering Dept.
      - Supply Logistics Operation Dept.
  - Turnaround Office
    - Turnaround Controlling Dept.
    - Turnaround Planning & Coordination Dept.
  - Quality Management Office
    - [Safety Quality Audit Project Manager]
    - Administration Dept.
    - Field Quality Assurance Dept.
    - Quality Audit & Administration Dept.
  - Planning & Administration Office
    - Corporate Planning & Strategy Dept.
    - General Affairs Dept.
    - General Administration Dept.
    - Product Planning Dept.
  - [Quality Administration] — Quality Administration Dept.
  - [Purchasing] — Purchasing Dept.
  - Truck & Bus Research & Development Office
    - Vehicle Development & Design Office
    - Engineering Administration Dept.
    - Design Dept.
    - Product Cost Planning & Control Dept.
    - Quality Information Dept.
    - Cab Design Dept.
    - Engine Design Dept.
    - Transmission & Final Drive Design Dept.
    - Electronics Engineering Dept.
    - Material Engineering Dept.
    - Vehicle Research Dept.
    - Engine research Dept.
    - Vehicle Testing Dept.
    - Function Testing Dept.
    - Engine Testing Dept.
    - Transmission & Final Drive Testing Dept.
    - Prototype Dept.
  - Truck & Bus Production Office
    - Production Control Dept.
    - Production Engineering Dept.
    - Assembling Production Dept.
    - Engine Production Dept.
    - Parts Production Dept.
    - Small Buss Production Dept.
    - Quality Control Dept.
  - Domestic Truck & Bus Sales Office
    - Sales Promotion & Distribution Dept.
    - Dealer Management & Sales Planning Dept.
    - Bus Sales Dept.
    - Fleet Sales Promotion Dept. A
    - Fleet Sales Promotion Dept. B
    - Fleet Sales Promotion Dept. C
    - Parts Sales Dept.
    - Service Dept.
    - Industrial Engine Dept.
  - [International Sales & Marketing] — International Sales & Marketing Dept.

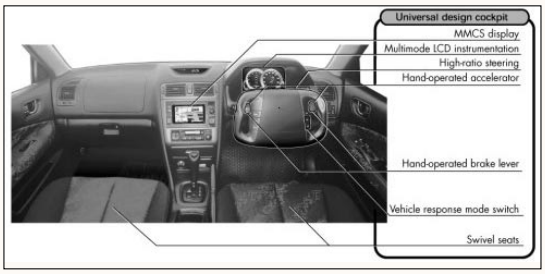
Mitsubishi ASV-2

MMC has recently completed development of three Mitsubishi ASV-2 advanced safety vehicles that represent the crystallization of the company's vast accumulation of safety technology know-how and incorporate many applicable technologies for the 21st century. The Mitsubishi ASV-2s now add user-friendly – the more elderly driver included – ITS technology to the advanced Active and Passive Safety technologies already applied in MMC vehicles.

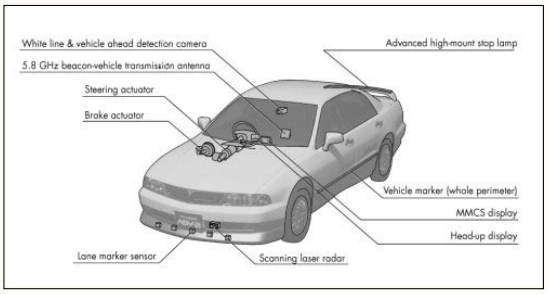




✦ **ITS-ASV:** Incorporates advanced ITS technology, using sensors and communication systems to monitor the road environment and provide the driver with voice and visual information. The ITS-ASV also features a system that assists the driver in taking avoidance action should he find himself in a potentially dangerous situation. Component systems include: Multi-eye system that uses millimeter-wave radar to monitor forward vehicle distance and relative vehicle speed, laser radar with high resolution capability, cameras that respond to significant changes in light intensity, and a variety of sensors that detect and monitor the road environment; Friendly cockpit that meets the requirements of the information society in the 21st century, providing all information necessary for safe operation of the vehicle and featuring a head-up display (HUD), voice-activation system and a hands-free car telephone; Other equipment includes steering and brake actuators and other components that support the driver in his operation of vehicle.



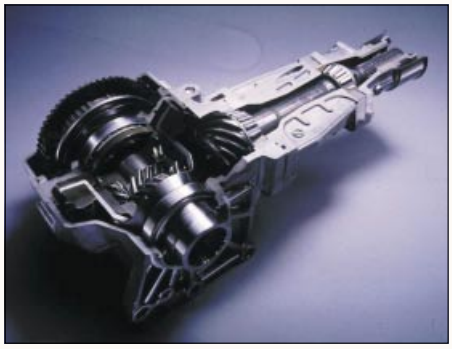
✦ **Hi-mobility ASV:** Using new-design driving controls and advanced vehicle management systems to which universal design concepts have been applied, the Hi-mobility ASV offers outstanding levels of operational ease and maneuverability that are independent of the driver's physical characteristics or driving skills. Component systems include: Universal Design Cockpit, which employs drive-by-wire (mechanical linkages are replaced by electronic systems) technology to enable vehicle operation and car dynamics to be controlled at will; and, Vehicle Dynamics Management System, which enables drivers of all abilities to extract the full dynamic performance potential of their vehicle.



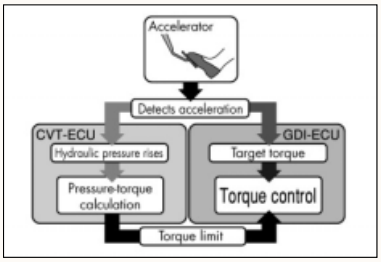
✦ **Smart Cruise 21 ASV:** This special model has been developed for the "Smart Cruise 21" proving program being run jointly by the Japanese Transport and Construction ministries. Using information acquired from the communications infrastructure, on-board systems assist the driver in crash avoidance and in keeping to his lane. Smart Cruise 21 ASV is equipped for communications with the road infrastructure, and with a lane marker sensor that detects magnetic markers installed in the road surface. It is fitted with a Head-up Display and other means of delivering information to the driver, as well as steering and braking actuators that assist the driver in the operation of his vehicle.

Active Center Differential

The Active Center Differential uses a hydraulically actuated multi-plate clutch to regulate differential limiting force, this replacing the viscous coupling unit used in Mitsubishi all-wheel drive systems to date. To maximize performance for different surface conditions, the ACD regulates differential limiting action from open to locked in the center differential, which splits drive torque equally between front and rear wheels. The result is substantial improvements in both steering response and feel, and in traction. (Standard specification on Lancer Evolution VII).

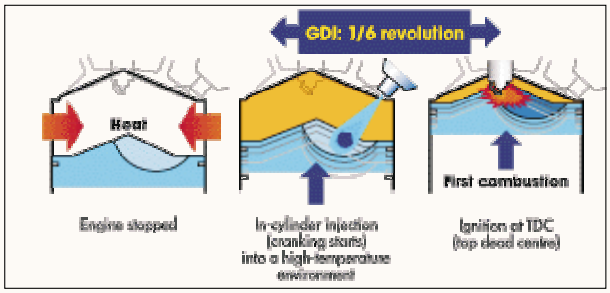


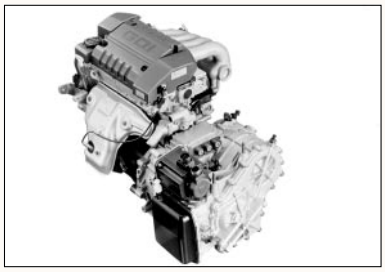
GDI-related technology



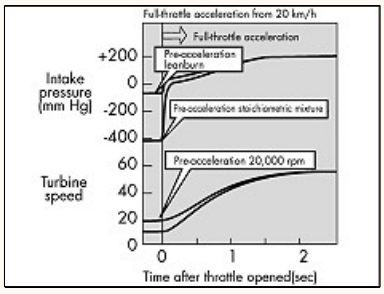
✦ **GDI+CVT:** Mating a CVT to a conventional multi-port injection engine results in reduced effectiveness as a result of transmission and engine incompatibility in the low-consumption operating zone, of energy losses due to friction in the belts, of energy losses in the torque converter. This arrangement also causes vibration in the car body. The superior torque management of the GDI engine enables a reduction in CVT operating pressure ,realizing a significant improvement in fuel economy and smoother operation.

✦ **GDI+ASG:** Conventional multi-port injection engines with idling-stop systems can be unsettling for the driver because of the time taken to restart the engine. The GDI+ASG power train solves this problem using a high-precision ASG control system, a simple clutch pedal-operated engine restart mechanism and exploiting the superior starting characteristics of the GDI engine. To restart the engine after the ASG system has stopped it at idling (this only happens when the vehicle is at rest, the shift lever is in neutral and the clutch is engaged) all the driver has to do is press the clutch pedal to disengage the clutch. The lack of any complicated restarting procedure, and the very fast engine restart – a fraction of the time required with a conventional engine – eliminates worries about increases in emissions or about holding up other vehicles in traffic. The Pistachio, launched as a limited-edition model in December 1999, uses the GDI+ASG power train to achieve superior fuel economy, particularly in town driving. *(ASG: Automatic Stop & Go)*





✦ **GDI+HEV:** Hybrid propulsion systems are a low-consumption technology that offer high levels of efficiency. However, systems that use conventional engines are costly because they require complicated drive trains, powerful motors and generators, as well as large capacity batteries. The superior torque and fuel efficiency at low loads of the GDI engine enable the use of smaller motor and batteries, to realize up to 50% better fuel economy over conventional engines.

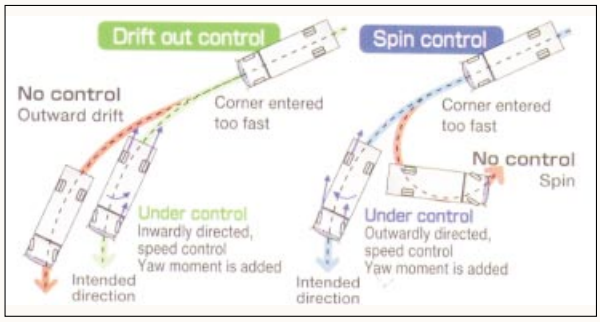


✦ **GDI+Turbocharger:** The application of turbocharging to conventional multi-port injection engines results in poorer fuel economy because lower compression ratios must be used to prevent the knocking that limits torque at low and mid speed ranges, and in turbo lag in the initial stages of acceleration. The 2-stage mixture detonation control of the GDI engine enables use of a higher compression ratio and generation of more low-end torque, and thereby avoid the deterioration in fuel economy and lag normal with turbocharged engines. Some models in the Pajero iO series, launched in June 2000, use the GDI+Turbo power train.

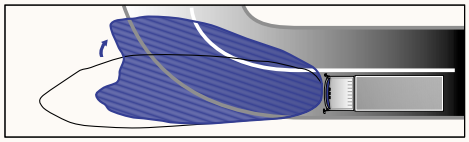
Mitsubishi ASV-2 truck

Safety, the environment and efficiency are central themes in truck and bus development at MMC. The size and weight of a heavy-duty vehicle mean that, in the event of an accident, there is a significant likelihood of it suffering damage itself and of causing damage to other vehicles. For this reason, the Mitsubishi ASV-2 Truck is loaded with active safety systems designed to provide the driver with safety-enhancing information and to lessen the strain and effort involved in operating his vehicle. MMC is an industry leader in bringing cutting-edge ASV technologies to market in Mitsubishi FUSO heavy-duty trucks and buses.

✦ **MDAS-II** First brought to market in 1996, the Mitsubishi Driver Attention monitoring System helps prevent accidents by monitoring such factors as degree of variation in vehicle operation, steering inputs, and zigzagging to determine the driver's level of alertness. When necessary, the system sets off multiplex visual alerts in the instrument cluster and issues a voice warning to restore the driver's attention. Features new to MDAS II include a refreshing herbal fragrance emitted at intervals to maintain driver alertness, and inter-vehicle distance warning.(Available on Mitsubishi Fuso heavy trucks)



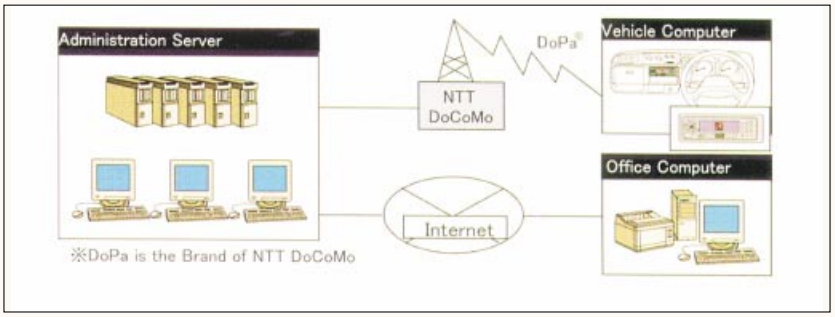
✦ **Active stability control system** This system helps prevent drifting out or spinning by regulating braking force at each wheel when the vehicle enters a corner too fast or otherwise approaches its cornering limits. The system controller uses steering wheel angle, throttle opening, vehicle speed, acceleration, angular velocity and other sensor information to compare actual vehicle behavior with predetermined norms. When it determines that danger-avoidance action is necessary, the controller sends signals to the brake actuators and engine controller to stabilize vehicle behavior.



✦ **Headlight beam pattern control system:** This system enhances forward visibility at night. Linked to steering input, the system adjusts the horizontal angle of each headlight beam on the basis of steering wheel angle, vehicle speed and other sensor information. The system can adjust the beam angle through a horizontal range of 20-degrees to optimally illuminate curves with a radius as tight as 25 meters.

✦ **Automatic tracking (convoy) system:** This automated convoy system uses high-precision GPS technology in sending driving status data telemetrically from the lead truck to following vehicles. The system is currently being developed for use on dedicated automated highways, but MMC intends to apply elements of the technology in driver-support systems in the near future. (This system is not installed on the Mitsubishi ASV-2Truck but is currently being developed and tested on other vehicles).

✦ **Mitsubishi Fuso Total Support System** The Mitsubishi Fuso Total Support System realizes improved efficiencies in haulage logistics and in cargo quality and vehicle maintenance management in today's goods supply industry where competitiveness depends on providing high levels of transportation quality. Vehicle load status, location and other data are automatically recorded by the on-board computer and sent to a central server by packet transmission, enabling branch offices to access the information on a real time basis. This enables the operator not only to monitor current vehicle position or load status, but also to regulate cargo temperatures in refrigerated trucks. The system generates daily log, cargo quality and other reports, as well as vehicle inspection and servicing data



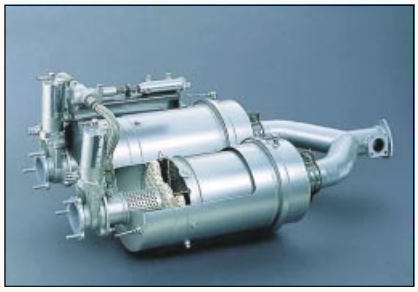
Aero No-step HEV Bus:

MMC started electric vehicle research and development in 1966. Since then, the company has developed a large-size electric bus in 1973, applied the MBECS (Motor vehicle Brake Energy Conservation System) regenerative braking system to production large-size buses in 1984 and has shown HEV (hybrid electric vehicle) buses at each Tokyo Motor Show since 1993.

Using a diesel engine to drive the generator, the Mitsubishi Stepless HEV large-size public service bus does not require the provision of any special infrastructure for it to go into widespread use as a low-emission vehicle throughout Japan. It realizes major reductions in emissions, fuel consumption and noise, thereby achieving greater harmony with the environment. And the more extensive step-free floor area realized by the rational layout of the hybrid power system makes this a very passenger-friendly public service bus.

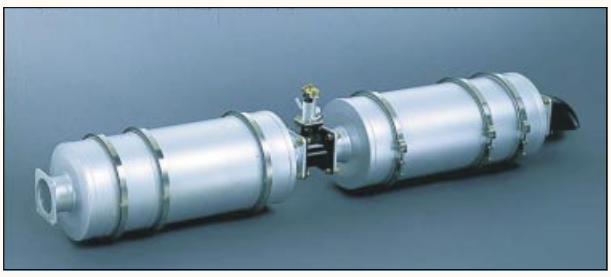
Diesel Particulate Filters:

Reducing particulate matter (PM) from diesel exhaust requires the use of very high spray pressures, improved combustion methods and improvements in diesel fuel quality. Diesel particulate filters (DPF) use porous ceramic filters to trap and burn exhaust gas PM. There are two types: The Alternating Regenerative DPF which switches between two filter assemblies to trap and burn PM; and the Continuously Regenerative DPF which burns PM continuously using a single filter. Both types remove substantial quantities of PM from diesel exhaust gas.



✦ **Alternating regenerative filter:** MMC has tested this type of DPF on public service buses since 1993. It replaces the conventional muffler with two ceramic filter assemblies. When one filter has trapped a given amount of PM, the system diverts exhaust gases to the other filter before activating an electric heating unit to burn off the PM and regenerate the first filter. This type of DPF requires regular maintenance and it is rather bulky in size.

✦ **Continuously regenerating filter:** This type of DPF burns off PM as it is trapped by the ceramic filter in a process that continuously regenerates the filter. Because catalytic performance decreases at low temperatures, development is currently centered on ensuring consistent regeneration for all operating conditions with a view to bringing it to market.



III Production in Japan

Mitsubishi Motors' philosophy of elimination of strain, waste and inconsistency permeates every level of the company's operations. Its policy of high quality and low cost vehicle production is amply demonstrated at each of its manufacturing plants, all of which employ the most advanced technology in the most modern facilities. Mitsubishi Motors is committed to environmental conservation, and each of its plants has comprehensive environmental protection facilities.

1. Production volume by model

Model	1995	1996	1997	1998	1999	2000
Aspire	—	—	—	1,706	1,302	55
Challenger	—	35,561	51,594	71,562	95,914	92,475
Chariot & Chariot Grandis	41,943	33,648	59,448	88,251	63,010	26,734
Debonair	1,209	1,053	797	463	230	—
Delica	109,930	88,978	69,495	34,614	17,758	18,347
Delica W	—	—	—	22,290	13,888	9,895
Diamante	35,338	20,202	13,088	4,246	8,279	4,406
Dignity	—	—	—	—	15	42
Dion	—	—	—	—	15,282	30,977
Emeraude	1,262	142	—	—	—	—
Eterna	17,984	6,174	5,340	870	5,880	15,630
FTO	9,741	2,928	1,960	1,033	616	160
Galant	39,421	47,168	77,314	38,746	28,076	18,514
GTO	7,953	7,601	5,496	2,207	2,355	114
Jeep	1,040	845	1,167	717	413	622
Lancer & Lancer Cedia	140,261	117,394	100,868	120,758	86,319	120,875
Legnum	—	44,614	62,543	26,302	16,809	8,276
Libero	22,775	18,298	14,516	10,786	10,796	4,761
Libero Cargo	14,189	15,986	10,298	8,148	9,000	8,137
Minica / Toppo BJ	98,237	85,180	73,684	111,185	112,542	112,589
Minica Van	35,263	35,331	41,799	27,475	37,311	43,993
Minicab	47,288	54,882	48,878	41,939	41,831	34,935
Minicab Van	35,806	37,326	30,447	29,900	28,536	27,835
Mirage & Mirage Dingo	86,767	101,391	93,848	95,661	77,800	57,937
Pajero	152,102	128,593	136,941	29,274	14,013	11,174
Pajero iO	—	—	—	54,262	51,516	24,783
Pajero Jr.	30,605	24,690	13,934	149	—	—
Pajero Mini	104,990	71,185	43,302	48,792	36,580	24,895
Pajero W	—	—	—	66,401	76,511	127,141
Pistachio	—	—	—	—	50	—
Proudia	—	—	—	—	383	759
RVR	45,787	30,137	22,861	13,976	20,333	4,028
Sigma	913	6	—	—	—	—
Strada	52,463	39,066	43,432	24,879	11,759	16,143
Toppo BJ Wide	—	—	—	3,596	721	478
Townbox	—	—	—	2,261	14,421	8,953
Townbox Wide	—	—	—	—	3,616	1,441
Heavy-duty trucks	31,533	29,524	22,155	13,034	14,140	14,160
Medium-duty trucks	24,842	27,988	22,169	15,424	16,146	15,020
Canter	73,861	90,245	85,239	63,160	52,267	57,353
Canter 1.5t	14,193	17,586	14,969	10,527	8,823	10,112
Large buses	1,706	1,837	2,009	1,946	1,454	1,513
Medium buses	658	781	557	440	387	377
Small buses	4,283	4,831	5,134	5,632	4,660	4,377
TOTAL	1,284,343	1,221,171	1,175,282	1,092,612	1,001,742	960,014

2. Factory profiles (Japan)

Facility name		Year built	Site area (sq.m.)	Floor area (sq.m.)	Employees	Main products (As at July 2000)
Nagoya Plant	Oye	1920	215,000	163,000	1,600	Pajero, Challenger, small buses
	Okazaki	1977	425,000	140,000	1,800	Diamante, Galant, Legnum, Chariot Grandis, RVR, Pajero iO
Mizushima Plant		1943	1,245,700	465,400	4,900	Lancer, Mirage Dingo, Dion, Lancer Cedia, Lancer Cedia Wagon, Airtrek Libero, Townbox Wide, Delica Space Gear, Minica, Toppo BJ, Townbox, Minicab, Pajero Mini Minicar engines and transmissions Small car engines and transmissions
Kyoto Plant	Kyoto	1944	307,900	259,500	2,400	Automotive engines and transmissions
	Shiga	1979	172,800	64,000	500	Automotive engines
	Yagi	2000	233,300	30,400	140	Continuously variable transmissions
Tokyo Plant	Kawasaki	1940	437,000	305,500	3,500	Fuso heavy, medium, light trucks Special application vehicles Truck and bus engines; axles for medium trucks
	Nakatsu	1975	35,700	15,200	180	Gear cogs

3. R&D centers (Japan & overseas)

Location	Facility name		Address
Japan	Car Research & Development Center (Cars and light commercial vehicles)	Okazaki	1, Nakashinkiri, Hashime-cho, Okazaki Aichi 444-8501
		Kyoto	1, Uzumasa Tatsumi-cho, Ukyo-ku Kyoto 616-8501
		Tokachi Proving Ground	221-1 Osarushi, Otofuke-cho, Kato-gun Hokkaido 080-0271
	Truck & Bus Research & Development Center	Kawasaki	10-Okura-cho, Nakahara-ku, Kawasaki Kanagawa 211-8522
		Kitsuregawa Proving Ground	4300, Washijuku, Kitsuregawa-cho, Shioya-gun Tochigi 329-1411
Overseas	Mitsubishi Motors R&D of America	Ann Arbor Laboratory	3735 Varsity Drive, Ann Arbor MI 48108, U.S.A.
		Cypress Laboratory	6430 W. Katella Ave., Cypress CA 90630, U.S.A.
	Mitsubishi Motor R&D of Europe	Trebur R&D Center	Hessenauerstrasse 6, 65468 Trebur, Germany

4. Styling design centers (Japan & overseas)

Location	Facility name		Address
Japan	Car Research & Development Center (Cars and light commercial vehicles)	Tama Design Center	1-16-1 Karakida, Tama Tokyo 206-0035
		Okazaki	1, Nakashinkiri, Hashime-cho, Okazaki Aichi 444-8501
	Truck & Bus Research & Development Center	Kawasaki	10-Okura-cho, Nakahara-ku, Kawasaki Kanagawa 211-8522
Overseas	Mitsubishi Motors R&D of America	Cypress Design Studio	6430 W. Katella Ave., Cypress CA 90630, U.S.A.
	Mitsubishi Motors R&D of Europe	Trebur Design Studio	Diamant Strasse 1, 65468 Trebur, Germany

5. R&D spending over the years

(Unit: ¥million)

	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001(Plan)
R&D spending	120,000	126,000	120,000	104,000	98,000	110,000
As % of sales	4.6%	5.0%	5.1%	4.9%	4.9%	5.5%
Sales	25,859,000	25,006,000	23,340,000	21,066,000	20,127,000	20,000,000

Note: 1. Spending includes general administrative expenses for product planning and car design departments, appraisal losses on inspected vehicles, etc.

IV Sales and parts operations in Japan

1. Sales channels (July 2001)

Channel (No. dealerships)	Galant (118)	Car Plaza (113)	Fuso (36)
Passenger cars	Diamante Galant, Legnum Lancer Cedia Lancer Cedia Wagon Chariot Grandis Dion Airtrek	Diamante Aspire, Legnum Lancer Cedia Lancer Cedia Wagon Chariot Grandis RVR, Mirage Dingo Dion Airtrek	
Imports	Diamante Wagon	Diamante Wagon	
Light commercial vehicles	Delica Libero Cargo Pajero Pajero iO Challenger	Delica Libero Cargo Pajero iO Challenger	
Minicars	Minica Toppo BJ Minicab (van, truck) Townbox Pajero Mini		
Trucks (over 1.5 ton payload)			Super Great heavy truck Fighter, Fighter Mignon & NX medium trucks Canter, Canter Guts light trucks
Buses			Fuso medium and large buses Rosa small bus

2. Parts and service organization

Mitsubishi Motors is constantly exploring ways in which to improve its sales and after-sales service. Over 1,400 passenger car (Galant and Car Plaza dealerships) and commercial vehicle (Fuso dealerships) outlets are supported by ten directly-managed Technical Centers and 99 Technical Pits that offer diagnostic and metering services for the advanced electronic circuitry used in Mitsubishi vehicles today. This comprehensive network ensures that customer needs are met pertinently and speedily.

(1) Advanced servicing and repair network

	Technical Center	Technical Pit
Level of diagnostic service	• Problems that require advanced metering of electronic circuitry and parts • Problems that require rolling-road diagnostic examination	• Problems that require more advanced diagnostic examination than possible with multi-use tester • Problems relating to vehicle stability, vibration and others that are beyond capability of regular service shop
Management	• Mitsubishi Motors	• Technical Master (MMC-qualified mechanic employed by sales companies)

(2) Parts supply organization

Eight strategically located Parts Centers and Depots assure 'prompt delivery, anywhere, anytime' of parts and components. thereby contributing to high levels of customer satisfaction and enduring brand loyalty.

❑ **Parts centers and depots**

- Mitsubishi Motors sales companies throughout Japan are supplied by four Parts Centers located in Atsugi, Nagoya, Takatsuki and Mizushima, and four Parts Depots located in Hokkaido, Tohoku, Nakatsu and Kyushu.

❑ **Next-day delivery**

- A computerized on-line network and exclusive delivery service ensure that orders received by 4.30pm arrive at the sales company the following morning.

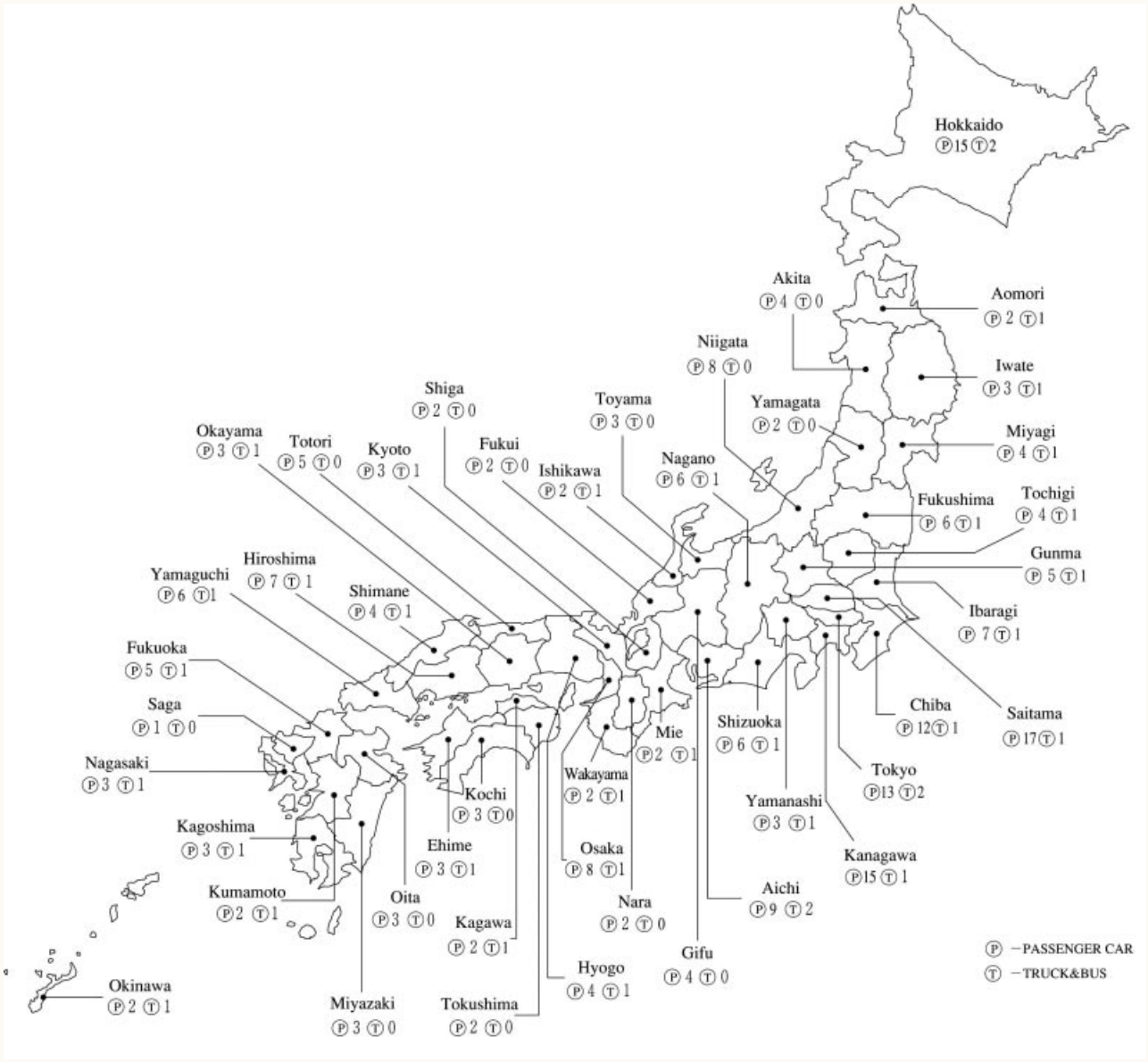
❑ **Just-in-time inventory management**

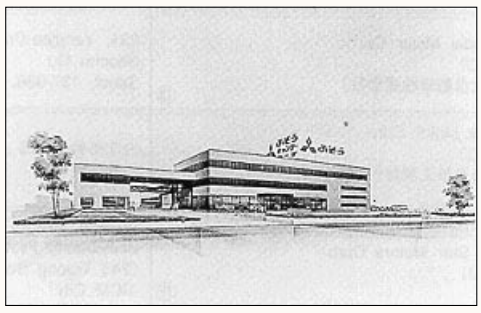
- Mitsubishi Motors is focused on achieving industry-topping levels of service from ever-lower inventory levels.

3. Sales network throughout Japan

❑ **Sales companies throughout Japan**

MMC sales companies		(1 July 2001)
Passenger cars	Galant dealerships	118
	Car Plaza dealerships	113
Trucks & buses	Fuso dealerships	36
Total		267





V Current model lineup

1. Japan market passenger cars

Sedan models (Click photo to jump to web page)


DIAMANTE


GALANT


ASPIRE


LANCER CEDIA


LANCER EVOLUTION VII

Recreation Vehicles


AIRTREK


MIRAGE DINGO


LANCER CEDIA WAGON


DION


RVR
SPORTS GEAR AERO


RVR


PAJERO
(Short body)


PAJERO
(Long body)


DELICA SPACE GEAR


LEGNUM


DIAMANTE WAGON


CHARIOT GRANDIS


PAJERO iO

Minicars


eK WAGON


TOPPO BJ


T-BOX


MINICA


PAJERO MINI

2. Japan market: Mitsubishi Fuso trucks & buses

FUSO Super Great heavy trucks (Click on photo to jump to web page – Japanese language only)


SUPER GREAT2001


SUPER GREAT DUMP TRUCK


SUPER GREAT TRACTOR

FUSO Fighter medium trucks


FIGHTER


FIGHTER NX


FIGHTER MIGNON

FUSO Canter light trucks


CANTER


CANTER GUTS


CANTER GUTS 4WD


CANTER GUTS DOUBLE-CAB

FUSO buses


AERO QUEEN


AERO STAR


AERO BUS


ROSA


AERO MIDI

3. Vehicles manufactured outside Japan


ADVENTURE
[Philippines]
SUV


CARISMA
[Europe]
Sedan / hatchback


ECLIPSE
[USA]
Sports coupe


FREECA
[Taiwan]
SUV


KUDA
[Indonesia]
SUV


L200
[Thailand]
Pickup truck


L200
[Brazil]
Pickup truck


LANCER
[India]
Sedan / hatchback


MAGNA / VERADA
[Australia]
Sedan / Station wagon


PAJERO PININ
[Europe]
SUV


SPACE STAR
[Europe]
Space utility wagon

4. Current model features

Series name	Characteristics
Airtrek	▪ New-age crossover RV model combines the everyday utility of a minivan with the sporty performance of a station wagon and the off-road capability of a SUV.
Chariot Grandis	▪ Powered by GDI engines mated to the INVECS-II smart automatic transmission, Chariot Grandis strikes an exquisite balance between performance, comfort, versatility safety, quality and environmental acceptability. Unprecedented space utility and versatility.
Delica Space Gear	▪ Full-feature "Super Leisure RV" combines sedan levels of ride comfort with outstanding versatility and vehicular performance.
Diamante	▪ 4-door sedan that sets a new medium-class benchmark. 2.5-l and 3.0-liter GDI engines deliver sporty performance with eco-friendly fuel economy.
Dion	▪ Compact station wagon. Second in SUW series, brings stress-free travel with class-topping space and roominess within user-friendly body dimensions, middle row of individual seats – a class first – and a third row of seats that can be folded down and stowed under the floor.
Galant	▪ First production model powered using eco-friendly GDI technology. Sedan styling distinguished by dashing and powerful lines. RISE safety body adds to outstanding value-for-money offered by the definitive MMC passenger car
Lancer Cedia	▪ Replaces Lancer and Mirage 4-door sedan models. New-age packaging provides spacious interior accommodation for four adults in an easy-to-handle body size. GDI+CVT power train returns ultra-low fuel consumption and delivers silky-smooth, sporty performance.
Lancer Cedia Wagon	▪ Sporty touring station wagon. Stylish design marries functional aesthetics with classy appearance. Big Cabin concept realizes comfortable and roomy interior space within compact body.
Legnum	▪ Wagon cousin of Galant sedan; offers highest levels of performance, comfort and luxury for its class.
Minica	▪ Outstanding economy and utility make this "easy-to-use" basic sedan the ideal commuter or shopping model.
Minicab	▪ Cab-over van and truck models, developed to "mini-size commercial vehicle role model" and "user-friendly" themes.
Mirage Dingo	▪ First in MMC's SUW series that is being developed around a Smart Design and Ecology Conscious philosophy. Powered by 1.5-l GDI engine, the smallest of its type anywhere
Pajero	▪ Full-feature 4-wheel drive SUV that is as happy off-road as on tarmac. Features include Super Select 4WD II, Multi-mode ABS, and direct-injection (DI) diesel and GDI engines.
Pajero iO	▪ 2.0-liter GDI and 1.8-liter GDI+Turbo engines power optimal-size SUV; features go-anywhere off-road capability and comfortable and civilized on-road performance of its Pajero big brother.
Pajero Mini	▪ Downsized Pajero inherits off-road and tarmac performance of its full-feature big brother. New-taste styling makes it look bigger than its minicar classification, and defines its lineage.
RVR	▪ Compact RV combines performance and space utility with styling chic to make it equally suited for leisure trips or for use around town. Available in sportier and tougher RVR Sports version.
Toppo BJ	▪ A member of the "Big Small" minicar series. Airy, light and comfortable interior realized by high roof encourages communication between occupants. Outstanding maneuverability.
Townbox	▪ Boxy styling distinguishes this "multi-space mini-wagon" – Japan's first 5-number minicar. Interior provides comfortable accommodation for four adults and luggage compartment.

5. Series name derivations

Series name	Derivation
Airtrek	▪ Coined from Air and Trek to describe its ability to transport its passengers on adventure-packed journeys in a free-as-a -bird manner.
Canter	▪ From the English word describing the gait of a horse; a collected gallop which the horse is able to sustain over long distances. Just right for Mitsubishi's range of thoroughbred small trucks.
Carisma	▪ Coined from the Greek "kharisma" and English "charisma": describing the god-given attribute of an almost magical power that attracts many followers.
Chariot	▪ French for the battle chariot used in ancient Greece and the Roman empire.
Grandis	▪ From the Latin for large or grand.
Diamante	▪ From the Spanish word; reflecting the company's Three-Diamond logo, gives expression to "brilliant" and sparkling expectations.
Dion	▪ Derived from Dionysus, the Greek god of wine and joy
Eclipse	▪ Undefeated 18th century English racehorse that won 26 races.
Fuso	▪ Used to refer to Japan in ancient Chinese texts: "the place where the sun rises in the Eastern Sea".
Galant	▪ From the French word meaning gallant, valiant.
Lancer	▪ A soldier of cavalry regiment armed with lance.
Cedia	▪ Coined from the English CEntury and DIAmond.
Legnum	▪ From the Latin regnum or "kingdom", reflecting regal power and rank.
Magna	▪ From Latin "magnus": great, magnificent, superior.
Minica	▪ Literally, minicar.
Toppo	▪ Coined from English "top" (roof) and Japanese "noppo" (lanky).
BJ	▪ Big Joy.
Minicab	▪ Light cab-over vehicle with cargo bed.
Mirage	▪ From the English (originally French) "mirage".
Dingo	▪ from Bingo, with its "strike lucky" connotation; the B being replaced by the D in the Mitsubishi "Diamond" logo.
Pajero	▪ Named after a mountain cat that inhabits the Patagonia plateau region in southern Argentina.
iO	▪ Italian for I, me. Generates image of being easy to get to know, easy to drive; one's very own Pajero.
RVR	▪ Recreational Vehicle Runner
Sports Gear	▪ Ideal for transporting large items of leisure and sports equipment to beach, camp site or ski slope.
Space Gear	▪ Reflects the generous "space" available for transporting large quantities of leisure and sports "gear".

6. Model naming in global markets

Japan market name	Global markets						
	U.S.A. (MMSA)	Europe	Australia	Taiwan	Puerto Rico	Indonesia	Others
Challenger	Montero Sport	Pajero Sport	Challenger	Challenger	Nativa	—	Nativa Montero Sport
Chariot	—	Space Wagon	Nimbus	—	—	—	Space Wagon
Delica	—	L300	Star Wagon(W) L300 Express(V)	Delica	—	Colt Solar(D)	L300
Delica Space Gear	—	Space Gear(W) L400 (V)	Star Wagon(W) L400 Express(V)	Space Gear	—	—	Space Gear(W) L400 (V)
Diamante	Diamante	—	Magna / Verda	Diamante	Diamante	—	Sigma
Eclipse	Eclipse	Eclipse	—	Eclipse	Eclipse	—	—
Galant	Galant	Galant	Galant	Galant	Galant	Galant	Galant
Lancer	—	Lancer	Lancer	Lancer Virage	—	Lancer	Lancer
Mirage 3 Door	Mirage Coupe	Colt	Mirage Lancer	—	Mirage Coupe	—	Colt Lancer Coupe
Pajero	Montero	Pajero (Shogun in UK) (Montero in Spain)	Pajero	Pajero	Montero	Pajero	Pajero or Montero
Pajero iO	—	Pajero Pinin	Pajero iO	—	—	—	Pajero iO Montero iO
RVR	—	Space Runner	—	—	—	—	—
Strada	—	L200	L200 Triton	—	—	—	L200 (Colt in S. Africa)

Dingo, Dion and Minica are exported in limited numbers to: Hong Kong and Singapore (Dingo); Hong Kong, Singapore and Caribbean markets (Minica Towny)

VI International operations

1. Production facilities outside Japan

Facility name	Location	Established	Capitalization	Equity	Volume	Sales amount	Employees	Business lines
Mitsubishi Motor Manufacturing of America, Inc. (MMMA)	100 North Mitsubishi Motorway Normal, Illinois 61761 U.S.A.	October 1985	USD 88.75 m	MMC. . . . . 97.12% MC and others 2.88%	189,000 (1997) 157,364 (1998) 162,199 (1999) 222,414 (2000)	USD 2,890.4 m (1997) 2,433.8 m (1998) 2,480.7 m (1999) 3,477.7 m (2000)	3,100 (41)	Manufacture of automobiles Mitsubishi Eclipse, Galant, Dodge Stratus, Chrysler Sebring 240,000 units/year
Mitsubishi Trucks Europe-Sociedade Europeia de Automoveis, S.A. (MTE)	Apartado 7, 2200 Tramagal, Portugal	March 1996	PTE 1,500 m	MME . . . . . 99.00% Local 1.00%	7,130 (1997) 9,210 (1998) 11,405 (1999) 11,714 (2000)	PTE 20,550 m (1997) 27,980 m (1998) 32,460 m (1999) 35,100 m (2000)	413 (16)	Manufacture of automobiles Canter 12,000 units/year
Netherlands Car B.V. (NedCar)	Dr. Hub van Doorneweg 1 6121 RD Born The Netherlands	December 1991	NLG 551 m	Mitsubishi gp 85.00% Volvo Car Corp. .00%	197,200 (1997) 242,500 (1998) 262,400 (1999) 215,000 (2000)	NLG 5,127.8 m (1997) 6,505.3 m (1998) 7,132.2 m (1999) 6,033.5 m (2000)	5,061 (29)	Manufacture of automobiles Mitsubishi Carisma, Space Star, Volvo S40 and V40
Mitsubishi Motors Philippines Corp. (MMPC)	Ortigas Avenue Extention Cainta, Rizal, Philippines	February 1987	PHP 1,640 m	MMC . . . . . 51.00% Nissho Iwai . 49.00%	29,600 (1997) 15,257 (1998) 15,502 (1999) 15,257 (2000)	PHP 10,693 m (1997) 8,373 m (1998) 9,500 m (1999) 10,200 m (2000)	1,354 (10)	Importing, assembly, marketing of automobiles Galant, Lancer, Strada, Delica, Adventure, Pajero; Canter and Fuso trucks; buses 62,500 units/year
Asian Transmission Corp. (ATC)	Silangang Canlubang, Industrial Park Calamba Laguna Philippines	January 1973	PHP 350 m	MMC . . . . . 5.30% Nissho Iwai . . 5.30% Local 89.40%	2233,300 (1997) 213,171 (1998) 298,386 (1999) 414,478 (2000)	PHP 3,051 m (1997) 2,754 m (1998) 3,200 m (1999) 3,700 m (2000)	562 (5)	Manufacture of transmissions Assembly of engines, transmissions and axles
Perusahaan Otomobil Nasional Bhd. (Proton)	HICOM Industrial Estate, Batu 3 P.O. Box 7100, 40198 Shah Alam Selangor Darul Ehsan Malaysia	May 1983	MYD 543 m	MMC. . . . . 8.00% MC . . . . . 8.00% Local 84.00%	213,000 (1997) 92,000 (1998) 170,702 (1999) 188,572 (2000)	MYD 6,053 m (1997) 3,039 m (1998) 5,400 m (1999) 6,903 m (2000)	6,236 (7)	Manufacture of automobiles, assembly of engines, processing of engine components Saga Isawara, Wira, Satria, Putra, Perdana, Waja 230,000 units/year
MMC Sittipol Co., Ltd. (MSC)	69-69/1-3 MU11Phaholyothin Road Tambol Klongneung Ampur Klongluang Phathumthanee 12120 Thailand	January 1987	THB 834 m	MMC . . . . . 46.23% MHTC . . . . . 52.04% Local 1.73%	78,400 (1997) 65,341 (1998) 77,857 (1999) 92,008 (2000)	THB 30,200 m (1997) 32,000 m (1998) 39,000 m (1999) 45,700 m (2000)	2,945 (34)	Manufacture, importing, marketing of automobiles Lancer, Strada Canter, Fuso truck (assembly)
P.T. Mitsubishi Krama Yudha Motors & Manufacturing (MKM)	Petukangan 3, Jl. Raya Bekasi KM-21 Pulogadung, Jakarta Timur 13013 Jakarta Indonesia	August 1973	IDR 11,451 m	MMC. . . . . 32.30% MC . . . . . 32.40% Local 35.40%	73,100 (1997) 7,700 (1998) 23,200 (1999) 66,900 (2000)	INR 674,600 m (1997) 184,400 m (1998) 572,300 m (1999) 186,400 m (2000)	895 (9)	Manufacture of stamped parts, engines
Mitsubishi Motors Australia, Ltd. (MMAL)	1284 South Road, Clovelly Park South Australia 5042 Australia (Box 1851, G, P, O. Adelaide, S.A. 5001)	October 1951 (May 1979)	AUD 107 m	MMC. . . . . 60.00% MC 40.00%	58,900 (1997) 47,296 (1998) 34,883 (1999) 38,452 (2000)	AUD 2,475 m (1997) 2,438 m (1998) 2,203 m (1999) 2,448 m (2000)	3,355 (9)	Manufacture, importing, marketing of automobiles Magna, Magna Wagon, Verada, Verada Wagon 70,000 units/year
Shenyang Aerospace Mitsubishi Motors Manufacturing Co., Ltd. (SAME)	No.3 Eastern Tower Street, Dadong District, Shenyang China	August 1997	CNY738 m	MMC . . . . . 25.00% MC . . . . . 9.30% Local 65.70%	— (1997) 37 (1998) 4,916 (1999) 25,221 (2000)	— (1997) — (1998) CNY 150 m (1999 780 m (2000	566 (11)	Manufacture and sales of automotive gasoline engines Manufacture and sales of parts for automotive gasoline engines
Harbin Dongan Automotive Engine Manufacturing Co., Ltd. (HDMC)	6, Yantai Street, Pingfang District Harbin China	September 1998	CNY 500 m	MMC . . . . . 15.30% MC . . . . . 5.70% Local 79.00%	— — — —	— — — —	120 (2)	Manufacture and sales of automotive gasoline engines Manufacture and sales of parts for automotive gasoline engines
Hunan Changfeng Motor Co., Ltd (CFA)	Leng Shuitan, Yong Zhou, Hunan China	November 1996	RMB 223 m	MMC . . . . . 21.30% Local 78.70%	2,015 (1997) 1,050 (1998) 4,000 (1999 10,874 (2000)	CNY 423 m (1997) 259 m (1998) 845 m (1999) 1,870 m (2000)	1,869 (8)	Manufacture and sales of automobiles Manufacture and sale of automotive parts
Hyundai Motor company (HMC)	140-2 kye-Dong Chongro-ku Seoul, 110-793 Korea	December 1967 (April 1982)	KRW 1,476,454 m	DC. . . . . 10.46% MMC . . . . . 1.80% MC . . . . . 2.99% Local 92.51%	1,242,100 (1997 812,078 (1998) 1,307,031 (1999) 1,525,167 (2000)	KRW 11,662.0 b (1997) 8,698.0 b (1998) 14,244.5 b (1999) 18,231.0 b (2000	52,000	Manufacturing, marketing of automobiles 1,500,000 units/year
China Motor Corp. (CMC)	Yang Mei Factory 49 Shio Tsai Rd. Yang Mei Taoyuan TAIWAN	June 1969 (June 1986)	TWD 11,293 m	MMC. . . . . 14.61% MC . . . . . 5.01% Local 80.38%	97,300 (1997) 111,164 (1998) 119,809 (1999) 159,214 (2000)	TWD 46.7 b (1997) 52.9 b (1998) 48.9 b (1999) 52.6 b (2000)	2,929 (4)	Manufacture of automobiles Delica, Varica, Space Gear, Freeca, Galant, Lancer, Canter, Fuso truck 120,000 units/year
Vina Star Motors Corp. (VSM)	An Binh Village, Thuan An District Binh-Duong Province (243 Truong Son Road, Thu Duc Dist,HCM City) Vietnam	April 1994	VND 16 m	MMC . . . . . 25.00% MC . . . . . 25.00% Proton. . . . . 25.00% Local 25.00%	659 (1997) 684 (1998) 560 (1999) 947 (2000)	VND 20 m (1997) 20 m (1998) 18 m (1999) 26 m (2000)	226 (6)	Manufacture and marketing of automobiles Delica Minibus, Canter, Pajero , Lancer, Jolly, Wira 2,500 units/year

1. Production volume includes kit assembly. *2. Employee figures in parentheses indicate number of Japanese employees*

2. Major subsidiaries outside Japan (as at July 2000)

Company	Location	Established	Capitalization	MMC equity	Sales	Employees	Operations
Mitsubishi Motor Sales of America, Inc. (MMSA)	6400 West Katella Avenue Cypress CA 90630-0064 U.S.A.	December 1981	USD 115 m	MMC . . . . . 97.2% MC. . . . . 2.0% MIC 0.8%	USD 4,626 m (1997) 4,678 m (1998) 5,590 m (1999) 7,602 m (2000)	821 (10)	Importing, marketing of automobiles and related business Diamante, GTO, Galant, Eclipse, Mirage, Pajero, Challenger
Mitsubishi Fuso Truck of America, Inc. (MFTA)	100 Center Square Road Bridgeport, New Jersey 08014 U.S.A.	April 1985	USD 10 m	MMC 100.0%	USD 166.0 m (1997) 184.7 m (1998) 203.6 m (1999) 191.0 m (2000)	124 (9)	Importing, marketing of automobiles Canter, Fuso trucks
Mitsubishi Motors America Inc. (MMA)	6400 West Katella Avenue Cypress CA 90630-0064 U.S.A.	October 1973	USD 5.7 m	MMC 100.0%	USD 72.4 m (1997) 54.3 m (1998) 51.4 m (1999) 49.5 m (2000)	31 (15)	Information gathering
Mitsubishi Motors R&D of America, Inc. (MRDA)	100N. Mitsubishi Motorway Normal, IL 61761 U.S.A.	February 1996	USD 2 m	MMA 100.0%	USD 24.9 m (1997) 26.1 m (1998) 25.2 m (1999) 31.0 m (2000)	123 (42)	Product development, design, testing, certification
Mitsubishi Motors Credit of America, Inc. (MMCA)	6363 Katella Avenue, Cypress CA 90630-5205 U.S.A.	April 1991	USD 260 m	MMSA 100.0%	USD 754.5 m (1997) 717.9 m (1998) 747.4 m (1999) 858.7 m (2000)	279 (2)	Auto financing
Mitsubishi Motor Sales of Caribbean, Inc. (MMSC)	Carr.2, Km20.1 Barrio, Candelaria Toa Baja Puerto Rico 00759	April 1982	USD 13.5 m	MMC 100.0%	USD 534.1 m (1997) 546.5 m (1998) 514.1 m (1999) 498.6 m (2000)	95 (4)	Importing, marketing of automobiles Diamante, Galant, Eclipse, Mirage, Pajero, Challenger, Strada
Mitsubishi Motors Europe B.V. (MME)	Douglassingel 1 1119MB Schipol-Rijk THE NETHERLANDS	January 1977	NLG 116.7 m	MMC 100.0%	NGL 111.7 m (1997) 61.2 m (1998) 2.4 m (1999) 3.2 m (2000)	7 (6)	Supervising European affiliates Supporting NedCar operations
Mitsubishi Motor Sales Europe B.V. (MMSE)	Douglassingel 1 1119MB Schipol-Rijk THE NETHERLANDS	April 1993	NLG 3.5 m	MME . . . . . 82.0% MCAE. 18.0%	NGL 3,155.8 m (1997) 5,113 m (1998) 8,636.7 m (1999) 7,901.0 m (2000)	280 (32)	Marketing, sales and servicing of vehicles and parts
Mitsubishi Motor Marketing Research Europe GmbH (MMRE)	Schieterstein 11A 65439 Florsheim FEDERAL REPUBLIC OF GERMANY	April 1993	DEM 1 m	MME 100.0%	DEM 9.8 m (1997) 9.0 m (1998) 10.0 m (1999) 9.8 m (2000)	26 (5)	Supporting MMSE operations Marketing research Information gathering
Mitsubishi Motor R&D of Europe GmbH (MRDE)	Diamanststrasse 1 65468 Trebur FEDERAL REPUBLIC OF GERMANY	April 1993	DEM 1.5 m	MME 100.0%	DEM 30.4 m (1997) 26.4 m (1998) 26.0 m (1999) 32.1 m (2000)	72 (29)	Product development, design, testing, certification
Mitsubishi Motor Sales Denmark AS (MMSD)	Provestensvej 50 DK-3000 Helsingor, DENMARK	April 1990	DKK 66 m	MME 100.0%	DKK 572.0 m (1997) 586.3 m (1998) 749.0 m (1999) 323.4 m (2000)	54 (1)	Importing, marketing of automobiles
MMC Automoviles Espana SA. (MMCE)	Mania Tubau, 7-Torre A, Planta 4a Ctra Fuencarral-Alcobendas, km 12220 28050 Madrid SPAIN	July 1992	ESP 200 m	MME . . . . . 50.0% MCAE. . . . . 25.0% Local 25.0%	ESP 35,372 m (1997) 45,455 m (1998) 85,214 m (1999) 68,522 m (2000)	110 (1)	Importing, marketing of automobiles
Mitsubishi Motors New Zealand Ltd. (MMNZ)	Todd Park, Heriot Drive Porirua, New Zealand	May 1987	NZD 38.2 m	MMC . . . . . 100.0% (MHNZ)	NZD 324.9 m (1997) 291.0 m (1998) 324.0 m (1999) 327.2 m (2000)	69 (2)	Importing, marketing of automobiles Lancer, Galant, Chariot, Delica, Pajero; Canter and Fuso trucks

Employee figures in parentheses indicate number of Japanese employees.

3. Sales in United States

❑ Vehicles manufactured by MMC

(Units)

Sales channel	Model	Japan market name	1996	1997	1998	1999	2000
Mitsubishi Motor Sales of America, Inc. (MMSA)	3000 GT	GTO	8,317	6,086	4,164	3,419	117
	Diamante	Diamante	1,597	18	—	—	—
	Galant	Galant	3,174	19	—	—	—
	EXPO	Chariot	2	1	—	—	—
	EXPO LRV	RVR	—	—	—	—	—
	Mirage	Mirage	31,337	31,717	33,072	47,136	49,369
	Montero	Pajero	12,083	6,915	4,120	5,115	21,578
	Montero Sport	Challenger	232	31,659	38,439	59,007	66,375
	Passenger car total		56,742	76,415	79,795	114,677	137,439
	Mighty Max	Strada	81	207	—	—	—
	Montero	Pajero	—	—	—	—	—
	Van	Delica	—	—	—	—	—
	Light commercial vehicle total		81	207	—	—	—
	MMSA channel total		56,823	76,622	79,795	114,677	137,439
DaimlerChrysler (Chrysler Group)	Stealth	GTO	1,137	—	—	—	—
	Colt Vista	Chariot / RVR	1,335	—	—	—	—
	Colt / Summit	Mirage	1,773	—	—	—	—
	Passenger car total		4,245	—	—	—	—
	Ram 50	Strada	—	—	—	—	—
	Light commercial vehicle total		—	—	—	—	—
	Chrysler channel total		4,245	—	—	—	—
Mitsubishi Fuso Truck of America, Inc.	Fuso	Canter / Fuso	4,346	4,917	5,764	6,010	5,422
Grand total			65,414	81,539	85,559	120,687	142,861

❑ Vehicles manufactured by Mitsubishi Motor Manufacturing of America

	Model	1996	1997	1998	1999	2000
For MMSA	Eclipse	53,807	48,503	45,619	53,123	57,349
	Eclipse Spyder	9,309	10,066	12,336	8,751	13,958
	Mirage	—	—	—	—	—
	Galant	65,692	42,588	44,202	74,782	96,452
	MMSA channel total	128,808	101,157	102,157	136,656	167,759
For DaimlerChrysler (Chrysler Group)	Laser / Talon	13,799	10,206	2,957	—	—
	Summit	—	—	—	—	—
	Avenger / Sebring	67,513	67,308	57,668	43,239	24,173
	Chrysler channel total	81,312	77,514	60,625	43,239	24,173

❑ Vehicles manufactured by Mitsubishi Motors Australia

	Model	1996	1997	1998	1999	2000
For MMSA	Diamante (Magna / Verda in Australia)	1,121	11,384	8,563	9,921	9,219

4. Sales in other world markets (cars and trucks)

❑ **Europe**

(1,000 units)

	1996	Change	1997	Change	1998	Change	1999	Change	2000	Change
Germany	65.5	6%	73.1	12%	65.4	– 11%	68.1	4%	52.3	– 23%
Netherlands	13.7	26%	18.3	34%	19.8	8%	20.8	5%	16.6	– 20%
U.K.	17.7	48%	23.8	35%	23.5	– 1%	20.6	– 12%	19.3	– 6%
Switzerland	9.1	3%	10.5	15%	10.0	– 5%	9.3	– 7%	10.2	10%
Austria	11.3	9%	11.7	4%	9.9	– 15%	8.6	– 13%	7.5	– 13%
Sweden	4.8	26%	7.1	48%	8.0	13%	11.1	39%	10.5	– 6%
Europe total	227.8	17%	257.4	13%	285.7	11%	293.7	3%	269.1	– 8%

❑ **Asia, ASEAN, Oceania**

(1,000 units)

	1996	Change	1997	Change	1998	Change	1999	Change	2000	Change
Thailand	74.8	5%	35.2	– 53%	15.8	– 55%	19.2	22%	30.2	58%
Philippines	36.5	15%	29.6	– 19%	19.3	– 31%	15.7	– 19%	16.1	3%
Indonesia	76.3	4%	70.1	– 8%	9.0	– 87%	24.4	171%	64.0	162%
Taiwan	77.8	– 25%	101.1	30%	111.3	10%	101.8	– 9%	94.9	– 7%
Australia	61.1	– 6%	82.3	35%	84.1	2%	69.9	– 17%	73.3	5%

5. Exports by region

	1996	Change	1997	Change	1998	Change	1999	Change	2000	Change
North America	81	20%	80	– 1%	90	13%	126	39%	152	21%
Europe	146	– 8%	185	26%	169	– 8%	115	– 32%	107	– 7%
Asia	83	– 25%	78	– 6%	37	– 52%	38	2%	58	53%
C & S. America	60	14%	84	41%	86	2%	51	– 40%	49	– 4%
M. E. & Africa	60	7%	81	35%	81	0%	49	– 39%	46	– 6%
Oceania	32	– 21%	47	47%	47	1%	39	– 17%	49	24%
Other	1	19%	2	59%	1	– 33%	1	– 25%	1	– 31%
Europe total	462	– 5%	556	20%	511	92%	419	– 18%	462	10%

6. Shipments of parts to overseas manufacturing facilities by region

	1996	Change	1997	Change	1998	Change	1999	Change	2000	Change
North America	208	1%	165	– 21%	158	– 5%	175	11%	228	30%
Europe	58	38%	98	70%	115	18%	110	– 5%	96	– 13%
Asia	83	– 24%	111	34%	111	0%	104	– 6%	132	27%
ASEAN	381	22%	346	– 9%	175	– 49%	304	74%	367	21%
Oceania	50	44%	58	17%	44	– 24%	30	– 32%	40	33%
Other	1	– 62%	1	– 3%	7	508%	10	49%	22	114%
Europe total	781	10%	780	0%	610	– 22%	734	20%	886	21%

7. Major production units outside Japan

Mitsubishi Motor Manufacturing of America, Inc. (MMMA)

- **Head office** 100 N. Mitsubishi Motor Way, Normal, Illinois 61761, USA
- **Corporate history**

1985	April:	MMC signs memorandum with Chrysler on joint production of passenger cars in the United States.
1985	October:	Diamond Star Motors (DSM) incorporated as joint venture between MMC and Chrysler.
1988	September:	Production starts at DSM
1991	October	MMC takes over remainder of Chrysler DSM stock
1995	July:	Renamed Mitsubishi Motor Manufacturing of America, Inc. (MMMA)
1995	October:	Cumulative production volume tops one million
1999	September:	Plant facilities acquire ISO9002 certification

- **Corporate profile**

Chairman & CEO:	Hirao Iijima
President & COO:	Richard Gilligan
Capitalization:	USD 88.75 million
Shareholders:	Mitsubishi group companies, 100%
Employees:	3,100 (December 31, 2000)

- **Production facilities**

Site area:	2.57 million sq. m.
Floor area:	190,000 sq. m.
Capacity:	240,000 units/year (2 shifts)
Features:	The MMMA plant is one of the most technologically advanced automotive plants in the world. At full capacity it is capable of producing 240,000 units annually. With its flexible manufacturing system, MMMA can produce six models from a single line. Some 600 industrial robots to achieve 90% automation in the welding line and 20% automation in the final assembly line. The company reached the one million vehicle production milestone in October 1995, in its tenth year of operation, and started production of the Mitsubishi Eclipse Spyder in December of the same year. The all-new Galant sedan was introduced on the US market in July 1998, the new Eclipse in May 1999 and the new Eclipse Spyder in January 2000.

- **Models in production**
  - Mitsubishi Galant, Eclipse, Eclipse Spyder
  - Dodge Stratus & Chrysler Sebring (Dodge Avenger renamed Dodge Stratus after full model change in July 2000)
- **Production volume**

Model	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Galant	—	—	42,522	65,426	55,539	56,976	42,850	45,863	64,794	104,315
Eclipse, Laser, Talon	120,341	126,206	93,088	90,195	80,994	62,117	67,233	40,346	50,965	61,784
Eclipse Spyder	—	—	—	—	—	13,518	11,401	10,813	5,713	17,379
Mirage, Summit	33,165	13,950	—	—	—	—	—	—	—	—
Avenger, Sebring, Stratus	—	—	—	14,697	81,974	60,402	67,539	60,342	40,727	38,936
Total	153,506	140,156	135,610	170,318	218,507	193,013	189,023	157,364	162,199	222,414

- **Sales volume**

Model	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Mitsubishi Galant	—	—	18,351	65,656	48,478	65,692	42,588	44,202	74,782	96,452
Mitsubishi Eclipse	49,278	53,712	57,083	51,826	52,555	53,807	48,503	45,619	53,123	57,349
Eclipse Spyder	—	—	—	—	—	9,309	10,066	12,336	8,751	13,958
Mitsubishi Mirage	20,218	11,233	434	7	—	—	—	—	—	—
Dodge Avenger	—	—	—	4,846	34,521	35,752	31,943	24,084	17,658	5,512
Dodge Stratus	—	—	—	—	—	—	—	—	—	5,791
Chrysler Sebring	—	—	—	—	24,547	31,761	35,365	33,584	25,581	12,870
Eagle Talon	29,853	29,813	27,331	27,250	20,789	13,799	10,206	2,957	—	—
Plymouth Laser	28,201	24,463	15,992	4,566	197	—	—	—	—	—
Eagle Summit	8,280	6,826	1,004	—	—	—	—	—	—	—
Total	135,830	126,047	120,195	154,151	181,087	210,120	178,671	162,782	179,895	191,932

- **Local content**
  - MMMA imports engines and transmissions from Japan, but the majority of other components are sourced locally. Local content is currently around 70%.

Netherlands Car B.V. (NedCar)

- **Head office**

  Dr. Hub van Doorneweg 1, 6121 RD Born, The Netherlands
  P.O. Box 150, 6130 AD Sittard, The Netherlands

- **Corporate history**

  1991 August: Mitsubishi Motors, Volvo Car Corporation of Sweden and the Dutch government sign agreement relating to establishing a passenger car production joint venture in the Netherlands.
  1991 November: Mitsubishi Motors and Volvo each acquire 33.3% of Volvo Car B.V. stock from the Dutch government.
  1991 December: NedCar joint venture incorporated.
  1998 December: Under the terms of the NedCar Stockholder Agreement, the Dutch government decided to sell its NedCar holding to MMC and VCC.
  2001 March: MMC exercises its option to buy out 50% VCC holding in NedCar.

- **Corporate profile**

  Supervisory board: Two members each from MMC and VCC
  Management board: NedCar President
  NedCar Executive Vice President
  MMC Chief Financial Officer
  Capitalization: NLG 550,950,000
  Shareholders: Mitsubishi companies 100%
  MMC 85%
  MIE 15%
  Employees: 5,061 (December 2000)

- **Production facilities**

  Site area: 910,000sq. m.
  Floor area: 330,000 sq. m.
  Capacity: 280,000 units/year
  Features: NedCar employs the Mitsubishi Motors production system, tailored to local conditions, and encourages a constructive input of ideas on improvement from both Dutch and Japanese management. Principal features include: Two state-of-the-art transfer presses in the stamping shop; Flexible manufacturing system assembly line in the welding shop; Use of water-based paints in the paint shop; An automated final assembly line.

- **European production base**

  Mitsubishi Motors chose the Netherlands as its European production hub because: It offers an excellent labor environment, well-developed financial markets, good access to automobile markets in Europe, the ready availability of competitive parts and components, excellent transport facilities, and the fact that English is widely understood; and, Mitsubishi Motors and Volvo share a similar philosophy regarding quality and automobile building, and Volvo already had a factory in the Netherlands.

- **Models in production**

  - Mitsubishi Carisma — 5-door hatchback and 4-door sedan, developed for the European market. Powered by 1.8-liter GDI and 1.6-liter gasoline, and 1.9-liter diesel engines, mated to either INVECS-II 4-speed automatic or 5-speed manual transmissions.
  - Mitsubishi Spacestar — High space-utility in compact dimensions. Powered by Mitsubishi 1.8-liter GDI or 1.3-liter gasoline and 1.9-liter diesel (Renault) engines, mated to either INVECS -II 4-speed automatic or 5-speed manual transmission.
  - Volvo S40, V40 — 4-door sedan and hatchback models for Volvo Car Corporation.

  Mitsubishi and Volvo brand models are produced on the same assembly line using a common platform developed by Mitsubishi Motors. The two brands are given their individual identities principally by means of styling. Commonality of parts is practiced as far as possible to maximize production and cost efficiencies.

- **Production volume**

Model	1994	1995	1996	1997	1998	1999	2000
Mitsubishi Carisma	—	19,100	44,401	82,255	78,239	54,460	28,784
Mitsubishi Space Star	—	—	—	—	13,645	58,871	30,097
Volvo S40, V40	—	2,071	70,688	114,970	150,920	149,074	156,334
V400	92,059	99,037	30,001	—	—	—	—
Total	92,059	120,208	145,090	197,225	242,804	262,405	215,215

- **Local content**

  - Approximately 80%. In achieving this high local content, NedCar uses parts and components sourced from some 260 suppliers throughout Europe (80 in Germany, 50 in the Netherlands, 30 in France among others), including 1900cc diesel engines and 5-speed manual transmissions made by Renault.

Mitsubishi Motors Australia, Ltd. (MMAL)

- **Head office** 1284 South Road, Clovelly Park, Adelaide, South Australia, Australia
- **Corporate history**

1916:		Started business as automobile manufacturer under the name of I.J. Richard & Sons Ltd.
1947:		Bought out by Chrysler Corp. of America. Name changed to Chrysler Dodge de Soto Distributors
1971:		Started assembly of Mitsubishi Galant model
1980	April:	Bought out by Mitsubishi Motors and Mitsubishi Corporation after acquiring all Chrysler shares. (Equity: MMC 49.8%, MC 49.8%, others 0.4%)
	October:	Corporate name changed to Mitsubishi Motors Australia, Ltd.
1995:		MMC takes up whole of new share, bringing equity shares to MMC 60% and MC 40%
1996	September:	Start of exports of New Diamante to US
1997	April:	New Magna and Verda Wagon go on sale
2000	December:	MMC underwrites new share issue, raising its equity holding in MMAL to 88%.

- **Corporate profile**

Capitalization: AUD 279.3 million
Shareholders: MMC 88%
MC 12%
Employees: 3,355

- **Production facilities**

Plant	Tonsley	Lonsdale
Location	Adelaide	Adelaide
Site area (sq.m.)	701,600	297,000
Floor area (sq.m.)	174,000	53,600
Models / components produced	Magna, Magna Wagon Verada, Verada Wagon	Built-up engines (3.0 and 3.5-l V6) Engine components (cylinder blocks, heads, cam shafts)
Annual capacity	70,000 units	60,000 engines 440,000 cylinder blocks

- **Production overview**

Australian market demand in 2000 recorded the second highest ever level at 767,000 units, 800 units more than the previous year. The fall in vehicle prices resulting from the introduction in July 2000 of the new General Sales Tax sparked off an unprecedented buying spree, with sales for the July-December half-year posting a new record of 423,000 units, 26,000 more than the previous record set in 1998. Despite the introduction of new Pajero , Magna and Verada models in the middle of the year, however, sales at MMAL remained sluggish due to media reports about MMC pulling out of Australia. MMAL sales picked up, however, after MMC invested a further ¥10 billion in MMAL in December. As a result, MMAL year-on-year sales grew by 5%, topping the industry average, and the company boosted market share to 9.2% from 8.8% of the previous year.

- **Production and sales (locally built Magna, Verada and imported MMC models)**

	1994	1995	1996	1997	1998	1999	2000
Sales							
Cars (Magna, Verada)	40,463	33,215	32,387	41,008	35,844	28,239	26,271
Imported MMC models	32,236	29,507	26,560	39,121	45,807	38,902	44,328
Total	72,699	62,722	58,947	80,129	81,651	67,141	70,599
Market share	12.2%	10.0%	9.3%	11.3%	10.4%	8.8%	9.2%
Domestic demand	597,904	324,821	634,888	706,064	788,301	766,393	767,244
MMAL production	47,859	39,728	43,235	58,920	47,296	34,883	38,452

- **Exports**

	1994	1995	1996	1997	1998	1999	2000
Diamante	6,936	5,868	11,713	17,450	9,549	10,063	12,037

Mitsubishi Motors used to ship the Diamante (Magna /Verada in Australia) model to most of its global markets from Japan. Today, the company produces this model at its Australian subsidiary MMAL, and ships to the United States and other world markets, with the exception of Japan.

- **Local content**

75 – 80%

Mitsubishi Trucks Europe-Sociedade Europeia de Automoveis, S.A. (MTE)

- **Head office** Apartado 7, 2200 Tramagal, Portugal (150km north-east of Lisbon)
- **Corporate history**

1972:	Start of Canter and Fuso truck assembly and sales operations in Portugal.
1991:	Tramagauto assembly and manufacturing company established (100% owned by sales company, Mitsubishi Motors de Portugal).
1995:	Mitsubishi Motors Europe buys 96.5% of Tramagauto shares. Canter assembly and manufacturing operations consolidated at Tramagauto, which becomes the supply center for Europe.
1996:	Company renamed Mitsubishi Trucks Europe (MTE).

- **Corporate Profile**

Capitalization:	PTE 1.5 billion
Shareholders:	Mitsubishi Motors Europe B.V. . . . . 99% J. Rosa (Executive Vice President) 1%
Employees:	413

- **Production facilities**

Site area:	110,000 sq.m.
Floor area:	24,000 sq.m.

- **Models produced**
  - Canter light-duty truck (3.5 – 7.5 ton gvw)
- **Production volume**

1992	1993	1994	1995	1996	1997	1998	1999	2000
9,074	8,577	6,920	7,176	5,597	7,256	9,210	11,405	11,714

- **Local content**
  - 50% for Canter

MMC Sittipol Co., Ltd. (MSC)

- **Head office** 69-69 / 1-3 Mu11 Phaholyothin Road, Tambol Klongneung, Ampur Klongluang Phathumthanee 12120, Thailand
- **Corporate history**

1961 May:	Sittipol Motor Company (SMC) incorporated as sales company
1964 October:	United Development Motor Industries Co., Ltd. (UDMI) assembly company incorporated
1965:	MHI acquires 60% of UDMI stock
1973:	MMC acquires 40% of SMC stock
1987 January:	UDMI and SMC amalgamated into manufacturing and wholesale company. Local equity 52%, MMC 48%.
1997 July:	MMC underwrites capital increase at holding company MHTC. Local equity 51%, MMC 49%.
1997 August:	MMC acquires approximately 93% of stock held by the Lee Group

- **Corporate Profile**

Capitalization:	THB 834 million
Shareholders:	MMC . . . . . 46.23% MHTC . . . . . 52.04% Lee Group 1.73%
Employees	2,945

- **Production facilities:**

	Lardkrabang Factory	Laemchabang Factory	
		No. 1 Plant	No. 2 Plant
Floor area (sq.m.)	10,800	27,000	42,000
Models in production	Heavy, medium, light trucks Large, medium and small buses	Lancer Galant	L200 (Strada)
Annual capacity	16,000	60,000	60,000
Address	No. 61 Moo 4 Lamplatiew District, Lardkrabang Industrial Estates, Bangkok, Thailand	199 Mu 3, Laemchabang Industrial Estates, Tambol Tongsukhla Amphor Sriracha, Cholburi, Thailand	

■ **Sales & production volumes**

	1994	1995	1996	1997	1998	1999	2000
Sales							
Cars	25,315	18,006	20,918	9,309	3,303	4,049	3,703
Share (%)	16.3	11.0	12.1	7.0	7.1	6.1	4.5
Commercial vehicles	44,882	53,420	53,842	25,882	12,537	15,123	26,538
Share (%)	13.6	13.1	12.9	11.2	12.8	10.6	14.8
Total sales	70,197	71,426	74,760	35,191	15,840	19,172	30,241
Share (%)	14.4	12.5	12.7	9.7	11.0	8.8	11.5
Y-o-y change (%)	0.1	21.8	4.7	−53.0	−55.0	21.0	57.7
Total domestic sales	486,204	571,290	588,990	363,114	144,066	218,330	262,189
Production	76,557	78,151	87,672	78,413	65,341	77,857	92,008

■ **Local content**

Passenger cars	1-ton pickup truck		Trucks & buses
	Body	Engine	
54%	60%	52%	45%

■ **Exports**

In June 1987, MSC and Chrysler of Canada entered a contract under which MSC began shipments of the Lancer sub-compact passenger car to Canada in January 1988. These ceased in 1994. MSC also started exports of 1-ton pickup trucks to Europe in 1992. Starting with the new model announced in November 1995, Mitsubishi pickup truck production for global markets has been concentrated at MSC. The Thai subsidiary began exporting pickup trucks to Europe and Australia in July 1996, and today supplies all world export markets, North America excluded.

	1988~93	1994	1995	1996	1997	1998	1999	2000
Passenger cars	40,558	1,472	58	3	3	1,720	2,957	2,386
Commercial vehicles	8,807	5,910	6,031	12,555	40,069	59,023	57,682	75,043
Total	49,365	7,386	6,089	12,558	40,072	60,743	60,639	77,429

Perusahaan Otomobil Nasional Bhd. (PROTON)

■ **Head office** HICOM Industrial Estate, Batu 3 P.O. Box 7100, 40198 Shah Alam, Selangor Darul Ehsan, Malaysia

■ **Corporate history**

The automobile manufacturing company Proton and sales company Edaran Otomobil Nasional Berhad (EON) were incorporated when Prime Minister Dr Mahathir bin Mohamad launched the National Car Project as part of the Malaysian government's industrialization policy. Proton was inaugurated as a joint venture between the Heavy Industry Corporation of Malaysia (now HICOM Holdings Berhad), Mitsubishi Motors Corporation and Mitsubishi Corporation (MC). Proton shares were placed on the Malaysian stock exchange in March 1992. Beyond their equity participation in Proton, MMC and MC have provided wide-ranging support that extends to transfer of technology in the areas of development, design and production, factory construction, supply of parts and stationing of personnel.

1983	May:	HICOM, MMC and MC sign joint venture agreement
	August:	Construction work starts on factory
1985	July:	First Proton Saga passenger model rolls off assembly line
1986	December:	Exports of Saga to Bangladesh start
1990	December:	New engine and transmission plant completed
1992	March:	Proton shares placed on Kuala Lumpur stock market
1994	April:	Casting foundry commissioned
1996	December:	Cumulative production tops one million vehicles
2000	October:	Proton acquires 70% share in Erat Bakti Khazana holding company USPD
2000	December:	Petronas acquires 27.2% Hicom holding in Proton

■ **Corporate profile**

Capitalization: MYD 543 million

Shareholders:
- PetroliamNasionalBerhad[1] 27.2%
- Khazanah Nasional Bhd[2] 18.0%
- MMC 8.0%
- MC 8.0%
- Others (public investors) 38.8%

([1] Malaysian national petroleum company)
([2] Malaysian government investment company)

Employees: 6,236 (MMC personnel: 7)

■ **Production facilities**

Site area: 942,000 sq.m. (incl. casting foundry 95,000 sq.m.)
Floor area: 435,000 sq.m. (incl. casting foundry 18,000 sq.m.)
Production capacity: 230,000 units/year (two shift)

Local content

Local content: 85% (as at March 2000)
Locally-made parts: 4,556
Suppliers: 185

Models in production

Model	Saga Iswara		Wira		Satria	Putra	Perdana	Waja
Body type	4-door sedan	5-door hatchback	4-door sedan	5-door hatchback	3-door hatchback	2-door coupe	4-door sedan	4-door sedan
Engine & transmission	1300cc 5MT	←	←	←	←			
	1500cc 5MT	←	←	←	←			
	1500cc 3AT	←	←	←	←			
			1600cc 5MT	←	←			←
			1600cc 4AT	←	←			←
			1800cc 5MT	←		←		
			1800cc 4AT	←				
							2000cc 5MT	
							2000cc V6 4AT 2000cc 4AT	
			2000cc 5MT (diesel)	←				
Built at	Proton	Proton	Proton	Proton	Proton & contract assemblers	Proton	Proton	Mid-size plant
Market	Domestic & export	Domestic & export	←	←	←	Domestic	←	Domestic & export
Domestic distributor	EON	EON	EON	USPD	USPD	USPD	EON	EON USPED

Production by Proton (Mitsubishi model derivatives)

	1993	1994	1995	1996	1997	1998	1999	2000
Domestic	96,300	110,700	132,000	176,000	185,000	74,000	152,900	179,100
Export	21,800	16,500	23,000	22,000	28,000	18,000	17,800	9,500
Total	118,100	127,200	155,000	198,000	213,000	92,000	170,700	188,600

The above figures do not include 26,657 Tiara models produced 1996 thro' 1999

Sales channels

	Edaran Otomobil Nasional Bhd. (EON)	Proton Edar Sdn. Bhd. (PESB; formerly USPD)
Established	May 1984	November 2000
Capitalization	RM 226.8 million	RM 10 million
Shareholders	HICOM Holdings Bhd. . . . . 32.0% KPSB . . . . . 8.0% Jardine. . . . . 19.4% Khazanah Nasional Bhd . . . . . :7.0% Other 33.6%	Proton 100.0%
Outlets	175	97
Models sold	Saga Iswara, Wira, Perdana	Putra, Satria, Wira, Waja

Sales volumes

Products, performance, quality, and prices that match market needs enable Proton to enjoy 60%-plus share of domestic car market.

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Proton	81,677	94,722	111,292	140,647	176,100	185,220	86,476	150,622	177,384
Share	66.5%	72.1%	71.0%	62.5%	63.9%	60.2%	62.8%	65.0%	62.9%
Total car demand	122,748	131,426	156,686	224,992	275,693	307,816	137,650	239,633	282,100

With the exception of the Tiara, Proton models have been developed from Mitsubishi base models.

Exports

Though exports were not a part of the National Car Project when originally conceived, Proton began exporting in small volumes to neighboring countries from the end of 1986. The company started to export to Britain in 1989, and began exports of left-hand drive models to continental Europe and other markets in 1994.

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Exports total	18,788	20,269	14,961	20,846	21,921	25,280	18,270	15,643	10,810
UK market (Incl)	(16,423)	(17,440)	(10,169)	(7,264)	(10,338)	(12,969)	(6,157)	(5,175)	(2,902)

Cumulative exports 1986 - 1992 were 60,212 (of which, 51,966 shipped to UK)

8. Global alliance partners

Chrysler Corporation

1969	May:	Mitsubishi Heavy Industries and Chrysler Corporation sign memorandum relating to an automobile joint venture.
1970	October:	MMC and Chrysler sign United States Distribution Agreement.
1971	September:	Chrysler completes first-stage capital payment of 15%.
1982	August:	International Distribution Agreement with Chrysler comes to end.
1982	October:	Mitsubishi Motor Sales of America, Inc. (MMSA) starts sales of STARION, CORDIA, TREDIA, 1-ton pickup truck and Montero.
1984	December:	MMC signs agreement with Chrysler to supply V6 gasoline engines.
1985	October:	MMC and Chrysler reach agreement on construction of passenger car factory in Bloomington Normal, Illinois and sign joint venture agreement establishing Diamond Star Motors Corporation (currently Mitsubishi Motor Manufacturing of America, MMMA).
1991	October:	Mitsubishi group companies purchase all DSM shares held by Chrysler.
1993	July:	Chrysler sells all remaining MMC shares.
1998	January:	MMMA agrees with Chrysler to supply Chrysler with MMMA-built cars up to 2005 model year.

❑ Chrysler shareholdings in MMC

	MMC paid-in capital (¥1000)	MMC stock issued (shares)	Stock held by Chrysler & subsidiaries	% total	Remarks
1970 April	29,900,000	2,999,000	—	—	MMC established (MHI 100%)
1971 September	35,177,000	3,517,700	527,700	15.0	Chrysler invests through allocation to 3rd party
1985 June	35,177,000	703,540,000	140,708,000	20.0	MHI transfers 5% to Chrysler subsidiaries
1985 November	35,177,000	703,540,000	168,850,000	24.0	MHI transfers 5% to Chrysler
1988 December	65,077,450	773,894,000	168,850,000	21.82	MMC shares listed. 70,354,000 offered. Issue price ¥850, conversion value ¥425
1989 September	65,077,450	773,894,000	93,850,000	12.13	Chrysler & subsidiaries sell off 75m shares
1989 December	109,477,450	853,894,000	93,850,000	10.99	80m shares offered.Issue price ¥1,110 conversion value ¥555
1992 March – 1993 June	109,477,450	853,894,000	50,250,000 – 23,250,000	5.88 – 2.72	Chrysler sells shares
1993 July	109,477,450	853,894,000	—	—	Chrysler sells 23.25m shares on Japanese stock exchanges

Daimler Benz

1987	September:	Mitsubishi Motors and Daimler Benz reach agreement over the following three areas: • Mitsubishi Motors to sell Mercedes Benz passenger cars, commercial vehicles and certain bus models through its nationwide sales network in Japan; • Two companies to embark on feasibility study regarding the production of Mitsubishi Motors commercial vehicles at Mercedes Benz production facilities in Europe; • Two companies to consider the joint development of small commerical vehicles.
1989	January:	Stern Chuo, first dealership handling MB passenger cars, opens for business in Tokyo.
	April:	Stuttgart Truck Bus Sales (STB) joint-venture sales company established by two companies.
1991	July:	Fuso dealerships in Japan start selling MB commercial vehicles.
1993	November:	Two companies reach agreement on venture to assemble and sell Mitsubishi 1-ton pickup truck in South Africa.
1994	April:	Arrangement changed to allow Mitsubishi Motors to import, and to market, MB commercial vehicles directly from MBAG, in addition to STB.
	November:	Production of Colt 1-ton pickup truck starts at Mercedes Benz South Africa.
	December:	Colt 1-ton pickup goes on sale at Mercedes Benz South Africa dealerships.
1996	September:	Mitsubishi Motors ceases sales of MB commercial vehicles in Japan. (Fuso takes over servicing and parts supply for MB commercial vehicles sold before September 1996).

DaimlerChrysler

2000	March:	MMC and DaimlerChrysler sign memorandum agreeing to form equity and operational alliance relating to passenger car operations. Main features include: • Alliance to cover the design, development, production and distribution of passenger cars and light commercial vehicles; DaimlerChrysler to acquire a 34% equity stake in MMC through purchase of new shares.
	July:	MMC and DaimlerChrysler sign formal alliance agreement.
	October:	DaimlerChrysler completes procedures for 34% investment in MMC and becomes leading shareholder.
2001	June:	MMC and DC alliance expands to cover truck and bus business as DaimlerChrysler completes procedures for acquiring AB Volvo's 3.3% holding in MMC, raising its holding in MMC to 37.3%.

Volvo

❑ Passenger car operations

1991	May:	The Dutch government, Mitsubishi Motors, Volvo Car Corporation of Sweden, Volvo Car B.V. sign a letter of intent regarding a joint venture, under which : • VCC and MMC to produce a new passenger car model at a new joint venture in the Netherlands; • The Dutch government to sell a portion of its shares in VCBV to MMC and to VCC, so that each party holds one third of the equity of the new joint venture; • The new company to continue production of the Volvo passenger model currently produced at the factory, and to install a new assembly line for the production of a new model for Volvo and MMC. (Annual capacity of 200,000 units to be shared equally between the two brands.)
1991	August:	Four parties sign official agreement, under which: • New joint venture to be composed of a holding company, and a production and R&D company; • New company to be called Netherlands Car B.V. (NedCar)
1991	December:	NedCar incorporated. (See page 21)
1997	April:	MMC and VCC reach agreement over MMC supplying VCC with the Mitsubishi GDI engine and manual transmission for the S40 and V40 Volvo passenger models produced at NedCar.
1998	December:	Dutch government sells its NedCar holding to MMC and VCC
2000	March:	MMC announces that it will exercise its option to buy out VCC holding in NedCar.

❑ Commercial vehicle operations

1997	October:	MMC and Volvo Truck Corporation reach agreement on three areas of cooperation: • Light trucks: The Mitsubishi Canter light-duty truck (3.5 – 7.5 ton gvw), produced at Mitsubishi Trucks Europe in Portugal, to be sold bearing the Mitsubishi badge in Britain, France and Italy through the VTC sales network; • Medium trucks: The two companies to embark on a feasibility study into the development and production of a medium-duty truck (7.5 – 18.0 ton gvw) for supply to both Mitsubishi Motors and VTC; • Heavy trucks: The two companies to look at the possibility of using transmissions, rear axles and other VTC heavy-duty truck components in MMC trucks.
1999	October:	MMC and AB Volvo exchange memorandum recording agreement on an equity and operational alliance in which: • AB Volvo will acquire new shares to be issued by MMC and giving Volvo a five percent holding in MMC; • MMC will set up a new company to which it will transfer its truck and bus development, production and sales operations, and in which AB Volvo will hold a 19.9% stake; • MMC will purchase, from time to time, a maximum of five percent of outstanding AB Volvo shares from the market; • The two companies will dispatch officers to the new company to be spun off by MMC and to AB Volvo's truck and bus subsidiary; • MMC and AB Volvo will collaborate in a broad range of activities relating to commercial vehicles, and including development, production and sales.
1999	December:	MMC and AB Volvo sign formal equity and operational alliance agreement.
2000	July:	MMC sign Master Alliance Agreement on establishment of new Mitsubishi FUSO Truck & Bus Company
2001	April:	MMC approves agreement reached between Daimler Chrysler and AB Volvo on DC replacing Volvo as strategic partner in MMC truck and bus operations.
2001	June	Ties between MMC and AB Volvo dissolved after Volvo completes procedures for selling its MMC shares to DaimlerChrysler.

Hyundai Motor Co.

1973	September:	MMC and Hyundai sign technical assistance agreement relating to 1200cc engine.
1981	October:	Two companies sign technical assistance agreements covering: Engines and transaxles for front-drive cars, and know-how relating to construction of new passenger car factory
1982	April:	MMC and Mitsubishi Corporation (MC) both make 5% capital investment in Hyundai.
	May:	MMC and MC increase equity stake to 7.5% each.
1988	August:	Limited edition of Hyundai Excel passenger model goes on sale in Japan to mark the Seoul Olympic Games.
1989	December:	Two companies sign agreement to jointly develop new Debonair model.
1990	March:	MMC signs technical assistance agreement with Hyundai Precision relating to the Pajero.
1994	March:	MMC signs technical assistance agreement with Hyundai Precision relating to the Chariot.
1999	April:	Hyundai launches Equus model on domestic market powered by new 4.5-liter V8 engine built using GDI technology supplied by MMC under TA agreement..

Industrie Pininfarina SPA (IPF)

1997 January: MMA reaches following agreement with IPF regarding production of small SUV at IPF.
- IPF to start production of some 35,000 units a year in 1999
- New model to be launched in autumn of 1999 and sold through MMC sales channels in Europe

PSA Peugeot Citroën

1999 January: MMC and Peugeot sign agreement relating to supply of GDI engine technology.

China

1996 August: MMC, Mitsubishi Corporation and Malaysia China Investment Corporation (MCIC) Holdings Sdn. Bhd. sign agreement with Aviation Industries of China and China Aerospace Automotive Industry Group Corporation to establish joint venture enterprises for the development, production and sales of automotive engines. The agreement was signed in the presence of Chinese premiere Li Peng and Malaysian prime minister Dr Mahathir bin Mohamad in Beijing on 26 August.

November: MMC establishes Hunan Changfeng Motor Co., Ltd. automobile manufacturing joint venture with Chang Feng Co.(Group) Ltd. and Hunan Xin Hualian International Trade Co., Ltd. in Yong Zhou City, Hunan province.

1997 August: MMC, China Aerospace Automotive Ind. Grp. Co., Shenyang Construction Investment Co., MCIC Holdings Sdn and Mitsubishi Corporation establish Shenyang Aerospace Mitsubishi Motors Engine Manufacturing Ltd. Co. joint venture in Shenyang City, Liaoning province.

1998 September: MMC, Harbin Dong-an Engine Manufacturing Co., Harbin Aircraft Manufacturing Co., MCIC Holdings Sdn. and Mitsubishi Corporation establish Harbin Dong-An Mitsubishi Motors Engine Manufacturing Ltd. Co. automotive engine and transmission joint venture in Harbin City, Heilongjian province.

S.U.P. concept car at 2001 Tokyo Motor Show

9. Global sourcing

MMC has always promoted its business in the spirit of international cooperation. In view of the many alliances and mergers, an increasing awareness regarding safety and the environment, and other dramatic changes in the automobile industry both in and outside Japan, MMC is currently maximizing the synergistic benefits of its alliance partnership with DaimlerChrysler to consolidate its footing as a global player.

(1) Basic policy on sourcing

MMC chooses production sites and production methods that are best suited to individual world markets so that is able to offer customers automotive products that are optimally matched to those markets at competitive prices.

In the interests of global optimization, the company seeks parts and materials suppliers on an equitable and discrimination-free basis from all parts of the globe.

In the selection of suppliers, MMC gives due consideration to customer demographics as well as seeking optimal technical and economic qualities. Examples include these facts:

- With MMC exports from Japan reaching 48% of total production on a volume basis in fiscal 2000, MMC is actively seeking opportunities to purchase parts and materials from overseas suppliers for the models it produces in Japan;
- In North America, MMC is aiming to purchase a minimum of 5% of parts and materials in terms of procurement value from companies run by ethnic minorities or women.

(2) Global sourcing

The following table, comparing MMC world-wide production volume with value of parts and materials procured globally for use in Japan over the last eight years, shows clearly how MMC is actively pushing ahead with the globalization of its sourcing activities.

Fiscal year	Global production volume (units)	Parts & materials sourced overseas value		
		Imported to Japan	Used in overseas production	Total
1993	1,844,000	¥77,000 m	¥65,000 m	¥142,000 m
2000	1,798,000	¥103,100 m	¥271,400 m	¥374,500 m
Growth rate	– 2.5%	33.9%	317.5%	163.7%

To further promote globalization in its sourcing activities, MMC has implemented the following initiatives and measures:

- The more effective utilization of purchasing departments at overseas affiliates in order to improve the gathering and evaluation of information relating to overseas suppliers;
- The use of Internet technology to improve communications with the technical and purchasing departments of overseas affiliates and with global suppliers;
- The establishment of an organization that promotes and encourages concurrent R&D with overseas suppliers; this by strengthening the functioning of MMC R&D facilities overseas and utilizing CAD/CAE technologies;

These initiatives and measures have enabled MMC and its overseas suppliers to work together from the initial stages of development, through Design-In and other ways, under practically the same conditions as it does with Japanese suppliers.

In the corporate reorganization at the end of June 2001, MMC upgraded the head office purchasing department into the Global Purchasing and Supply Office in order to strengthen the company's supply chain management. Orchestrated by global strategies and conducting unified purchasing operations, the new office will maximize the effectiveness of, and efficiencies at, purchasing departments in MMC's world-wide affiliates.

As it continues to implement these and other initiatives, MMC is using the synergies of its alliance with DaimlerChrysler to further promote sourcing globalization: by using DaimlerChrysler suppliers; through the use of shared parts and components; and, through joint development of cutting-edge technologies.

MMC is also actively developing e-commerce channels as it rapidly moves towards borderless and time-transcending sourcing that is global in the full sense of the word.

CZ2 at 2001 Tokyo Motor Show

VII Safety

1. MMC and automotive safety

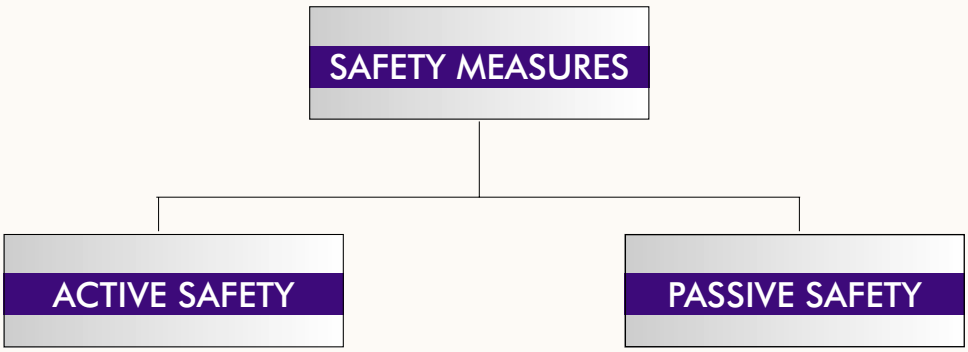
Mitsubishi Motors has, over the years, worked to achieve and maintain top-rated levels of vehicular safety performance in the industry to enable drivers of all abilities to enjoy the high performance of their vehicles safely and comfortably.

Mitsubishi vehicles incorporate a comprehensive array of advanced Active Safety systems that support the driver in unexpected situations or where the vehicle becomes difficult to control. These include: 4-wheel anti-lock braking, Fuzzy-shift 5-speed automatic transmission and Fuzzy Traction Control. Each system achieves dramatic improvements in vehicular performance, and under the central management of the INVECS-III intelligent control and the Active Stability Control management systems they combine to elevate driving fun and safety to new heights.

Mitsubishi vehicles also incorporate the latest in Passive Safety technology to mitigate and minimize damage and injury in the event of an accident. These include RISE crash energy-absorbing safety bodies, air bags, impact bars in the doors, and seatbelt pre-tensioners.

2. Safety-enhancing elements

The following diagram indicates Mitsubishi Motors' approach to improving vehicular safety. The company's R&D efforts in this field focus on the incorporation of individual safety elements in a well-balanced manner. MMC has also been an active participant in the Japanese Ministry of Transport's Advanced Safety Vehicle (ASV) project, the aim of which is to realize substantial improvements in safety by making vehicles smarter. The company entered its latest ASV-2 models in the Smart Cruise 21 DEMO 2000 public testing session held in late 2000 under the auspices of the Japanese Transport and Construction ministries.



❑ Driving environment
- Optimum design of window surrounds to provide maximum visibility and of instruments for maximum readability
- Optimum design of air conditioning, sound insulation and vibration proofing to ensure passenger comfort

❑ Accident avoidance
- Good balance between speed, cornering, braking performance
- Vehicle distance warning
- ASV, AHS and other driver support systems

❑ Occupant protection
- Energy-absorbing body structure and rigid survival cell
- Passenger restraint systems

❑ Occupant rescue, escape

❑ Pedestrian injury mitigation
- Minimizing number of, and use of collapsible, readily deformable, exterior projections

❑ Fire prevention
- Use of flame-retarding interior materials, prevention of fuel leaks and damage to fuel lines

3. Safety systems

(1) Principal safety systems common to Mitsubishi vehicles

❑ Active safety

- Four wheel-drive
- Anti-lock braking
- Rear-view camera
- Compound lens mirror
- Limited slip differential (LSD)
- Electronically controlled suspension (ECS)
- On-board navigation systems
- Non-fogging door mirror (heated)
- High-intensity discharge headlights
- Cornering lamps

❑ Passive safety

- Belt-up warning device
- Impact bars in doors
- Enhanced impact-safety body (RISE)
- Energy-absorbing steering column
- Front seatbelt pre-tensioner
- SRS airbags
- Flame-retarding interior materials

(2) Mitsubishi passenger cars

❑ Active safety

- Smart vehicle control system (INVECS)
- Traction control system (TCL)
- Four wheel-steering
- Automatic anti-dazzle rearview mirrors
- Vehicle distance control (PDC)
- Lane departure warning
- Rearward distance monitor
- Fuzzy-control air conditioning
- Automatic headlight control
- Anti-trapping power windows and sunroof
- Low tire pressure warning system
- Active yaw control system (AYC)
- Active stability control system (ASC)
- Brake assist

❑ Passive safety

- Side air bags
- 3-point anchor rear seatbelts
- Roll-over fuel shutoff valve
- Crash door unlock

(3) Mitsubishi trucks & buses

- Large rear reflectors
- Fully adjustable seats
- Anti-spin regulator (ASR)
- Vehicle distance warning system
- Driver attention monitoring system (MDAS)
- Driver attention monitoring system with fragrance emission (MDAS-II)
- Multi-display and voice warning system (VOIS)
- Smart load monitoring System (MILS)
- Gradient easy start system (EZGO)
- Mechanical automatic transmission (INOMAT)
- Axle-load transfer system (MSD)
- linked to auxiliary braking
- Auto cruise control with vehicle distance control
- Left-turn audible warning system (dump trucks)
- Side guard bars
- Large reinforced rear bumper
- Elimination of seat back projections

SPACE LINER concept car at Tokyo Motor Show

VIII The environment

1. MMC and the environment

Mitsubishi Motors has always been active in addressing environmental issues. In August 1989, the company set up the internal Global Environmental Issues Project Team to heighten awareness among its employees about environmental issues and to promote a healthier and friendlier relationship between man, the automobile and our planet. In March 1993, the company set up the Mitsubishi Motors Environmental Council and formulated the Mitsubishi Motors Environmental Action Program in order to boost its efforts directed at addressing environmental issues..

In August 1999, the company made its pro-active policy towards the environment clearer when it replaced the Environmental Action Program with the Mitsubishi Motors Environmental Guidelines. Reflecting the spirit of the "Winning and retaining customer loyalty through excellence in product and service" corporate policy laid down in 1998, the Guidelines provide for a comprehensive response to the construction of a circulating-type economy and other new environmental aspects. In the Basic Policy section of the Guidelines, the company recognizes that the protection of the global environment is the most important issue facing mankind today and commits itself to on-going efforts to do so. In the Conduct Code section, the company sets the following as its environmental activity benchmarks: (1) Reduction of environmental loads; (2) On-going efforts to improve the environment; (3) Strict compliance with environmental regulations; (4) Encouraging the cooperation by all those connected with the company both in Japan and other countries; (5) Active disclosure of environment-related information.

To this end, the company is actively working to: reduce automotive fuel consumption and emissions; improve levels of recyclability; reduce energy use in its production activities; reduce in-plant waste to zero; rationalize its distribution activities; provide environmentally-related education to its employees and to inform consumers and others outside the company what it is doing to protect the environment.The Tokyo Plant gained ISO14001 certification in 1999, making all company plants compliant. The company will be extending this to related units both in and outside of Japan as it continues to promote conservation of the environment according to the philosophy outlined above.

2. MMC environmental guidelines

❑ Basic Policy

MMC recognizes that protection and conservation of the global environment is the most important issue facing mankind today and as such makes the following undertakings:

(1) From a global viewpoint, the company is committed to reducing and minimizing any negative impact its corporate activities may have on the environment, these including: all development, procurement, production, sales, and after-sale servicing activities related to automobiles.

(2) As a good corporate citizen, the company is committed to acting to protect the environment of local communities.

❑ Conduct code

(1) MMC will endeavor to protect the environment by forecasting and assessing the environmental impact of our products at all stages in their life cycle. Priority is given to the following areas:

- Prevention of global warming by reducing emissions of greenhouse gasses;
- Prevention of pollution by restricting emissions of substances harmful to the environment;
- Reduction of in-plant waste and maximizing efficient use of resources by promoting conservation of resources and recycling.

(2) MMC will endeavor to improve its environment management practices as part of ongoing efforts to ameliorate the environment.

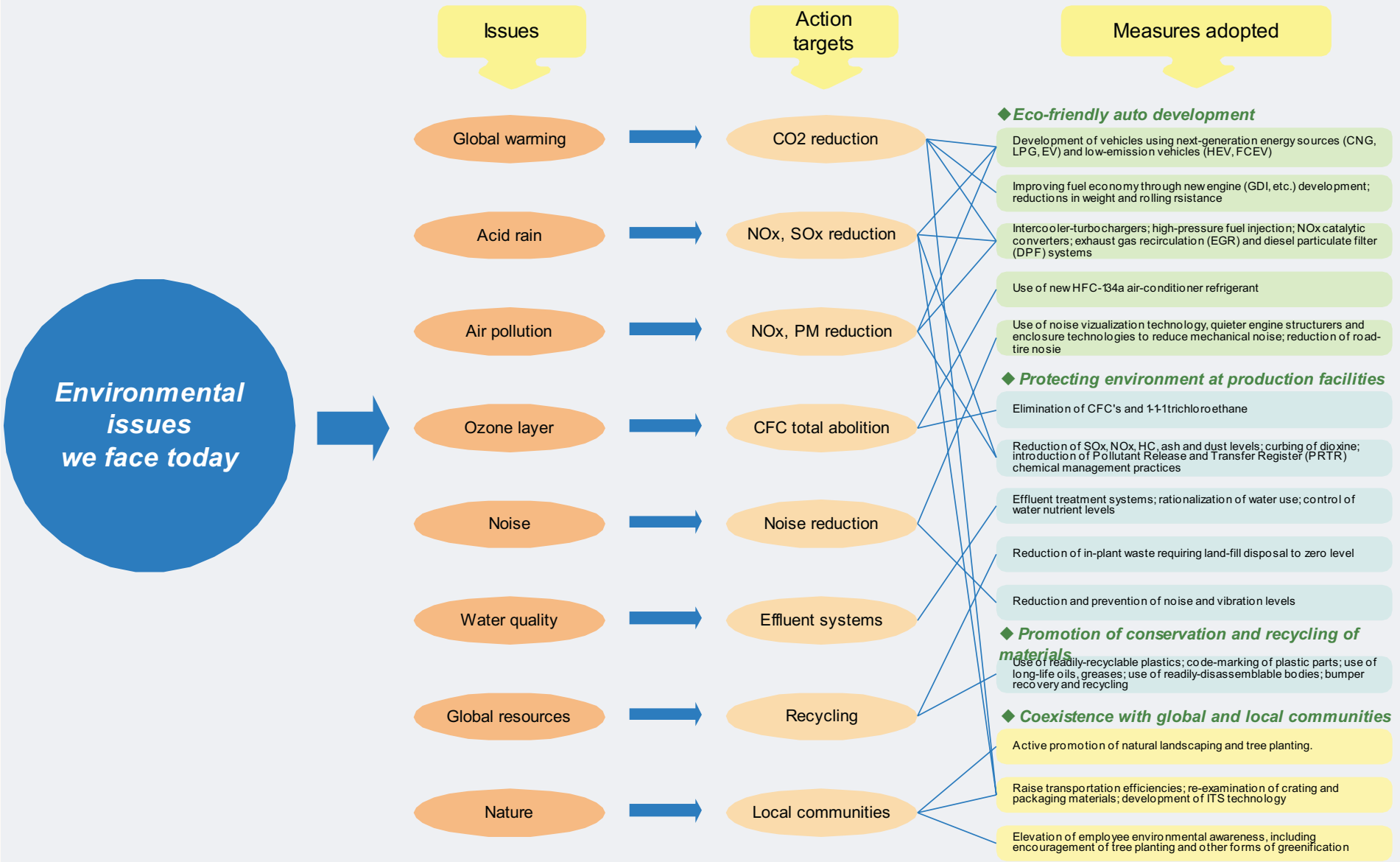
(3) MMC will comply with environment regulations and agreements, and will work to protect the environment by establishing voluntary management targets.

(4) MMC will encourage its affiliates and clients both in Japan and other countries to cooperate in working to protect the environment.

(5) MMC will actively disclose environment-related information and will seek the understanding of local communities and of society at large.

CZ3 concept car at 2001 Tokyo Motor Show

3. MMC approach to environmental stewardship



4. MMC Environmental Council

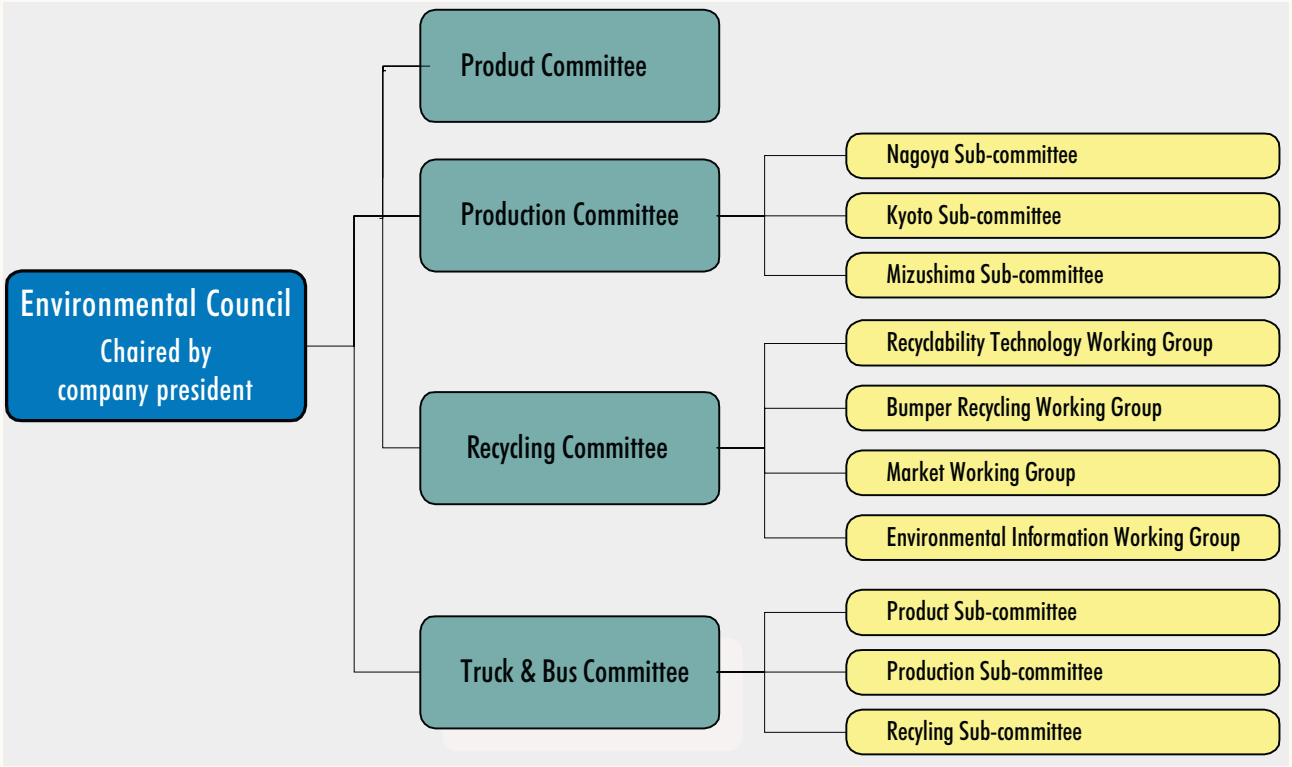
❑ Organization and role

MMC established the Environmental Council in 1993. The Council's principal role is to establish corporate environmental policy, to deliberate and formulate individual programs in line with that policy and to oversee their implementation through its committees. In an on-going process, the Council monitors the implementation of the programs, evaluates the results achieved and, when it if deems necessary, requires the committees to correct or amend the programs.

With the conversion of the Truck & Bus division to "internal company" status in April 2000, a new Truck & Bus Committee was added to the Council to promote environmental activities in the company's commercial vehicle operations.

In June 2000, the Dismantling Technology Working Group that used to function under the Recycling Committee was upgraded to the Recyclability Improvement Working Group in order to boost the effectiveness of the company's recycling efforts.

In April 2000, the Environmental Affairs Department which was established as a full-time unit in May 1999 was replaced by the Environmental Technology Department, to which additional staff was allocated. The Department is responsible for setting the direction of corporate environmental activities and serves as secretariat to the Environmental Council and its committees.



❑ Full details of the MMC Environmental Report may be found at the following URL:

http://www.mitsubishi-motors.co.jp/ECO-E/

5. Environmental measures adopted to date

Low fuel consumption vehicles

❖ GDI engine	• 1995: Develop GDI engine in which gasoline is injected directly into cylinders to realize super-low consumption and higher power output
	• 1999 - 2000: Launch models using GDI Sigma powertrain series
❖ MVV engine	• 1991- 2001: 660cc, 1.5-l, 1.8-l and 2.5-l MVV leanburn engines power MMC cars
❖ Diesel engine	• Common rail injection, VG turbocharing, MIQCS combustion control and other low consumption technologies employed in MMC diesel engines

Low-pollution vehicles

❖ Electric vehicles	• 1993: Develop Libero EV with Tokyo Electric Power Corp; deliver to TEPCO and others
	• 1999: FTO-EV powered by manga-nese lithium batteries covers 2000km in 24 hours
❖ Natural gas vehicles	• Sales of CNG-fueled light commercial minicars and compact cars, Canter trucks and large public service buses reach 1,600 units in 2000
	• 2001: Launch bi-fuel Pajero model that runs on CNG or gasoline
❖ Hybrid vehicles	• 1994: Deliver 70 MBECS regenerative braking buses to Public Transport Corp
	• 1995: Supply CARB with hybrid production models using CNG as generator engine fuel .
	• 1999: Exhibit Canter HEV overhead work truck at LEV Fair, Tokyo.
	• 2000: Exhibit Aero Nostep HEV bus at Tokyo Motor Show
❖ Fuel cell electric vehicle	• Currently jointly developing fuel cell with MHI with view to production in 2005

Recycling & reduction of environmental loads

❖ Marking	• 1991: Code-mark plastic materials weighing over 100 grams to facilitate recycling
❖ Bumpers	• 1997: Start recovery of bumpers replaced on vehicles involved in accidents
	• Recover 61,600 scrapped bumpers in 1999FY
❖ Paint	• Introduce powder-based paint for cylinder blocks (enabling recovery of paint that fails to adhere to block)

Protection of ozone layer & efforts to stop global warming

❖ Recovery / recycling of fluron gas	• 1991: Start distribution of fluron gas recovery equipment to MMC vehicle dealers
	• 1993: Cease use of designated CFC's
	• 1998: With other industries involved, jointly develop and start nationwide introduction of system for recovery and destruction of CFCs
❖ Production activities	• 1995: Cease use of 1.1.1-trichloroethylene
	• 1998: Cease use of trichloroethylene, tetrachloroethylene and dichloromethane

6. Significant achievements in environmental protection

1966	• Start development of electric vehicle with Tokyo Electric Power Company
1969	• Start development of gas turbine-powered vehicle
1979	• Start development of methanol-powered vehicle
1980	• MCA-JET engine receives Technology Award from The Japan Society of Mechanical Engineers
1981	• Effluent recycling facility installed at Maruko Plant
	• Oye Plant starts telemetering volume and COD of effluent discharged into Nagoya City system
1984	• 30-ton boiler converted to low-NOx specification (Kawasaki Plant)
1986	• Deodorization system installed in DISA line and casting shop at Mizushima Motor Vehicle Works
1987	• Shiga Plant receives Minister of Trade and Industry's Award for factory greenification
1989	• Diamond Star Motors (MMMA today) receives Environment Conservation Award from Industrial Development Society of America
1990	• Pre-stroke control fuel pump receives The Japan Society of Mechanical EngineersTechnology Award
1991	• Announce lean-burn MVV engine
	• Develop Lancer EV, precursor to Libero EV, with Tokyo Electric Power Company
1992	• Announce MIVEC modulated displacement engine
1993	• Formulate Mitsubishi Motors Environmental Action Program and set up Mitsubishi Motors Environmental Council
	• Develop Libero EV with Tokyo Electric Power Company, supply30 to TEPCO and Tokyo Metropolitan Government
	• Exhibit ESR hybrid-power system advance research passenger model at 30th Tokyo Motor Show
1994	• Develop system for removing paint from plastic parts
	• Launch city bus fitted with MBECS hybrid system
	• Launch Libero EV
	• Start test sales of methanol-fueled Canter light-duty truck
	• Start development of CNG-fueled Canter
1995	• Develop Gasoline Direct Injection (GDI) engine, which delivers ultra-fuel efficiency and more power than port-injection counterpart
	• Develop HEV hybrid sub-compact passenger car
	• Develop Canter HEV
	• Shiga Plant receives Prime Minister's Award for meritorious services in promoting greenification
1996	• Recycling Sub-committee added to Environmental Council
	• Launch first model powered by GDI engine
1997	• Company presented Directors Award, Prevention of Global Warming Division in the 1997 Environmental Agency Awards to Major Contributors to Environmental Preservation for the development and popularization of the GDI engine.
1999	• Company establishes Environment Department
	• Tokyo Plant gains ISO 14001 certification; all company production facilities now compliant
	• Company publishes its first Environmental Report
2000	• Initiate Green Sourcing program (seek cooperation of suppliers in efforts to protect environment)
	• Set up structure promoting greater environmental awareness in sales companies

IX MMC group companies

1. Group companies: world-wide

Services (Japan)
- Kyoryosangyo Corp.
- Suiryo Service Co., Ltd.
- Meiryo Security Co., Ltd.
- MMC International Corp.
- MMC Insurance Service
- Ryoto Estec Co., Ltd.
- Ryomei Estec Co., Ltd.
- Ryokyo Estec Co., Ltd.
- Ryosui Estec Co., Ltd
- Leadtech Co., Ltd.
- Mitsubishi Motors Football Club Co., Ltd.
- Ryomei Catering Co., Ltd.
- MMC System Service Co., Ltd.

R&D (Japan)
- Mitsubishi Automotive Engineering Co., Ltd..
- MMC Computer Research, Ltd.
- AVA Design Co., Ltd.
- MMC Test & Drive Corporation

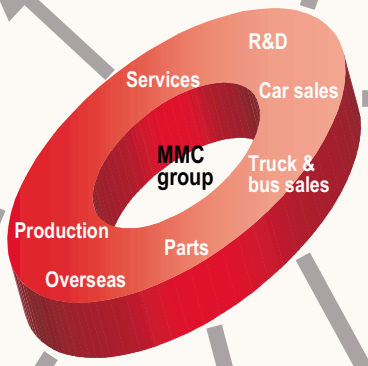
R&D (Overseas)
- Mitsubishi Motors Research & Development of America, Inc. (MRDA)
- Mitsubishi Motors Research & Development of Europe (MRDE)

Car dealerships (Japan)

Galant:	118
Car Plaza:	113
Total	231

Parts manufacturers (Japan)
- Mitsubishi Automotive Techno-Metal Co., Ltd.
- Ryowa Sheet Metal Processing Co., Ltd.
- Namba Press Works Co., Ltd.
- Suiryo Plastics Co., Ltd.
- Ryowa Syatai-Kogyo Co., Ltd.
- Heian Manufacturing Co., Ltd.
- Wako Industries Co., Ltd.

Assemblers (Japan)
- Mitsubishi Automotive Bus manufacturing Co., Ltd.
- Pabco Co., Ltd.
- Pajero Manufacturing Co., Ltd.
- Mizushima Industries Co., Ltd.



Training (Japan)
- Jin Co. Ltd.
- Mitsubishi Motors Training Center Co., Ltd.

Haulage (Japan)
- Rakusaikamotujidousha Corp.
- Fuso Transport Co., Ltd.
- Mitsubishi Automotive Logistics Co., Ltd.

Sales support (Japan)
- Mitsubishi Automotive Techno-Service Co., Ltd.
- Mitsubishi Auto Credit-Lease Corporation
- Ralliart Inc.
- Ryoji Yohin Sales Co., Ltd.

T & B sales companies (Japan)

Total	36

Overseas production companies
- Mitsubishi Motor Manufacturing of America Inc. (MMMA)
- Asian Transmission Corporation (ATC)
- Mitsubishi Truck Europe (MTE)
- P.T. Mitsubishi Krama Yudaha Motors & Manufacturing (MKM)
- MMC Sittipol Co., Ltd. (MSC)
- Mitsubishi Motors Australia, Ltd. (MMAL)
- Mitsubishi Motors Philippines Corp. (MMPC)
- Perusahaan Otomobil Nasional Bhd. (Proton)
- Hindustan Motors Ltd. (HML)
- Netherlands Car B.V. (NedCar)
- Hyundai Motor Co. (HMC))
- China Motor Corp. (CMC)

Overseas sales companies
- Mitsubishi Fuso Truck of America, Inc. (FTA)
- Mitsubishi Motor Sales of America, Inc. (MMSA)
- Mitsubishi Motor Sales of Caribbean, Inc. (MMSC)
- Mitsubishi Motors New Zealand Ltd. (MMNZ)
- MMC Automoviles Espana SA. (MMCE)

Other overseas affiliates
- Mitsubishi Motors Europe B.V. (MME)
- Mitsubishi Motors America Inc. (MMA)

Parts sales companies (Japan)
- Ryoji Yohin

Parts sales companies (Overseas)
- Mitsubishi Engine N.A. Inc. (MENA)
- Mitsubishi Motor Parts Sales of Gulf FZ (MMGF)

2. Group companies: Japan

Company name	Paid-in capital (¥million)	MMC equity	Business lines
R&D			
Mitsubishi Automotive Engineering Co., Ltd.	450	100%	Engineering design, drafting and testing
MMC Computer Research, Ltd.	30	100%	Development work using computers
AVA Design Co., Ltd.	100	100%	Design, development of automobiles & accessories
MMC Test & Drive Corporation	50	100%	Durability road testing
Parts manufacture			
Mitsubishi Automotive Techno-Metal Co., Ltd.	1,940	100%	Manufacture and machining of cast and forged parts
Ryowa Sheet Metal Processing Co., Ltd.	150	100%	Manufacture of sheet metal parts (doors, engine hoods, etc.)
Namba Press Works Co., Ltd.	150	20%	Manufacture of sheet metal
Suiryo Plastics Co., Ltd.	100	50%	Manufacture of plastic interior trim
Ryowa Syatai-Kogyo Co., Ltd.	149	99%	Manufacture of parts for large, small buses and commercial vehicles; customized buses
Heian Manufacturing Co., Ltd.	60	33%	Manufacture of oil pans and other sheet metal parts
Wako Industries Co., Ltd.	130	21%	Manufacture and sales of filters and filtering equipment
Fuso Tec Co., Ltd.	50	15%	Conversion, repair of automotive and industrial engines; manufacture, fitting of bodies
Assembly			
Mitsubishi Automotive Bus Manufacturing Co., Ltd.	6,400	100%	Fitting of bus bodies
Pabco Co., Ltd.	600	100%	Fitting of cargo beds and van bodies
Pajero Manufacturing Co., Ltd.	610	66%	Assembly of Pajero vehicles; manufacture of molds and sheet metal parts
Mizushima Industries Co., Ltd.	64	44%	Automobile assembly; manufacture of customized vehicles; manufacture of auto parts
Sales support			
Mitsubishi Automotive Techno-Service Co., Ltd.	400	80%	Servicing of new models; rebuilding of diesel engines
Mitsubishi Auto Credit-Lease Corporation	960	43%	Auto sales financing; car rentals and leasing
Ralliart Inc.	54	100%	Auto sports
Ryoji Yohin Sales Co., Ltd.	20	100%	Sales of auto accessories and domestic electrical appliances
Education & training			
Jin Co., Ltd.	10	100%	Education / training consultancy for, gathering / supply of information on, human resources
Mitsubishi Motors Training Center Co., Ltd.	750	100%	Vehicle mechanic school; training for service mechanics in Japan and overseas
Transportation			
Rakusaikamotujidousha Corporation	30	40%	Transportation of engines, etc.
Fuso Transport Co., Ltd.	18	22%	Transportation of built-up vehicles and auto parts
Mitsubishi Automotive Logistics Co., Ltd.	300	75%	Transportation contractor for built-up vehicles in Japan and overseas shipments
Services, welfare facility management			
Ryoto Estec Co., Ltd.	70	100%	Welfare facilitiy management; real estate transactions; civil engineering and construction; security services
Ryomei Estec Co., Ltd.	46	100%	Welfare facilitiy management; real estate; civil engineering and construction; security services; gas stations
Ryokei Estec Co., Ltd.	138	100%	Welfare facilitiy management; real estate; civil engineering and construction
Ryosui Estec Co., Ltd.	168	100%	Welfare facilitiy management; real estate; civil engineering and construction; management of sports facilities
Leadtech Co., Ltd.	40	100%	Welfare facilitiy management; real estate; civil engineering and construction; security services; travel agents
Kyoryosangyou Corporation	20	100%	In--plant transportation, crating, packaging
Suiryo Service Co., Ltd.	13	100%	Emergency and security services
Tomei Driving School Co., Ltd.	340	100%	Driving school
Meiryo Securities Co., Ltd.	10	100%	In-plant motor pool security
MMC International Corporation	40	100%	Imports, sales of parts; imports , sales of general merchandise
Mizushima Kokusai Kaikan Co., Ltd.	135	47%	Hotel operations
MMC Insurance Service Co., Ltd.	10	100%	Life and non-life insurance agents
MMC IT Solution Co., Ltd.	100	100%	Computer system solutions; software design and development; computer processing outsourcing
MMC System Service Co., Ltd.	50	85%	Computer processing outsourcing; software design, development
Mitsubishi Motors Football Club Co., Ltd.	90	90%	Management and running of Urawa Reds soccer team
Ryomei Catering Co., Ltd.	10	100%	Factory and dormitory meal catering
Ryoin Co., Ltd.	1,000	20%	Printing, production of video software, data processing

X Milestones

1970
- Mitsubishi Motors Corporation incorporated; capitalized at ¥29,900 m, with 21,000 employees and Yuji Sato president.
- US distribution agreement concluded with Chrysler.
- Technical assistance agreement concluded with the China Motor of Taiwan.
- Cumulative production of Minica series cars tops one million mark.
- Galant GTO passenger car launched in Japan.

1971
- Distribution, trademark and technical assistance agreement concluded with Chrysler Australia Ltd. (CAL)
- Chrysler acquires 15% equity interest in MMC. (Capital: ¥35,177 million)
- Colt Galant passenger car launched through Chrysler dealers in North America.

1972
- Company acquires 15% equity interest in Chrysler Philippine.

1973
- Company establishes P.T.Mitsubishi Krama Yudha Motors and Manufacturing (MKM) of Indonesia with local Indonesian enterprise.
- Tomio Kubo appointed company president.
- Technical assistance agreement concluded with Hyundai Motor of Korea.
- Lancer passenger model launched in Japan.

1974
- Mitsubishi vehicle sales start in Europe.
- Cumulative production of Katsura-type industrial engines tops one million.

1975
- Technical assistance agreement concluded with United Development Motor Industries of Thailand (now called MMC Sittipol Co.).
- Technical assistance agreement concluded with UNIVEX of Portugal (now called Mitsubishi Motors de Portugal).

1976
- Cumulative production of Galant passenger model tops one million.
- Galant Σ and Galant Λ passenger models launched in Japan.

1977
- First Mitsubishi Galant Tournament (professional golf event) staged.
- Construction of the Okazaki Plant of the Nagoya Motor Vehicle Works completed.
- Liaison Office of Europe established in Rotterdam.
- First Mirage Bowl (U.S. collegiate football game) staged in Tokyo.
- Minica Ami 55 passenger model launched in Japan.

1978
- Car Plaza sales network commences operations in Japan with 109 dealers.
- Mirage passenger model launched in Japan.

1979
- Tomio Kubo and Yoshitoshi Sone appointed chairman of the board and company president respectively.
- Youth For Understanding Program (YFU) gets under way and the first party of American high school students visits Japan.
- Cumulative exports of MMC vehicles exceed two million.
- Cumulative sales of Fuso trucks and buses top one million.
- Construction of the Shiga Plant of the Kyoto Works completed.
- Lancer EX passenger model launched in Japan.

1980
- Construction of the Kitsuregawa Proving Ground completed.
- Chrysler Australia renamed Mitsubishi Motors Australia Ltd. (MMAL)
- Redesigned Galant Σ and Galant Λ passenger models launched in Japan.

1981
- New directors elected: chairman Tomio Kubo; president Teruo Tojo.
- Cumulative production at the Tokyo Motor Vehicle Works tops one million.
- United States Distribution Agreement revised.
- Minica Aami L and Minica Econo passenger models launched in Japan.
- Mitsubishi Motors Sales of America, Inc. (MMSA) established.

1982
- MMC and Mitsubishi Corporation make 10% equity participation in Hyundai Motor of Korea.
- Test laboratory opened in Ann Arbor, Michigan, U.S.A.
- New bus assembly plant commissioned at the Oye Plant of the Nagoya Motor Vehicle Works.
- Cordia, Tredia, Starion and Pajero passenger models and Aero Bus large coach launched in Japan.

1983
- Malaysian national car project agreement formally concluded between HICOM (Malaysian Governmental Office), MMC and Mitsubishi Corporation.
- New board of directors elected: chairman Teruo Tojo; vice-chairman Toshihiro Tomabechi; president Toyoo Tateo.
- Chariot passenger model and The Great large truck launched in Japan.

1984
- Cypress Design Studio and Cypress Test Laboratory complex opened in Cypress, California.
- MMC merges with Mitsubishi Motor Sales Co., Ltd.
- New MMC officers elected: chairman Toshiharu Tanaka; president Toyoo Tate.

1985
- Mitsubishi Fuso truck of America, Inc.(MFTA) established.
- MMC and Mitsubishi Heavy Industries reach agreement with Chrysler over MMC ownership structure. MMC also reaches agreement with Chrysler on the establishment of a joint-venture automobile manufacturing company in the U.S.
- New company officers elected: chairman Yoshida Okano; president Toyoo Tate.
- Ceremonies held to mark line-off of the first Saga Malaysian national car, produced with MMC cooperation.
- Cumulative production of Galant passenger model tops three million.
- Diamond-Star Motors Corporation, a joint-venture with Chrysler Corporation, established.
- Pajero takes overall victory in the 7th Paris-Dakar Rally.

1986
- Debonair V luxury sedan launched in Japan.

1987
- Company purchases all shares in Todd Motors Corporation Ltd. and renames it Mitsubishi Motors New Zealand Ltd.
- Cumulative production of Fuso Canter light-duty trucks tops one million.
- New Galant and Mirage passenger models launched in Japan.
- New Galant named 1987-1988 Japan Car of the Year.

1988
- Company and Mercedes-Benz Japan jointly establish Stuttgart Auto Services, Inc. to sell Mercedes-Benz passenger cars in Japan.
- Mitsubishi Auto Credit-Lease Corporation incorporated.
- Company markets 150 Hyundai 1.5XL models, a special version of the Hyundai Excel, as a supporting program for the Seoul Olympics.
- Japan launch of the Magna Station Wagon 2600 built by Mitsubishi Motors Australia.
- Company signs letter of general understanding with Daimler-Benz on establishment of joint-venture company for importing and distributing Mercedes-Benz commercial vehicles in Japan.
- New Eterna 4-door sedan launched in Japan.
- Ceremonies held to celebrate start of operations at Diamond-Star Motors Corporation.
- Mirage 3-door hatchback and 4-door sedan presented 1988 Golden Steering Wheel award by West German motoring magazine.
- Company shares listed on first section of Tokyo, Osaka and Nagoya stock exchanges.
- New Lancer passenger model launched in Japan.

1989
- Mitsubishi Motors Truck Parts & Europe B.V. renamed Mitsubishi Motors Europe B.V.
- Mitsubishi Galant presented 1989 Import Car of the Year award by Motor Trend Magazine in the U.S.
- Cumulative automotive engine production at the Kyoto Works tops 15 million.
- Company shares listed on Sapporo, Niigata, Hiroshima and Fukuoka stock exchanges.
- Company announces incorporation of the Stuttgart Truck and Bus Sales Co., Ltd. to sell Mercedes-Benz commercial vehicles in Japan.
- Company announces it is to jointly develop with Suzuki Motors a small truck exclusively for the Indonesian market.
- New company officers elected: chairman T. Tate; vice-chairman K. Nakamura; president H. Nakamura.
- New Minica series launched in Japan.

1990
- Cumulative production of Mitsubishi 4-wheel vehicles reaches 20 million.
- Diamante, Galant and passenger models launched in Japan.
- Diamante/Galant presented 1990-91 Japan Car of the Year award.

1991
- Mitsubishi 3000GT (GTO in Japan) named 1991 Import Car of the Year by Motor Trend Magazine in the U.S.
- Colt T120SS model, jointly developed with Suzuki Motors, launched in Indonesia.
- Cumulative production of Mitsubishi mini-cars reaches five million.
- Company signs agreement with the Dutch State and Volvo Car Corp. to establish the Netherlands Car B.V. (NedCar) joint-venture company.
- Cumulative Japanese market sales of the Canter truck reach one million.
- Company purchases all Chrysler-owned shares in Diamond-Star Motors.
- Pajero presented with special award by the Japan Car of the Year Committee.

1992
- Cumulative sales of Proton Saga reach 300,000.
- INVECS fuzzy logic vehicle handling control system introduced in Japan.
- New Galant and passenger models launched in Japan.
- Libero and Libero Cargo models launched in Japan.
- New Fuso Fighter truck introduced in Japan (first model change in eight years).
- MIVEC (Mitsubishi Innovative Valve timing and lift Electronic Control System) engine introduced in Japan.
- Emeraude passenger model launched in Japan.
- DSM cumulative production reaches 500,000.
- Pajero presented Golden Steering Wheel award by German motoring magazine.
- Mitsubishi Motors Europe Design Studio inaugurated.

1993

- Company publishes Design-In and Creating Together guidelines for overseas parts suppliers.
- Libero EV electric vehicle developed.
- Mitsubishi Motors Europe B.V. restructured with establishment of Mitsubishi Motor Sales Europe (MMSE), Mitsubishi Motor Marketing Research Europe GmbH (MMRE) and Mitsubishi Motors R&D Europe GmbH (MRDE).
- New MMC officers elected: president Hirokazu Nakamura.
- Chrysler sells all its MMC shares.
- Company sets up Environmental Council.
- Inauguration of new plant at Mitsubishi Motors Bus Manufacturing.
- Cumulative production at Motor Vehicle Works tops 15 million.

1994

- Cumulative motor vehicle production since end of WWII tops 25 million.
- Cumulative engine production at Kyoto Works tops 25 million.
- Delica Space Gear launched in Japan.
- New Canter small truck launched in Japan.
- New Aero Queen II and Aero Queen III luxury coaches launched in Japan.
- Production of Mitsubishi Eclipse and Chrysler Talon sport specialty models starts at DSM.
- Vina Star Motors Corporation, a joint-venture between MMC, Mitsubishi Corporation, Proton and the Vietnamese state organization VIETRANSCIMEX, formed in Vietnam to assemble a Delica-based mini-bus.
- INVECS-II & Sport Mode Automatic Transmission developed.
- FTO sports model launched in Japan.
- FTO chosen 1994-95 Japan Car of the Year.
- FH, FK and FM truck models built by MMC and sold by Mitsubishi Fuso Truck of America, Inc. ranked the best cab-over trucks in the medium-duty category in the J.D. Powers and Associates 1994 Medium-Duty Customer Satisfaction Index (USA).
- Pajero Mini launched in Japan.
- The Great Z-Series large truck series – tailored to new gross vehicle weight regulations – launched in Japan.
- V6 2.5-liter MVV lean burn engine developed.

1995

- New Diamante passenger car series launched in Japan.
- Proton of Malaysia launched new Perdana passenger car model.
- The Great heavy truck added to 15 – 20 ton gvw truck series.
- Remodeled Fighter Mignon medium truck launched.
- Lancer Evolution II takes first and second places overall in 44th Swedish Rally.
- Company supplies two hybrid electric vehicles to the California Air Resource Board under a vehicle testing agreement.
- Ceremonies held to mark opening of Europe Parts Center.
- European-produced Mitsubishi Carisma passenger model launched in Europe.
- Ultra-efficient GDI (Gasoline Direct Injection) engine developed.
- New Mirage and Lancer passenger car series launched in Japan.
- Pajero Jr. sport utility launched in Japan.
- MSC launches new L200 Strada pickup truck in Thailand.
- NedCar Grand Opening Ceremony held.

1996

- Lancer Evolution III wins WRC Swedish Rally, WRC Safari Rally, WRC Rally Argentina, WRC Neste1000 Lakes Rally and WRC Rally Australia.
- MMAL launches new Magna passenger car series.
- Tama Design Center inaugurated.
- Mitsubishi Motors R&D of America, Inc. incorporated.
- Super Great heavy-duty truck series introduced.
- Challenger Sport utility series introduced in Japan.
- AYC and ASC all-wheel control system announced.
- Youth For Understanding (YFU) Dutch program inaugurated. First party of Dutch high school students visits Japan.
- Sign agreements with Chinese, Malaysian and Japanese partners to set up engine joint-venture in China.
- New Galant sports sedan and Legnum station wagon series powered by ultra-efficient GDI engine and featuring new AYC and AYS all-wheel control systems introduced.
- New Galant / Legnum series win 1996-97 Japanese Car of Year Award
- Carisma European-bred sedan launched in Japan.
- Stage 1 construction of Tokachi Proving Ground completed.

1997

- Pajero takes 1st, 2nd and 3rd, Challenger 4th place in Dakar-Agades-Dakar Rally.
- Sign small SUV production agreement with Industrie Pininfarina SpA (IPF) of Italy.
- Middle East Parts Center commissioned in Dubai.
- Engine and transmission cumulative production tops 50 million units at Kyoto Works
- V6 3.5-liter version of ultra-efficient GDI engine announced.
- Vina Star Motors commissions new factory in Vietnam.
- GDI-powered Pajero launched in Japan.
- Imports of New Strada produced by MSC in Thailand start.
- Pajero cumulative production tops 1.5 million units.
- GDI-powered Diamante series launched in Japan.
- GDI-powered Challenger series launched in Japan.

- GDI-powered Carisma launched in Europe.
- MMC and partners establish engine joint venture in China
- Freeca new concept multi-purpose model introduced in Taiwan
- GDI engine production tops 100,000 units
- MMC announces development of lithium ion battery for EVs
- New Rosa small bus introduced in Japan
- New Chariot Grandis series launched in Japan
- 32nd Tokyo Motor Show
- New RVR and RVR Sports Gear models introduced in Japan

1998

- New Lancer GSR Evolution V launched in Japan
- Mitsubishi SST concept model displayed at Detroit Motor Show
- GDI engine production tops 200,000 units
- Announces Global Standard Eco-engine
- Adventure new concept multi-purpose vehicle introduced in the Philippines
- Mitsubishi Space Star model unveiled at 67th Geneva Motor Show
- GDI engine receives "European Auto Innovation Award 98" sponsored by Auto Bild
- MMC develops small Direct Injection Diesel engine for SUVs
- GDI engine takes 1st place in German Auto Trophy 98 sponsored by Auto Zeitung
- MMC introduces new "Innovation in motion"corporate slogan
- Pajero iO model launched in Japan
- Pajero iO 5-door added to series in Japan
- New 2.4-liter GDI Galant and Legnum, 1.8-liter Aspire models introduced in Japan
- Toppo BJ, Minica and Pajero Mini new-regulation mini-cars introduced in Japan
- Lancer models assembled by Hindustan Motors Limited launched in India
- CNG-fueled New Aerostar public service bus series launched in Japan.
- MMC introduces revised codes of corporate conduct in Japan and at subsidiaries and affiliates outside Japan.
- MMC announces RM2001 mid-term management plan – blueprint for return to profitability by fiscal 2000.
- Nagoya Motor Vehicle Works gains ISO 14001 certification
- Production and sales of Canter truck and large bus models start in Egypt.
- GDI engine family grows to five with addition of new 1.5-liter unit.
- Mirage Dingo, first in brand-new Smart Utility Wagon series, launched in Japan.
- MMC announces development of Driver Support System, incorporating latest ITS features for safer operation.

1999

- Mitsubishi SSU concept model unveiled at North American International Auto Show held in Detroit.
- Minicab Van and Minicab Truck new-regulation light-commercial models launched in Japan.
- Lancer GSR Evolution VI launched in Japan.
- Toppo BJ Wide, Minica Townbee and Pajero Mini Duke models launched in Japan.
- MMC and Volvo Car Corporation each acquire half of Dutch government's holding in Netherlands Car B.V.
- Mitsubishi Pajero Pinin debuts at Geneva Motor Show.
- Kuda model launched in Indonesia, third Asian market to put the Dynamic Family Wagon strategic series on sale.
- MMC announces GDI Sigma Series powertrain.
- Townbox cab-over mini-wagon launched in Japan.
- 2000 Eclipse sports coupe unveiled at New York International Auto Show.
- GDI engine production tops 500,000 units (April).
- MMC spins off Business Information Systems Department as part of RM2001 organizational reforms.
- MMC announces Hyundai Motor Co. to use GDI technology in new V8 engine.
- MMC and AB Volvo enter equity and operational alliance

2000

- Cumulative production of GDI engines tops 800,000 units
- Dion, Proudia, Dignity and lancer Cedia models launched
- Kyoto Plant-Yagi CVT production facility commissioned
- MMC and DaimlerChrysler enter equity and operational alliance
- DaimlerChrysler acquires 34% equity holding in MMC, raising MMC capitalization to ¥252,201,223,926

2001

- DaimlerChrysler replaces AB Volvo as MMC's strategic alliance partner in truck & bus sector
- MMC launches Airtrek new-age crossover RV
- DaimlerChrylser aquires AB Volvo's holding in MMC, raising its equity holding in MMC to 37.3%

Appendix

A: Production volume by Japanese automaker

Automaker	1993		1994		1995		1996		1997		1998		1999		2000	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
MMC	1,362,447	12.1	1,306,185	12.4	1,327,553	13.0	1,200,007	11.6	1,239,582	11.3	1,081,130	10.8	1,013,895	10.2	960,014	9.5
TOYOTA	3,561,750	31.7	3,508,456	33.2	3,171,277	31.1	3,410,060	33.0	3,502,046	31.9	3,165,805	31.5	3,118,226	31.5	3,422,314	34.1
NISSAN	1,811,591	16.1	1,558,121	14.8	1,713,982	16.8	1,610,542	15.6	1,725,631	15.7	1,551,813	15.4	1,385,142	14.0	1,313,527	13.1
MAZDA	1,029,128	9.2	985,821	9.3	771,450	7.6	773,567	7.5	869,009	7.9	838,179	8.3	781,491	7.9	737,943	7.3
ISUZU	397,793	3.6	376,788	3.6	346,723	3.4	331,248	3.2	359,700	3.3	309,946	3.1	260,956	2.6	233,770	2.3
HONDA	1,150,849	10.3	997,726	9.5	967,321	9.5	1,092,148	10.6	1,306,399	11.9	1,243,468	12.4	1,220,955	12.3	1,234,101	12.3
HINO	70,922	0.6	75,372	0.7	82,768	0.8	78,148	0.8	74,478	0.7	39,822	0.4	39,533	0.5	49,988	0.5
SUZUKI	796,661	7.1	777,643	7.4	862,290	8.5	847,702	8.2	866,330	7.9	807,452	8.0	909,340	9.2	920,135	9.2
DAIHATSU	560,320	5.0	482,242	4.6	477,323	4.7	535,673	5.2	552,947	5.0	556,100	5.5	661,596	6.7	675,390	6.7
FUJI	437,924	3.9	434,091	4.1	419,285	4.1	416,980	4.3	429,518	3.9	426,651	4.2	481,264	4.9	471,556	4.7
NISSAN DIESEL	47,765	0.4	51,280	0.5	55,226	0.5	49,231	0.5	48,989	0.4	29,034	0.3	22,622	0.2	25,152	0.3
OTHERS	395	0.0	295	0.0	338	0.0	388	0.0	458	0.0	392	0.0	456	0.0	403	0.0
TOTAL	11,227,545	100.0	10,554,119	100.0	10,195,536	100.0	10,345,786	100.0	10,975,087	100.0	10,049,792	100.0	9,895,476	100.0	10,044,293	100.0

Source: JAMA (Japanese Automobile Manufacturers Association)
Figures are on a calendar year basis

B: Production volume by vehicle type

Year	Vehicle Total			Passenger Cars			Trucks & Buses		
	MMC	Industry	Share (%)	MMC	Industry	Share (%)	MMC	Industry	Share (%)
1985	1,152,777	12,271,095	9.4	570,865	7,646,816	7.5	581,912	4,624,279	12.6
1986	1,177,975	12,259,817	9.6	578,642	7,809,809	7.4	599,333	4,450,008	13.5
1987	1,231,169	12,249,174	10.1	594,654	7,891,087	7.5	636,515	4,358,087	14.6
1988	1,261,409	12,699,807	9.9	639,890	8,198,400	7.8	621,519	4,501,407	13.8
1989	1,249,510	13,025,735	9.6	708,418	9,052,406	7.8	541,092	3,973,329	13.6
1990	1,332,938	13,486,796	9.9	833,265	9,947,972	8.4	499,673	3,538,824	14.1
1991	1,405,647	13,245,432	10.6	914,178	9,753,069	9.4	491,469	3,492,363	14.1
1992	1,395,875	12,499,284	11.2	939,590	9,378,694	10.0	456,285	3,120,590	14.6
1993	1,362,447	11,227,545	12.1	941,096	8,493,943	11.1	421,351	2,733,602	15.4
1994	1,306,185	10,554,119	12.4	891,274	7,801,317	11.4	414,911	2,752,802	15.1
1995	1,327,553	10,195,536	13.0	908,874	7,610,533	11.9	418,679	2,585,003	16.2
1996	1,200,007	10,346,699	11.6	782,588	7,864,676	10.0	417,419	2,482,023	16.8
1997	1,239,582	10,975,087	11.3	820,703	8,491,480	9.7	418,879	2,483,607	16.9
1998	1,081,130	10,049,447	10.8	747,937	8,055,763	9.3	333,193	1,993,684	16.7
1999	1,013,895	9,895,476	10.2	752,940	8,100,169	9.3	260,955	1,795,307	14.5
2000	960,014	10,044,293	9.6	695,916	8,297,117	8.4	264,098	1,747,176	15.1

Source: JAMA

Figures are on a calendar year basis

C: Japan market sales by vehicle type

Year	Vehicle Total			Passenger Cars			Trucks & Buses		
	MMC	Industry	Share (%)	MMC	Industry	Share (%)	MMC	Industry	Share (%)
1985	520,819	5,556,834	9.4	168,292	3,104,083	5.4	352,527	2,452,751	14.4
1986	508,198	5,707,814	8.9	146,261	3,146,023	4.6	361,937	2,561,791	14.1
1987	551,027	6,018,399	9.2	158,330	3,274,800	4.8	392,697	2,743,599	14.3
1988	622,283	6,721,004	9.3	180,874	3,717,359	4.9	441,409	3,003,645	14.7
1989	665,191	7,256,673	9.2	232,978	4,403,749	5.3	432,213	2,852,924	15.1
1990	710,766	7,777,493	9.1	314,917	5,102,659	6.2	395,849	2,674,834	14.8
1991	754,706	7,524,759	10.0	336,705	4,868,233	6.9	418,001	2,656,526	15.7
1992	744,172	6,959,073	10.7	335,298	4,454,012	7.5	408,874	2,505,061	16.3
1993	717,732	6,467,279	11.1	357,596	4,199,451	8.5	360,136	2,267,828	15.9
1994	755,185	6,526,696	11.6	387,869	4,210,168	9.2	367,316	2,316,528	15.9
1995	819,952	6,865,034	11.9	453,584	4,443,906	10.2	366,368	2,421,128	15.1
1996	753,284	7,077,745	10.6	359,115	4,668,728	7.7	394,169	2,409,017	16.4
1997	678,882	6,725,026	10.1	344,928	4,492,006	7.7	333,954	2,233,020	15.0
1998	596,392	5,879,425	10.1	323,809	4,093,148	7.9	272,583	1,786,277	15.3
1999	584,169	5,861,216	10.0	324,603	4,154,084	7.8	259,566	1,707,132	15.2
2000	518,990	5,973,438	8.7	286,775	4,257,331	6.7	232,215	1,716,107	13.5

Source: JAMA

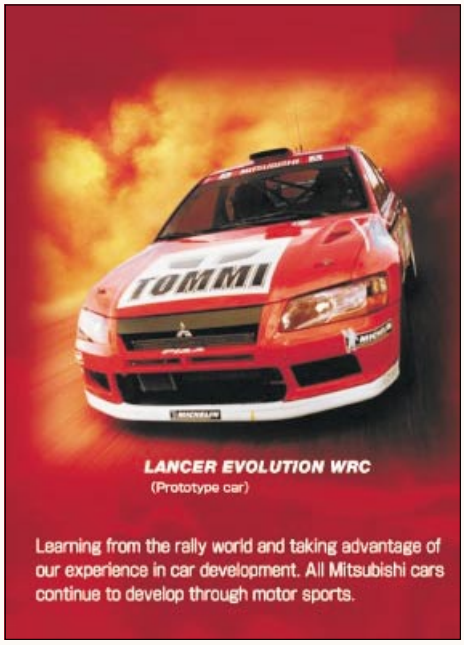
Figures are on a calendar year basis

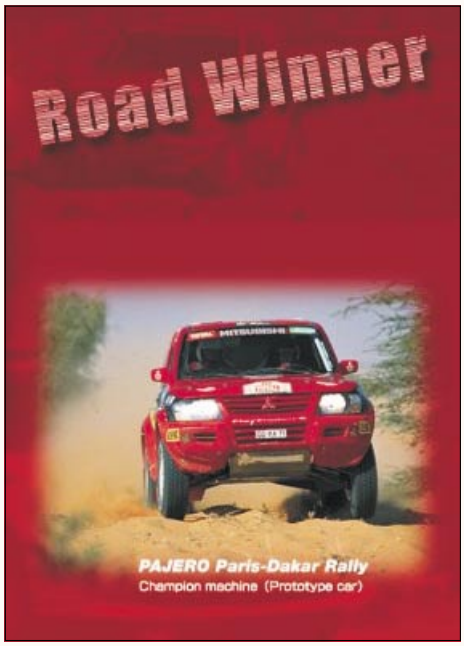
D: Exports by vehicle type

Year	Vehicle Total			Passenger Cars			Trucks & Buses		
	MMC	Industry	Share (%)	MMC	Industry	Share (%)	MMC	Industry	Share (%)
1985	635,258	6,730,472	9.4	376,719	4,426,762	8.5	258,539	2,303,710	11.2
1986	656,600	6,604,923	9.9	414,875	4,572,791	9.1	241,725	2,032,132	11.9
1987	664,638	6,304,925	10.5	395,380	4,507,714	8.8	269,258	1,797,211	15.0
1988	633,387	6,104,152	10.4	410,959	4,431,833	9.3	222,428	1,672,264	13.3
1989	585,034	5,883,903	10.0	407,325	4,403,060	9.3	177,709	1,480,843	12.0
1990	608,648	5,831,555	10.4	439,134	4,482,274	9.8	169,514	1,349,281	12.6
1991	627,669	5,753,387	10.9	457,232	4,452,233	10.3	170,437	1,301,154	13.1
1992	652,925	5,667,666	11.5	476,971	4,408,884	10.8	175,954	1,258,782	14.0
1993	637,242	5,017,761	12.7	473,466	3,910,674	12.1	163,776	1,107,072	14.8
1994	556,549	4,460,292	12.5	392,700	3,360,668	11.7	163,849	1,099,624	15.0
1995	506,155	3,790,778	11.3	347,728	2,896,217	12.0	158,427	894,561	17.7
1996	455,498	3,711,718	12.3	306,208	2,860,080	10.7	149,290	851,638	17.5
1997	551,626	4,553,204	12.1	390,881	3,578,699	10.9	160,745	974,505	16.5
1998	522,988	4,528,875	11.5	381,289	3,684,150	10.3	141,699	844,725	16.8
1999	430,998	4,408,953	9.8	348,627	3,757,460	9.3	82,371	651,493	12.6
2000	461,921	4,376,592	10.6	381,413	3,742,144	10.2	80,508	634,448	12.7

Source: JAMA

Figures are on a calendar year basis.





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