



FY2024 Second-Quarter **Financial Results** 

October 30, 2024



# 1. 1H/FY2024 Financial Results

2. FY2024 Financial Forecast

3. Business Highlights





	First-Half (APR-SEP)				Quarterly	
(Billion yen, k units)	FY2023 FY2024		Variance		10	20
	112025	112024	Amount	Ratio	14	2Q
Net Sales	1,330.8	1,307.4	-23.4	-2%	627.5	679.9
Operating Profit (OP Margin)	<b>104.2</b> (7.8%)	<b>90.7</b> (6.9%)	<b>-13.5</b> (-0.9pp)	-13%	<b>35.5</b> (5.7%)	55.2 (8.1%)
Ordinary Profit	120.9	69.2	-51.7	-43%	42.4	26.8
Net Income*	67.5	38.0	-29.5	-44%	29.5	8.5
Sales Volume (Retail)	389	408	+19	+5%	194	214

In addition to intensifying competition due to an increase in vehicle supply across the industry, the delayed recovery of the macro economy, mainly in Thailand and Indonesia, has led to sluggish demand for automobiles. As a result, the sales environment surrounding us continues to be severe.

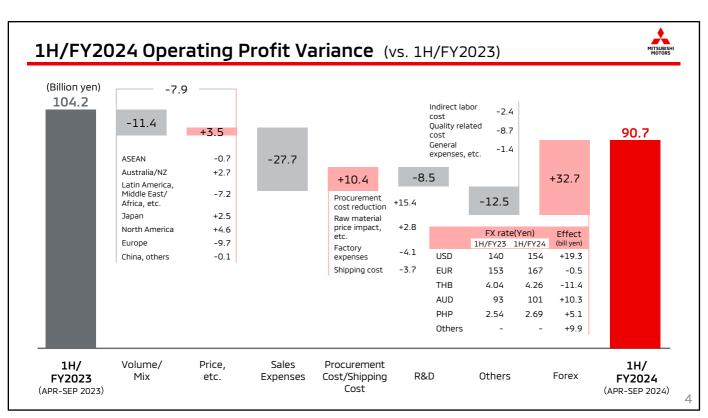
As shown in the slide our results for 1H/FY24 showed a decrease in both net sales and profits on a YoY basis.

Net sales were ¥1,307.4 billion, decreasing 2% YoY.

Operating profit decreased 13% YoY to ¥90.7 billion, and the OP margin decreased 0.9 points from 7.8% in the same period last year to 6.9%.

Ordinary profit decreased 43% YoY to ¥69.2 billion, mainly due to the impact of Forex losses, and net income after tax was ¥38.0 billion.

Retail sales increased 5% YoY to 408K units.



In terms of Volume/Mix and Price etc., despite a wholesale increase increased in Japan, North America and Australia/NZ and other regions, the planned wholesale control in Europe, the Middle East, etc., and accelerated inventory adjustments in ASEAN resulted in a decrease of ¥7.9 billion in operating profit compared to the same period of the previous fiscal year

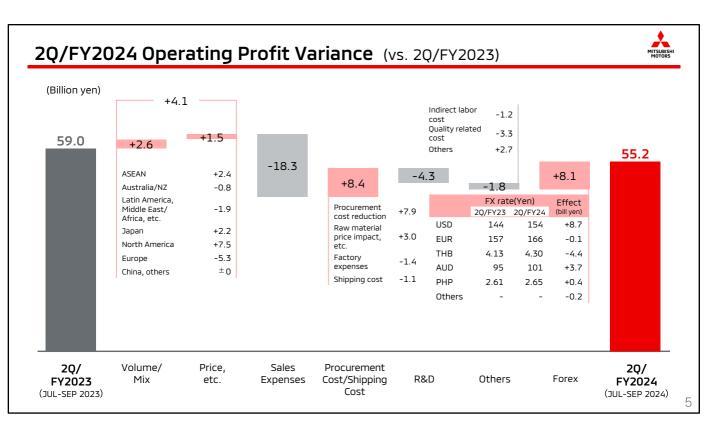
Sales expenses reduced operating profit by ¥27.7 billion yen, mainly due to an increase in incentives in the U.S. and Thailand in line with intensifying market competition.

Procurement cost/Shipping cost improved by ¥10.4 billion in total because, despite an increase in material costs due to inflation, an increase in factory expenses, and deterioration in transportation costs due to a higher unit price of transportation as well as special vessel allocation, these were offset primarily by procurement cost reduction activities.

R&D expenses increased as planned, resulting in a ¥8.5 billion decrease in operating profit.

Other items deteriorated by ¥12.5 billion mainly due to an increase in general expenses resulting from higher personnel expenses and the impact of inflation, as well as an increase in quality cost.

Foreign exchange improved by ¥32.7 billion, as the negative impact of the cost currency THB was offset mainly by USD and AUD.



In terms of Volume/Mix and Price etc. ASEAN turnaround in profit thanks to contribution from Vietnam and the Philippines, an increase in wholesale volume in Japan, North America, etc., and improved mix due to shipment of new models to more regions resulted in a total increase of ¥4.1 billion.

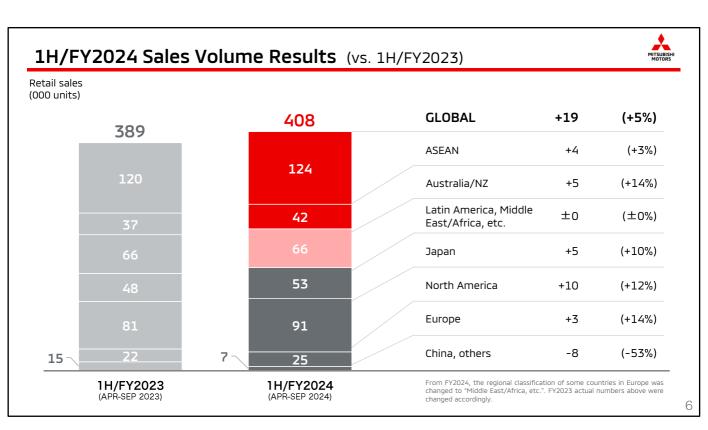
Sales expenses reduced operating profit by ¥18.3 billion yen, mainly due to an increase in incentives in the U.S. etc., in line with intensifying market competition.

Procurement cost/Shipping cost improved by ¥8.4 billion yen in total, as a material cost hike due to inflation, factory expenses, and increased transportation costs were absorbed by favorable changes in raw material prices and activities to reduce procurement costs.

R&D expenses increased as planned, resulting in a ¥4.3 billion decrease in operating profit.

Other items deteriorated by ¥1.8 billion due to an increase in personnel expenses, an increase in general expenses due to inflation, and an increase in quality cost.

Regarding foreign exchange rates, the negative impact of the cost currency THB was reversed mainly by USD and AUD, resulting in a YoY improvement of \$8.1 billion .



Compared with the previous fiscal year, all regions showed an upward trend, and global retail sales increased by 5%.

The significant decrease in sales in China and others was due to the impact of structural reforms implemented in FY2023.

# Regional Status in 1H/FY2024



#### ASEAN, Oceania

### Sales Volume / Market Share

	1H/FY2023		1H/FY2024
ASEAN	<b>120</b> k units	$\rightarrow$	124k units
Thailand	<b>16</b> <sub>k units</sub> (4.2%)	$\rightarrow$	<b>13</b> <sub>k units</sub> (4.6%)
Indonesia	<b>39</b> <sub>k units</sub> (8.2%)	$\Rightarrow$	<b>36</b> <sub>k units</sub> (8.3%)
Philippines	<b>40</b> <sub>k units</sub> (18.6%)	$\rightarrow$	<b>45</b> <sub>k units</sub> (19.4%)
Vietnam	<b>15</b> <sub>k units</sub> (11.1%)	$\Rightarrow$	<b>22</b> <sub>k units</sub> (14.6%)
Malaysia	<b>10</b> <sub>k units</sub> (2.7%)	$\rightarrow$	<b>8</b> k units (1.9%)
Oceania	37k units	$\rightarrow$	42k units



TRITON

- ASEAN: Focus on increasing sales share by rolling out new models in each country
- Oceania: Focus on maintaining and increasing sales share during macro environment downturn
- View the market as a growing market in the medium- to long-term, strengthen product lineups, improve distribution networks, and strengthen the brand

In the Philippines, in a robust automobile demand environment, we maintained strong sales momentum of existing models, and both our sales volume and market share grew significantly. We aim to further increase our sales volume and market share by focusing on new models such as "XFORCE" and "TRITON", which have gradually penetrated the market after launch.

In Vietnam where automobile demand is recovering, our sales volume and market share have both grown significantly. Going forward, we will expand our sales volume and market share further more by leveraging the new "TRITON".

In Thailand, the tightening of credit for automobile loans continues, and demand for automobiles continues to decline, particularly in the pickup market. We expanded our market share by accelerating inventory optimization and focusing on "XPANDER" which is performing well. In preparation for a demand recovery, we will continue to optimize inventories and firmly maintain measures to expand market share.

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Indonesia is also in a severe situation where total demand has fallen YoY for 16 consecutive months since June 2023. In this environment, our market share is on the rise, thanks to solid sales of the new "PAJERO SPORT" and "TRITON". Going forward, we aim to further expand our market share by expanding the new "XFORCE", which is gradually growing after its launch.

In Australia, which accounts for the great majority of the Oceania region, total demand for automobiles remained almost unchanged from the previous year, despite concerns about a decline in consumer sentiment due to the economic downturn. We increased our vehicle supply YoY and expanded both sales volume and market share.

# Regional Status in 1H/FY2024



### Latin America, Middle East/Africa

#### Sales Volume

	1H/FY2023		1H/FY2024
Latin America, Middle East/ Africa, etc.	<b>66</b> k units	<b>→</b>	<b>66</b> k units
Latin America	<b>25</b> k units	<b>→</b>	28k units
Middle East/ Africa, etc.	<b>41</b> k units	<b>→</b>	<b>38</b> k units



**XFORCE** 

- Latin America: Strengthen sales to private customers by expanding product lineups and strengthening distribution networks
- Middle East/Africa, etc.: Roll out the new "L200/TR/TON" in each country throughout the fiscal year for smooth replacement of new and old models
- → Continue to implement various initiatives to improve sales quality and CX in major countries in the Middle East and share best practices with other countries to improve sales quality across the Middle East and Africa

In Latin America, Brazil is experiencing a strong recovery as total automobile demand increased by 15% YoY due to the full-scale recovery of the economy and the impact of the gradual reduction of policy interest rates. In other major countries, although the economy is on a moderate recovery trend, this situation has not spread to a full-fledged recovery in total automobile demand. In such an environment, we were able to increase sales YoY, leveraging the launch of the new "L200/TRITON" and the new "OUTLANDER SPORT (XFORCE)". We will continue to roll out these new models to boost sales throughout Latin America.

In the Middle East, we were slightly affected by the Israeli-Gaza conflict that began last fall and restrictions on the Red Sea Route due to ship attacks off the coast of Yemen. Going forward, we will focus on sales of the all-new "L200/TRITON" launched in 1H/FY24 and the all-new "OUTLANDER SPORT (XFORCE)" to help strengthen our brand.

# Regional Status in 1H/FY2024



#### Japan, North America, Europe

#### Sales Volume

	1H/FY2023		1H/FY2024
Japan	<b>48</b> k units	<b>→</b>	<b>53</b> k units
North America	<b>81</b> k units	<b>→</b>	<b>91</b> k units
Europe	<b>22</b> k units	<b>→</b>	<b>25</b> k units



OUTLANDER PHEV

- Japan: Focus on products with "MITSUBISHI MOTORS-ness" products and strengthen lifecycle management
- North America: Maintain sales momentum through flexible incentive strategies
- Europe: Continued to promote the inventory clearance of existing vehicles in preparation for the launch of the new "OUTLANDER PHEV"
- Incorporate digital and other advanced initiatives into existing sales models to improve the customer experience and establish a sustainable business model

In the domestic market, automotive demand decreased YoY partly due to the impact of the suspension of shipments of some OEMs, but our sales volume increased along with market-share expansion, driven by strong sales momentum of "Delica Mini". Going forward, in addition to maintaining sales momentum, the new "OUTLANDER PHEV" which has significantly enhanced the product, will be added to the lineup. We will further expand sales volume and market share by focusing on models that symbolize "Mitsubishi Motors-ness".

In the United States, which accounts for the great majority of the North American region, automobile demand itself has generally remained at the same level as the previous year, but competition has intensified as each company has increased sales expenses in line with the increase in vehicle supply. We also increased incentives in line with market trends, to maintain sales momentum. We will continue to monitor market trends and strive to utilize incentives effectively, with an emphasis on improving the quality of sales and customer satisfaction.

In Europe, competition remains challenging amid the overall macro-economic stagnation, but our sales volume increased YoY due to increased sales of "COLT". Going forward, in addition to promoting sales of the new "ASX", which went on sales in July, we will also promote pre-order activities for the new "OUTLANDER PHEV", which is scheduled to be launched at the end of the current fiscal year, and focus on successful launch.



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(Billion yen, 000 units)	FY2023	FY2024 Forecast	Variance	
(Billion yen, ooo dints)	(APR 2023 - MAR 2024)	(APR 2024 - MAR 2025)	Amount	Ratio
Net Sales	2,789.6	2,880.0	+90.4	+3%
Operating Profit (OP Margin)	<b>191.0</b> (6.8%)	<b>190.0</b> (6.6%)	-1.0 (-0.2pp)	-1%
Ordinary Profit	209.0	190.0	-19.0	-9%
Net Income*	154.7	144.0	-10.7	-7%
Dividend per share(¥)	¥10	¥15		
Sales Volume (Retail)	815	895	+80	+10%

We were able to secure a certain level of revenues in the 1H/FY2024 in a business environment where the growth of automobile demand in the global market is slowing.

The current business environment is a mixture of negative factors, such as slowdown in the growth of automobile demand in the global market, a delay in the recovery of demand in Thailand and Indonesia in ASEAN, and a sharp rise in incentives due to oversupply of vehicles, particularly in the United States, as well as positive factors, such as the driving force of growth markets such as Vietnam and the Philippines, and a recovery in our presence in the domestic market, and uncertainties such as exchange rate fluctuations, which have both positive and negative effects.

Many events are scheduled to come, including the U.S. presidential election in November, and we believe that things will change irreversibly at a faster pace than we can imagine.

Based on these business environments and the progress of our business performance so far, we have decided to maintain the initial forecast for the full year performance of FY2024 and will strive to achieve our plan by responding swiftly and flexibly to future changes in the environment.



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### Updated "OUTLANDER"





We announced that we will start the sales of the cross-over SUV "OUTLANDER PHEV" that we have significantly improved in Japan from October 31st.

In order to further evolve the "I-Fu-Do-Do (authentic and majestic)" product concept, the new "OUTLANDER PHEV" maximally reflects the product needs of PHEV customers, including a change in the drive battery to improve the features unique to EVs and an improved texture of the interior.

Now that PHEVs, which combine EV and hybrid, are attracting attention again as the optimal solution for SUVs, we are proud that the new "OUTLANDER PHEV" is the best ever.

Sales will start in the European market from the spring of 2025, and will then be expanded to North America and Australia.

We aim to take our brand to a new level and further strengthen the brand by launching the new-generation "OUTLANDER PHEV" globally.

# "XFORCE" breakthrough in Vietnam





The new "XFORCE", which was introduced in Indonesia last year, is now being fully deployed this year.

Launched in Vietnam in the spring of 2024, the product embodying "Mitsubishi Motors-ness" has been well received by many customers. Since its first month of sale, "XFORCE" has consistently held the top position in the compact SUV segment, and in July and August "XFORCE" won the top position in all passenger car sales across Vietnam.

In the 1H/FY24, the sales of "XFORCE" and "XPANDER" were in the top three of all models, according to our own calculations, and we were able to make a significant leap forward in Vietnam.

We plan to gradually roll out the "XFORCE" to the Middle East and South Asia. In the future, we plan to add a hybrid version of the model, aiming to further improve the products' attractiveness embodying "Mitsubishi Motors-ness" and expand our market share in each region.

### World Premiere of ASEAN Strategic Vehicle "MITSUBISHI DST CONCEPT"





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We premiered the "Mitsubishi DST Concept", a midsize SUV concept car, at the 9th Philippine International Motor Show.

The "Mitsubishi DST Concept" is an embodiment of an all-new three-row SUV to be launched during our current mid-term business plan "Challenge 2025", and the production vehicle will be rolled out primarily in the ASEAN region in FY2025. We aim to make this all-new SUV a global strategic model following the "XPANDER" crossover MPV that was born in the ASEAN region and grew to become a model beloved by customers around the world, and the "XFORCE" compact SUV that has been highly acclaimed since its introduction in FY2023.



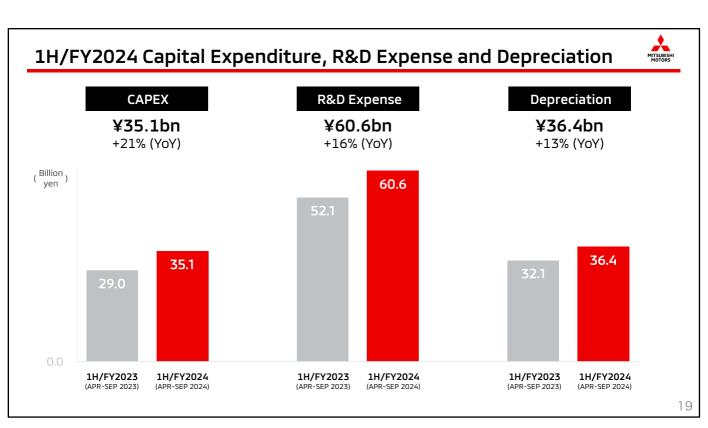


# **APPENDIX**





(Billion yen)	<b>FY2023</b> (At end of MAR 2024)	1H/FY2024 (At end of SEP 2024)	Variance
Total Assets	2,454.5	2,356.8	-97.7
Cash & Deposits	674.2	569.0	-105.2
Total Liabilities	1,410.0	1,282.8	-127.2
Interest Bearing Debt*	492.4	405.9	-86.5
Total Net Assets	1,044.5	1,074.0	+29.5
Shareholders' Equity (Equity Ratio)	1,010.2 (41.2%)	1,036.2 (44.0%)	+26.0
Net Cash [Automobiles & Eliminations]	453.5	433.2	-20.3
(Billion yen)	1H/FY2023 (APR-SEP 2023)	1H/FY2024 (APR-SEP 2024)	Variance
Free Cash Flow [Automobiles & Eliminations]	8.2	5.1	-3.1







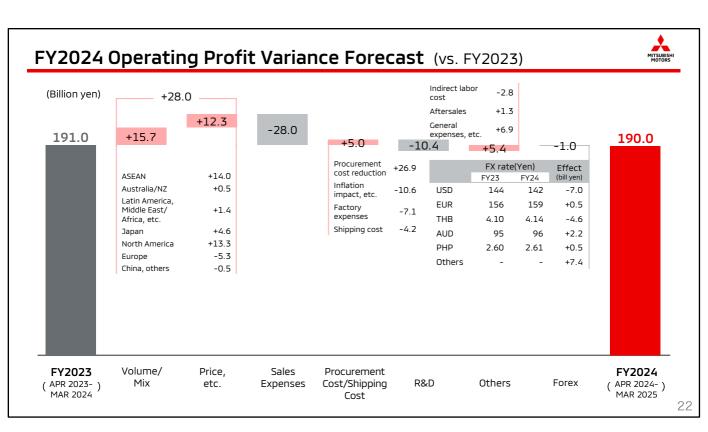
Net Sales			Operating Profit				
(Billion yen)	1H/FY2023 (APR-SEP 2023)	1H/FY2024 (APR-SEP 2024)	Variance	1	1H/FY2023 (APR-SEP 2023)	1H/FY2024 (APR-SEP 2024)	Variance
GLOBAL	1,330.8	1,307.4	-23.4		104.2	90.7	-13.5
- ASEAN	271.6	265.3	-6.3		15.8	15.8	±0
- Australia /NZ	134.7	161.2	+26.5		9.4	15.4	+6.0
- Latin America, Middle East /Africa, etc.	201.5	184.6	-16.9		19.8	12.8	-7.0
- Japan	270.4	272.9	+2.5		-4.7	-5.6	-0.9
- North America	345.7	368.2	+22.5		56.4	47.6	-8.8
- Europe	103.9	53.4	-50.5		7.2	4.5	-2.7
- China, others	3.0	1.8	-1.2		0.3	0.2	-0.1

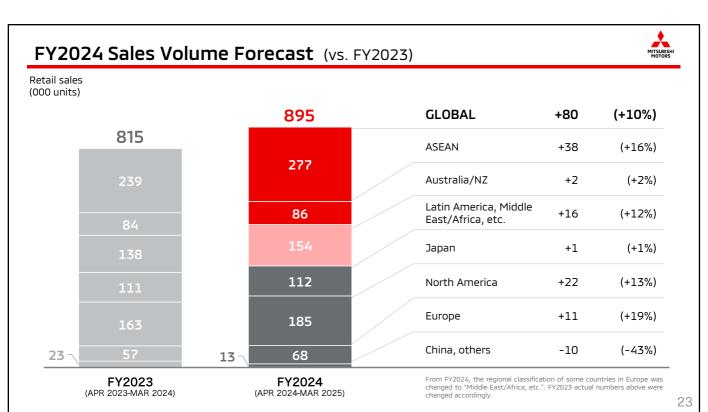
From FY2024, the regional classification of some countries in Europe was changed to "Middle East/Africa, etc.". FY2023 actual numbers above were changed accordingly.

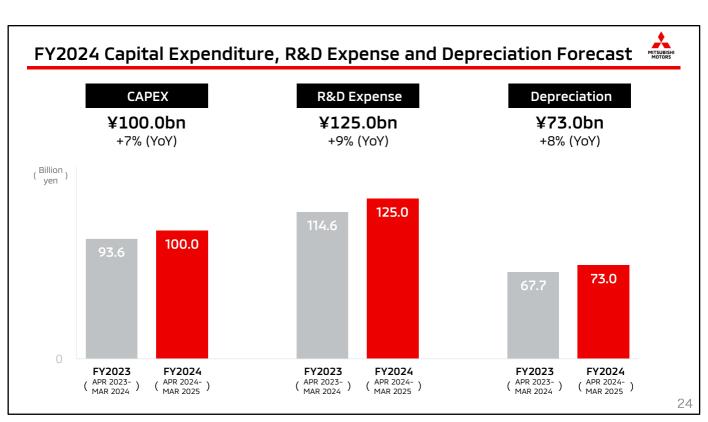
# FY2024 Regional Sales Forecast (vs. FY2023)

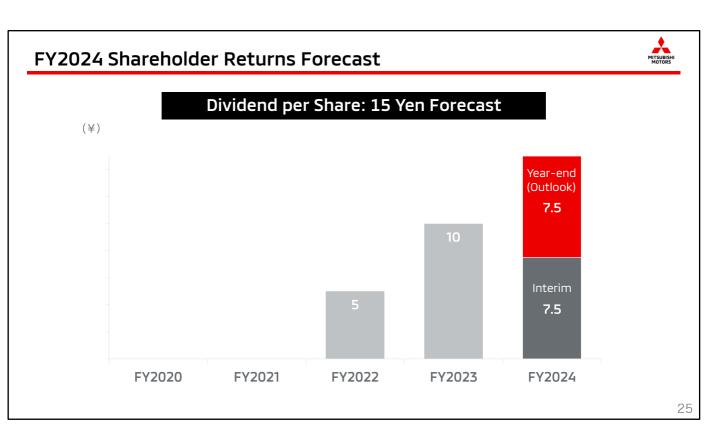


(Billion yen)	<b>FY2023</b> (APR 2023 - MAR 2024)	FY2024 Forecast (APR 2024 - MAR 2025)	Variance
GLOBAL	2,789.6	2,880.0	+90.4
- ASEAN	531.0	600.0	+69.0
- Australia/NZ	319.0	330.0	+11.0
<ul> <li>Latin America,</li> <li>Middle East</li> <li>/Africa, etc.</li> </ul>	401.6	407.0	+5.4
- Japan	609.1	615.0	+5.9
- North America	711.1	750.0	+38.9
- Europe	211.8	175.0	-36.8
- China, others	6.0	3.0	-3.0
From FY2024, the regional classification of so	me countries in Europe was changed to "Midd	le East/Africa, etc.". FY2023 actual numbers a	bove were changed accordingly.











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