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# **Financial Results for FY2014 First Half**

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**Mitsubishi Motors Corporation**

**October 29, 2014**

# FY2014 First Half Financial Results



**Outlander PHEV Concept-S**

## Increased Year-on-year Net Sales and Profit

(billion yen)

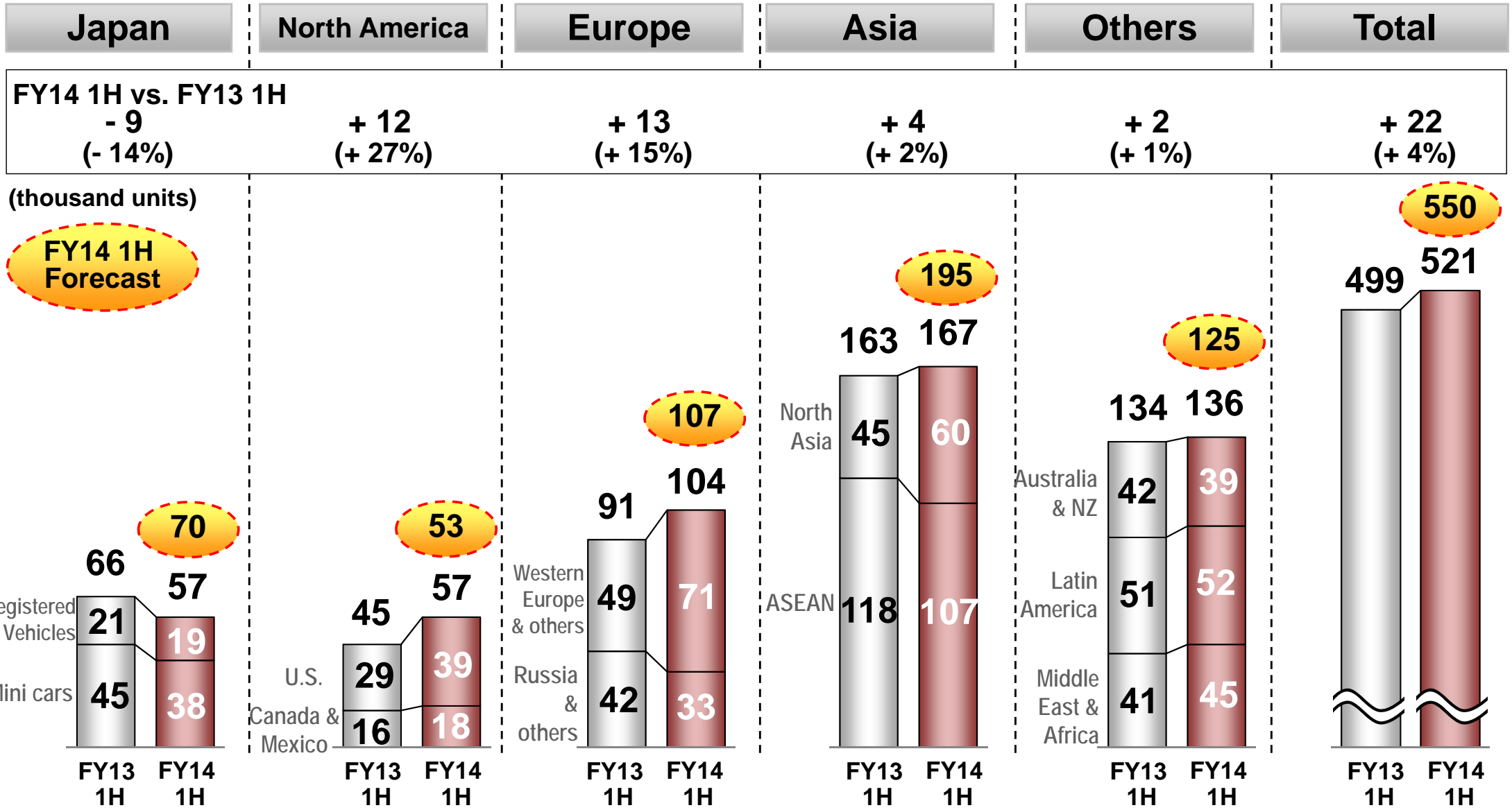
	FY13 1H <small>(Apr 2013- Sep 2013)</small>	FY14 1H <small>(Apr 2014- Sep 2014)</small>	Increase/ Decrease		Apr 24 FY14 1H Forecasts	Increase/ Decrease	
			Amount	%		Amount	%
<b>Net Sales</b>	<b>929.0</b>	<b>1,035.1</b>	<b>+106.1</b>	<b>+11%</b>	<b>1,090.0</b>	<b>- 54.9</b>	<b>- 5%</b>
<b>Operating Income (Margin)</b>	<b>50.8</b> <small>(5.5%)</small>	<b>62.7</b> <small>(6.1%)</small>	<b>+11.9</b>	<b>+23%</b>	<b>55.0</b> <small>(5.0%)</small>	<b>+7.7</b>	<b>+14%</b>
<b>Ordinary Income (Margin)</b>	<b>61.0</b> <small>(6.6%)</small>	<b>73.6</b> <small>(7.1%)</small>	<b>+12.6</b>	<b>+21%</b>	<b>56.0</b> <small>(5.1%)</small>	<b>+17.6</b>	<b>+31%</b>
<b>Net Income (Margin)</b>	<b>46.7</b> <small>(5.0%)</small>	<b>60.9</b> <small>(5.9%)</small>	<b>+14.2</b>	<b>+30%</b>	<b>43.0</b> <small>(3.9%)</small>	<b>+17.9</b>	<b>+42%</b>

Foreign exchange gains : +3.5  
Equity in earnings of affiliates : +2.8

# FY2014 1H Regional Sales Volume (Retail, vs. FY13 1H)



**Sales Volume Increased 22,000 Units Year-on-year Driven by Western Europe, North Asia, and the United States**



Note: Sales volume of FY2014 1H refers to preliminary results.

# Analysis of Increase/Decrease of Operating Income

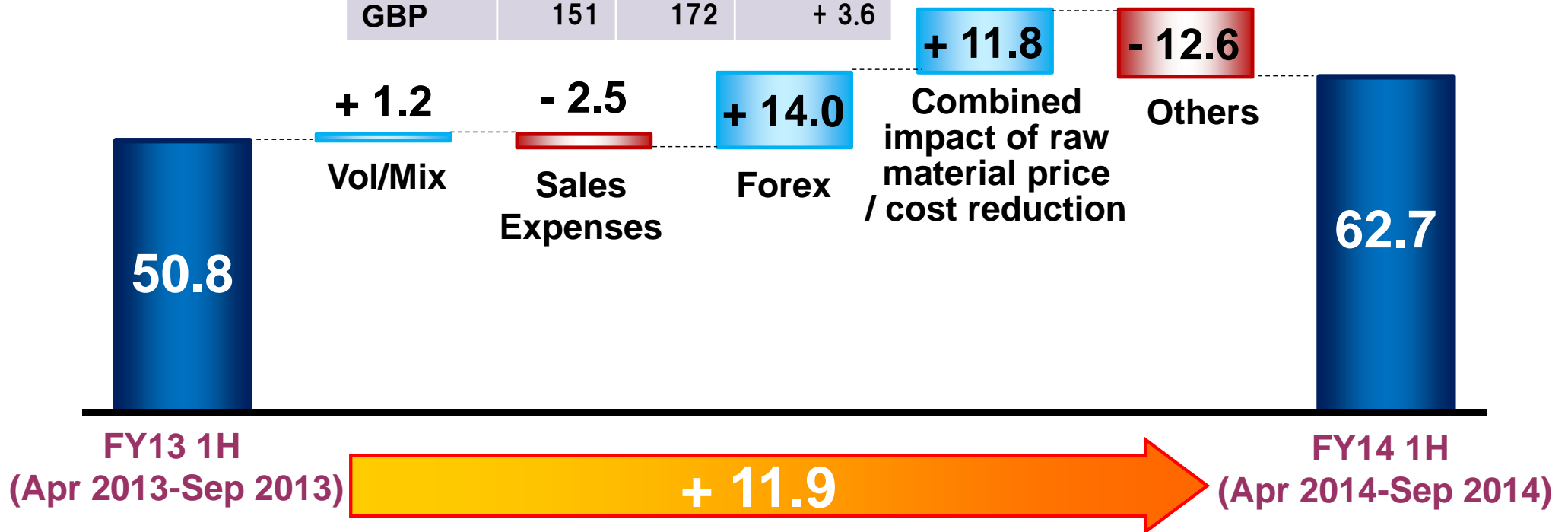
## Increase Achieved by Improvement of Volume and Product Mix, Combined Impact of Raw Material Price/ Cost Reduction and Favorable Forex

(billion yen)

Vol/Mix by region	
Japan	+ 1.1
North America	+ 0.2
Europe	+ 4.4
Asia	- 3.3
Others	- 1.2

Forex effect by main currency			
	Forex rate(yen)		Effect
	FY13	FY14	
USD	98	103	+ 3.0
EUR	129	139	+ 4.7
AUD	94	96	+ 1.3
THB	3.23	3.19	+ 0.7
GBP	151	172	+ 3.6

Others	
Indirect labor cost	- 2.5
R&D expenses and others	- 10.1





# FY2014 Full-year Forecasts



***Outlander PHEV* Completes Australasian Safari 2014**

# FY2014 Regional Sales Volume (Retail, vs. FY13)

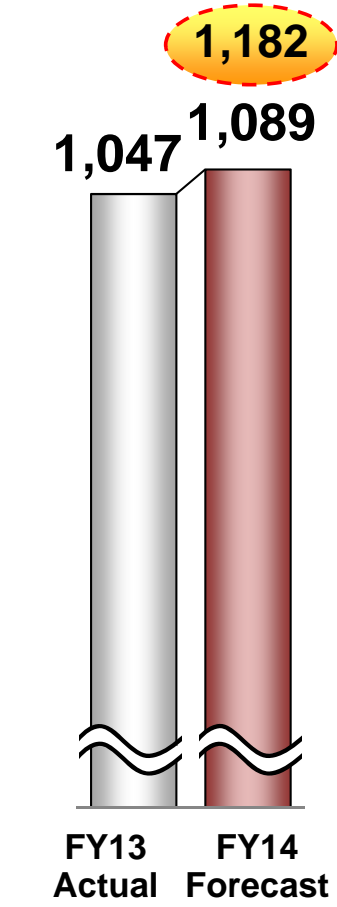
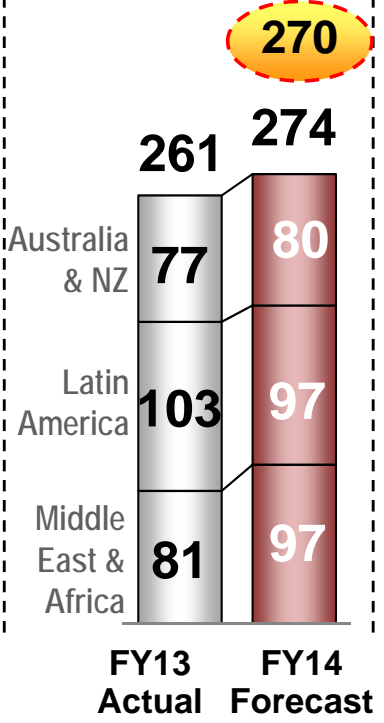
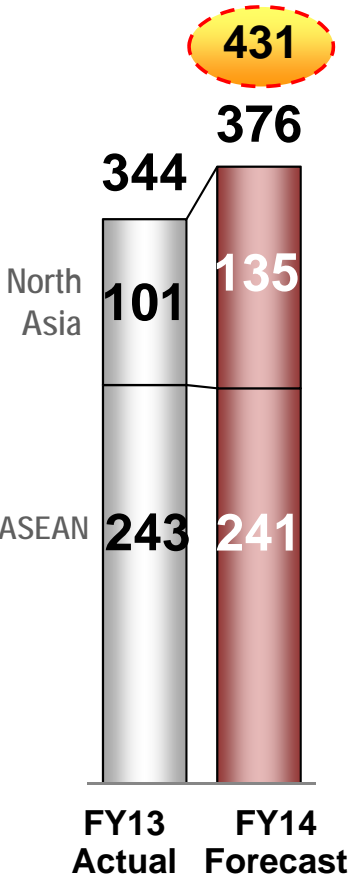
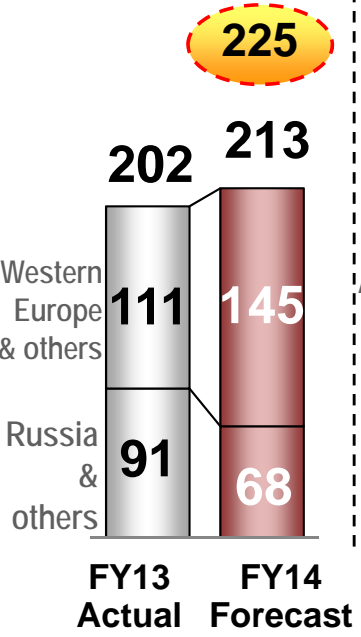
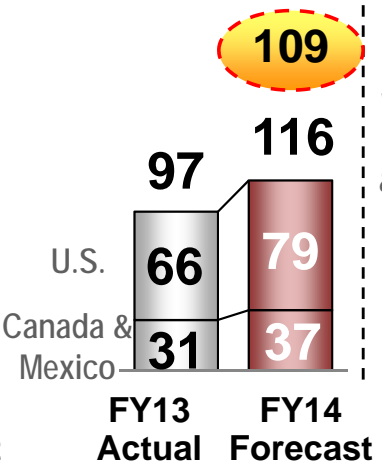
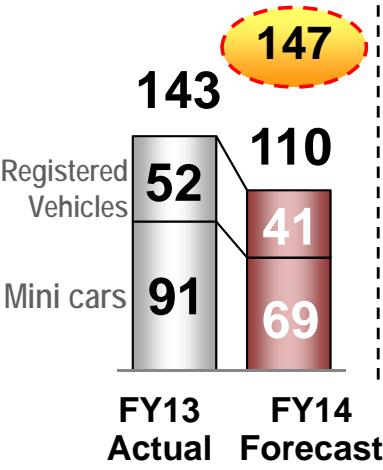


## Sales Volume Forecasts Increased by 42,000 units YoY

Japan	North America	Europe	Asia	Others	Total
FY14 vs. FY13 - 33 (- 23%)	+ 19 (+ 19%)	+ 11 (+ 6%)	+ 32 (+ 9%)	+ 13 (+ 5%)	+ 42 (+ 4%)

(thousand units)

Initial Plan



## Increased Forecasts of Net Sales and Income

(billion yen)

	FY13	FY14	Increase/Decrease		Apr 24 FY14 Forecasts
	(Apr 2013- Mar 2014) Actual	(Apr 2014- Mar 2015) Forecasts	Amount	%	
<b>Net Sales</b>	<b>2,093.4</b>	<b>2,180.0</b>	<b>+86.6</b>	<b>+4%</b>	<b>2,300.0</b>
<b>Operating Income (Margin)</b>	<b>123.4 (5.9%)</b>	<b>135.0 (6.2%)</b>	<b>+11.6</b>	<b>+9%</b>	<b>135.0 (5.9%)</b>
<b>Ordinary Income (Margin)</b>	<b>129.5 (6.2%)</b>	<b>138.0 (6.3%)</b>	<b>+8.5</b>	<b>+7%</b>	<b>138.0 (6.0%)</b>
<b>Net Income (Margin)</b>	<b>104.7 (5.0%)</b>	<b>110.0 (5.0%)</b>	<b>+5.3</b>	<b>+5%</b>	<b>110.0 (4.8%)</b>

**Breakdown of change**

Vol/Mix	+1.0
Sales Expenses	-4.0
Forex	+4.0
Combined impact of raw material price/ Cost reduction	+25.0
Others	-14.4



## ■ FY2014 1H Results

### Increased Year-on-year Sales Volume, Net Sales, and Profit

- Retail Volume 521,000 units, 4% up
- Wholesale Volume 626,000 units, 10% up
- Net Sales 1,035.1 billion yen, 11% up
- Operating Income 62.7 billion yen, 23% up
- Ordinary Income 73.6 billion yen, 21% up
- Net Income 60.9 billion yen, 30% up

## ■ FY2014 Full Year Forecasts

### Increased Year-on-year Sales Volume, Net Sales, and Profit

- Retail Volume 1,089,000 units, 4% up
- Wholesale Volume 1,306,000 units, 4% up
- Net Sales 2,180.0 billion yen, 4% up
- Operating Income 135.0 billion yen, 9% up
- Ordinary Income 138.0 billion yen, 7% up
- Net Income 110.0 billion yen, 5% up

# Appendix

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# FY2014 Results Summary (by quarter)



(billion yen/ thousand units)

	FY14 1Q (Apr-Jun)	FY14 2Q (Jul-Sep)	FY14 1H (Apr-Sep)
<b>Net Sales</b>	<b>513.8</b>	<b>521.3</b>	<b>1,035.1</b>
<b>Operating Income</b>	<b>31.0</b>	<b>31.7</b>	<b>62.7</b>
<b>Ordinary Income</b>	<b>32.6</b>	<b>41.0</b>	<b>73.6</b>
<b>Net Income</b>	<b>28.2</b>	<b>32.7</b>	<b>60.9</b>
<b>Sales Volume (retail)</b>	<b>258</b>	<b>263</b>	<b>521</b>
<b>Sales Volume (wholesale)</b>	<b>315</b>	<b>311</b>	<b>626</b>

## Forex Rate (yen)

<b>USD</b>	<b>102</b>	<b>103</b>	<b>103</b>
<b>EUR</b>	<b>140</b>	<b>138</b>	<b>139</b>
<b>AUD</b>	<b>95</b>	<b>96</b>	<b>96</b>
<b>THB</b>	<b>3.15</b>	<b>3.24</b>	<b>3.19</b>
<b>GBP</b>	<b>171</b>	<b>173</b>	<b>172</b>

# FY2014 1H Regional Results (vs. FY2013 1H)

(billion yen)

	FY13 1H (Apr 2013-Sep 2013) Actual	FY14 1H (Apr 2014-Sep 2014) Actual	Increase/ Decrease
<b>Net Sales</b>	<b>929.0</b>	<b>1,035.1</b>	<b>+ 106.1</b>
- Japan	202.6	2,12.7	+ 10.1
- North America	108.0	117.0	+ 9.0
- Europe	195.0	277.3	+ 82.3
- Asia	186.6	198.3	+ 11.7
- Others	236.8	229.8	- 7.0
<b>Operating Income</b>	<b>50.8</b>	<b>62.7</b>	<b>+ 11.9</b>
- Japan	- 1.3	- 2.0	- 0.7
- North America	- 3.2	- 1.5	+ 1.7
- Europe	9.8	23.6	+ 13.8
- Asia	29.9	23.3	- 6.6
- Others	15.6	19.3	+ 3.7

# Analysis of Increase/Decrease of FY2014 Operating Income Forecast

(vs. FY13 Actual)

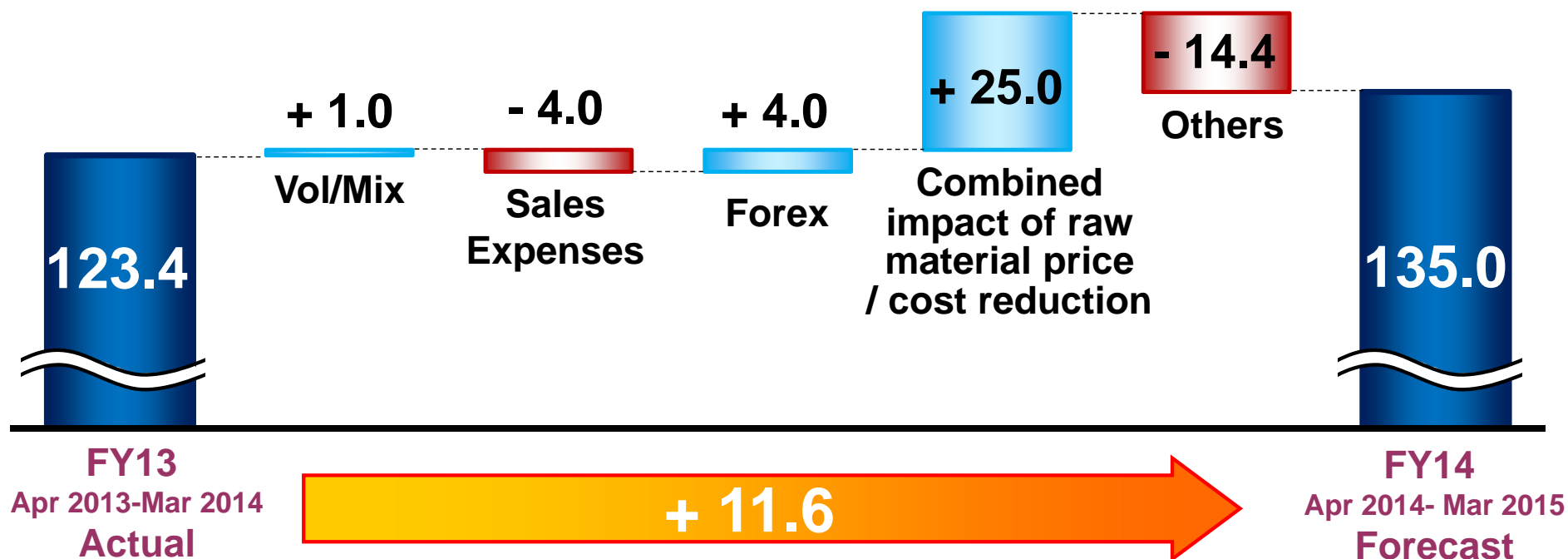


(billion yen)

Vol/Mix by region	
Japan	- 6.0
North America	+ 1.5
Europe	- 1.5
Asia	+ 2.0
Others	+ 5.0

Forex effect by main currency			
	Forex rate(yen)		Effect
	FY13	FY14	
USD	100	105	+ 8.0
EUR	134	138	+ 4.0
AUD	93	95	+ 3.0
THB	3.19	3.32	- 9.0
GBP	159	172	+ 5.0
RUB	3.01	2.78	- 5.0

Others	
Indirect labor cost	- 7.0
R&D expenses and others	- 7.4





# FY2014 Regional Forecast (vs. FY2013 Actual)

(billion yen)

	FY13 Actual	FY14 Forecast	Increase/ Decrease
<b>Net Sales</b>	<b>2,093.4</b>	<b>2,180.0</b>	<b>+86.6</b>
- Japan	474.1	440.0	- 34.1
- North America	229.4	260.0	+30.6
- Europe	484.3	510.0	+25.7
- Asia	415.7	460.0	+44.3
- Others	489.9	510.0	+20.1
<b>Operating Income</b>	<b>123.4</b>	<b>135.0</b>	<b>+ 11.6</b>
- Japan	0.9	- 2.0	- 2.9
- North America	- 3.8	3.0	+6.8
- Europe	37.2	39.0	+1.8
- Asia	59.8	53.0	- 6.8
- Others	29.3	42.0	+12.7

# Analysis of Increase/Decrease of FY2014 Operating Income Forecast

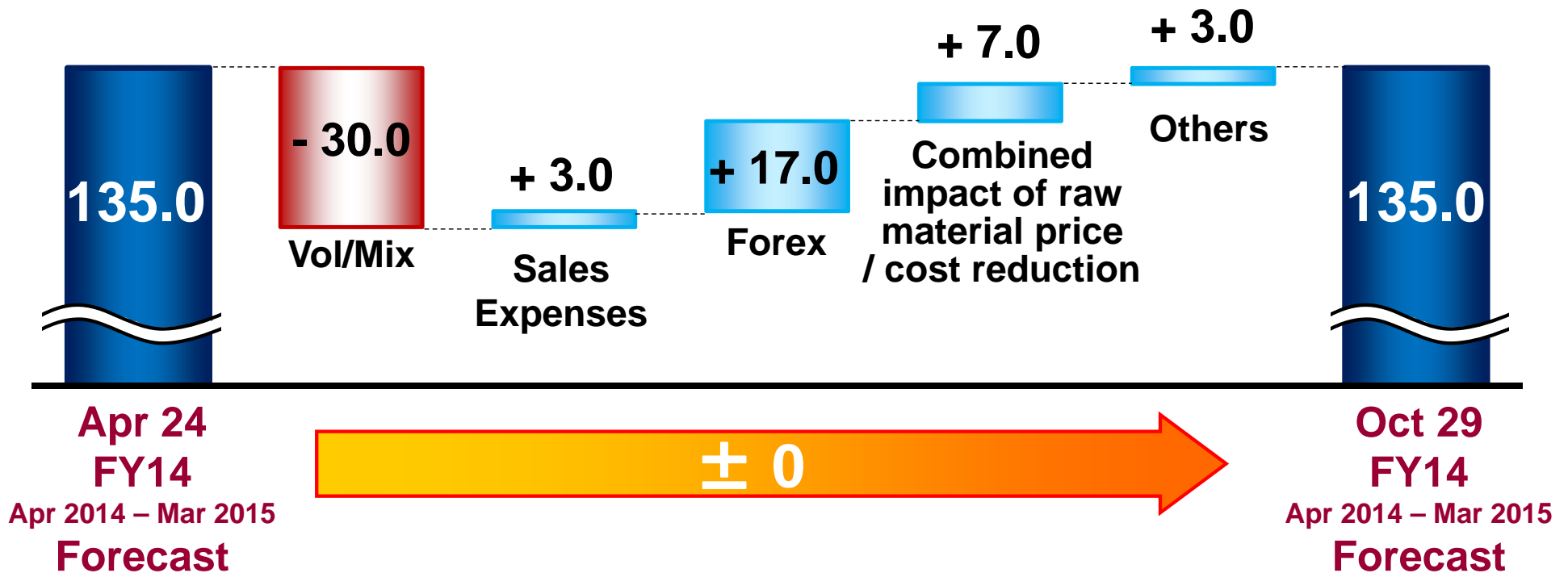
(vs. Apr 24 FY14 Forecast)



(billion yen)

Vol/Mix by region	
Japan	- 12.0
North America	+ 1.0
Europe	-10.0
Asia	-12.0
Others	+ 3.0

Forex effect by main currency			
	Forex rate(yen)		Effect
	Apr 24	Oct 29	
USD	100	105	+ 8.0
EUR	138	138	± 0
AUD	90	95	+ 7.0
THB	3.28	3.32	- 3.0
GBP	165	172	+ 2.0
RUB	2.65	2.78	+ 2.0



# Balance Sheet (vs. end of FY2013)

(billion yen)

	<u>Mar. 2014</u>	<u>Sep. 2014</u>	<u>Increase/ Decrease</u>
<b>Total Assets</b>	1,543.9	1,536.3	- 7.6
Cash & cash deposits	450.1	440.6	- 9.5
Accounts receivable	173.5	144.5	- 29.0
Inventory	207.5	227.5	20.0
<b>Total Liabilities</b>	993.9	931.1	- 62.8
Accounts payable	355.7	344.1	- 11.6
Interest-bearing debt	222.4	192.3	- 30.1
<b>Net Assets</b>	550.0	605.2	55.2

# Capital expenditure / Depreciation / R&D expense

(billion yen)

	<b>FY13 1H</b> (Apr 2013-Sep 2013) <b>Actual</b>	<b>FY14 1H</b> (Apr 2014- Sep 2014) <b>Actual</b>	<b>FY14</b> (Apr 2014-Mar 2015) <b>Forecast</b>
<b>Capital expenditure (YoY)</b>	<b>32.8</b> (+27%)	<b>22.8</b> (- 30%)	<b>90.0</b> (+25%)
<b>Depreciation (YoY)</b>	<b>26.0</b> (+7%)	<b>25.2</b> (- 3%)	<b>58.0</b> (+10%)
<b>R&amp;D expense (YoY)</b>	<b>31.7</b> (+13%)	<b>34.4</b> (+9%)	<b>72.0</b> (+7%)



# Outlander PHEV Completes Asia Cross Country Rally 2014 For Second Straight Year





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