MITSUBISHI MOTORS

Financial Forecasts for Fiscal Year 2016

Mitsubishi Motors Corporation

June 22, 2016

FY2016 Forecasts

- ✓ On June 17, 2016, regarding the "improper conduct in fuel consumption testing of vehicles manufactured by Mitsubishi Motors Corporation (MMC)," MMC submitted a report to Ministry of Land, Infrastructure, Transport and Tourism describing the full scope of its findings as well as preventative measures.
- ✓ Now that MMC has assessed the expected numeric impact to its financial results, MMC today announces the full-year fiscal 2016 financial forecasts.

Impacts from Improper Conduct in Fuel Consumption Testing

MITSUBISHI MOTORS

Expenses related to the improper consumption testing

(billion yen)

Items		Impact	Notes
Impact on Operating Income		- 55.0	Decrease in domestic sales volume and sales of accessary and spare parts, expenses for free vehicle inspections, countermeasures for domestic sales, etc.
Extraordinary Losses		- 150.0	
	Payments to Customers	(- 50.0)	Announced on June 17, 2016
	Others	(- 100.0)	Payments to Nissan, dealer and suppliers, expenses for worker furloughs at the Mizushima Plant.
Total		**- 205.0**	

2

We estimated total impact on both operating and extraordinary lines due to the issue of rigged fuel consumption testing data at approximately 225 billion yen, of which 20 billion yen was provisioned in FY2015. So approximately 205 billion yen losses are forecasted in FY2016.

First, on Operating Income, 55 billion yen impact is estimated. This reflects sales volume and parts/ components sales decrease in Japan, and cost for domestic countermeasures such as a free vehicle inspection program.

Extraordinary losses are forecasted at 150 billion yen.
As already announced, 50 billion yen of the said amount is scheduled to pay compensation to customers.

As extraordinary loss items in addition to payment to customers, 100 billion yen is planned to pay to Nissan, dealer and our suppliers, and cover expenses related to the worker furloughs at the Mizushima Plant.

While we must incur the temporary negative impact from fuel economy data issue, we continue working on our positive growth strategy for the future, and do not plan to significantly change our capex or R&D spending due to the issue.

Capex this year will increase to 80 billion yen or by 16% year-on-year. On top of this, our new non-consolidated Indonesian affiliate is planning to invest for new plant building construction. Including this, over 100 billion yen capital expenditure is scheduled in total. Construction work of the building is on schedule, making good progress without delay as of today.

On June 16, Philippine Department of Trade and Industry's Board of Investments officially approved MMC as one of the participants of the Philippine government's Comprehensive Automotive Resurgence Strategy (CARS) Program. On June 17, for starting production of Mirage and Mirage G4 (Attrage) from the beginning of 2017, MMC announced investing 4.3 billion pesos (or 10.4 billion yen) including 2 billion pesos in its new stamping plant.

On top of these, R&D spending will increase year-on-year for development of our new small SUV and next generation Outlander, and enhancement of advanced research, to 97.0 billion yen, up 23% year on year.

Strengthening Relationship with Nissan Motor

MITSUBISHI MOTORS

Through a strategic alliance with Nissan, MMC will drastically boost its competitiveness in products and technology

4

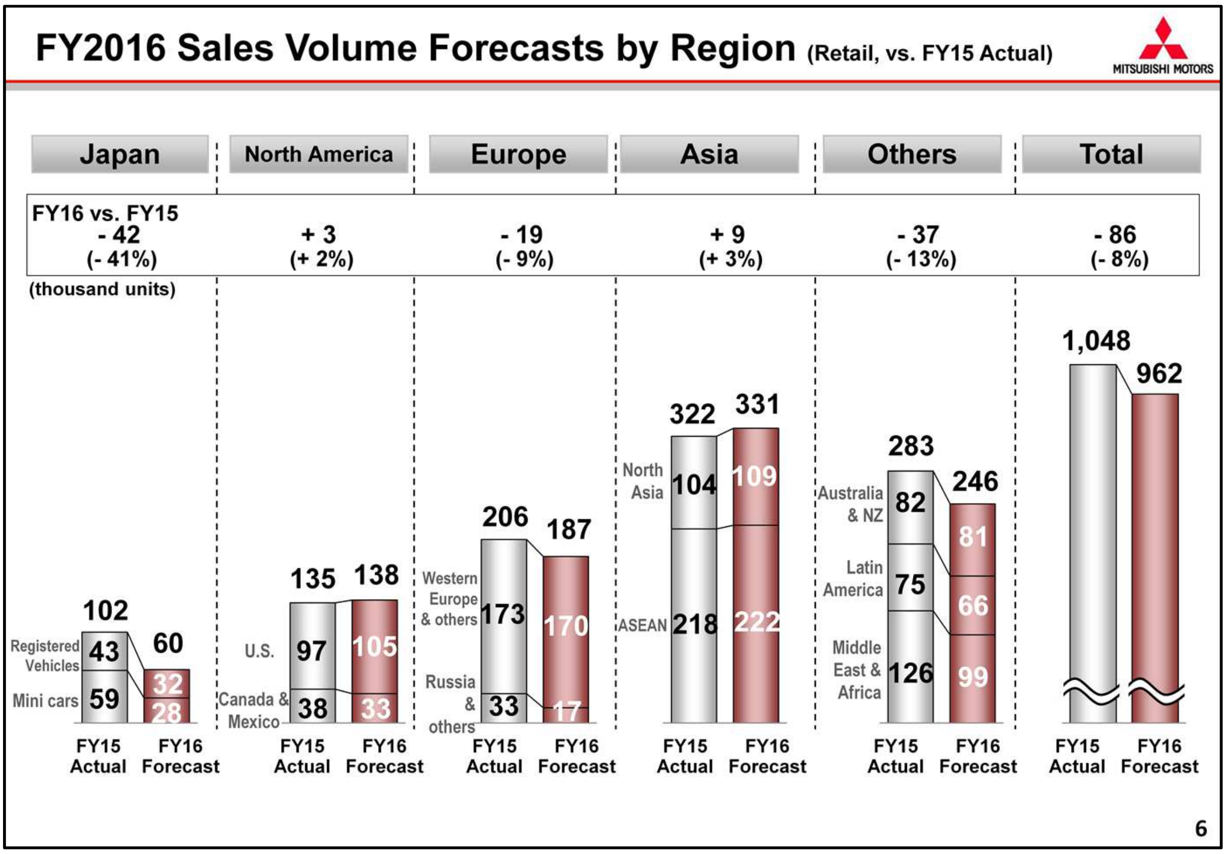
As announced already, through capital and business alliance with Nissan Motors, the MMC Group will drastically strengthen its product values and capability for technological development.

Currently, since we are closely examining our capital alliance, so it is premature to disclose details yet. But alliance with Nissan covers a wide range of areas such as purchasing, production, R&D, sales, and finance, therefore we feel confident that this alliance will generate significant synergy effects in the future.

In particular, MMC is expected to make a contribution in the ASEAN region, its frame-based pickup trucks, SUV, and PHEV technology.

In addition to 34% stake, tremendous financial and human resource support were given by the three Mitsubishi Group companies, and they have agreed to maintain a majority stake together with Nissan after alliance with Nissan is forged. This means, the two major groups of Nissan and Mitsubishi will offer support for MMC.

Financial Forecasts for FY2016



Total volume forecast is 962,000 units, down by 86,000 units or 8% year-on-year.
Japan's volume will be impacted by suspended mini-car production and sale, and we forecast our sales volume in Japan at 60,000 units, down by 42,000 units or 41% year-on-year.

Meanwhile, we have not seen an impact from fuel economy data issue on our business overseas so far. So the forecast for overseas businesses did not factor in such impact. We are estimating possible synergies with Nissan such as in the sales and financing areas but we have not incorporated them into the forecast.

In North America, "Mirage G4", launched in May 2016 drove sales, we plan to grow overall volume to 138,000 units, up by 3,000 or 2% year-on-year.

As for Europe, in sluggish Russian economy, we assume business climate in 2016 will remain severe in the market. Volume in Western Europe will mostly remain unchanged, but due to the volume decrease in Russia, we forecast our regional volume at 187,000 units, down by 19,000 units or 9% year-on-year.

Moving to Asia, driven by expected sales growth in China and Philippines, Asia's total volume is forecasted at 331,000 units, up 9,000 units or 3% year-on-year.
In the other regions, affected by sales decline in Latin America and Middle Ease, we forecast total volume at 246,000 units, down 37,000 units or 13% year-on-year.

FY2016 Forecasts Summary (vs. FY2015 Actual)

MITSUBISHI MOTORS

(billion yen)

	FY15 (Apr 2015-Mar 2016) Actual	FY16 (Apr 2016-Mar 2017) Forecasts	Increase/Decrease Amount	Increase/Decrease %
Net Sales	2,267.8	1,910.0	-357.8	-16%
Operating Income (Margin)	138.4 (6.1%)	25.0 (1.3%)	-113.4	-82%
Ordinary Income (Margin)	141.0 (6.2%)	32.0 (1.7%)	-109.0	-77%
Net Income* (Margin)	72.6 (3.2%)	-145.0 (- 7.6%)	-217.6	–

* Net income attributable to owners of the Parent

7

Forecast for Net Sales, Operating Income and Ordinary Income are 1.91 trillion yen, 25 billion yen, and 32 billion yen, respectively. The bottom line, incorporating extraordinary losses of 150 billion yen due to costs related to the fuel economy data issue, Net Loss of 145 billion yen is expected.

As for dividend forecast, the interim dividend and year-end dividend are 5 yen each, totaling 10 yen annually, down by 6 yen year-on-year.

Analysis of Increase/Decrease of Operating Income Forecasts [vs. FY2015 Actual]

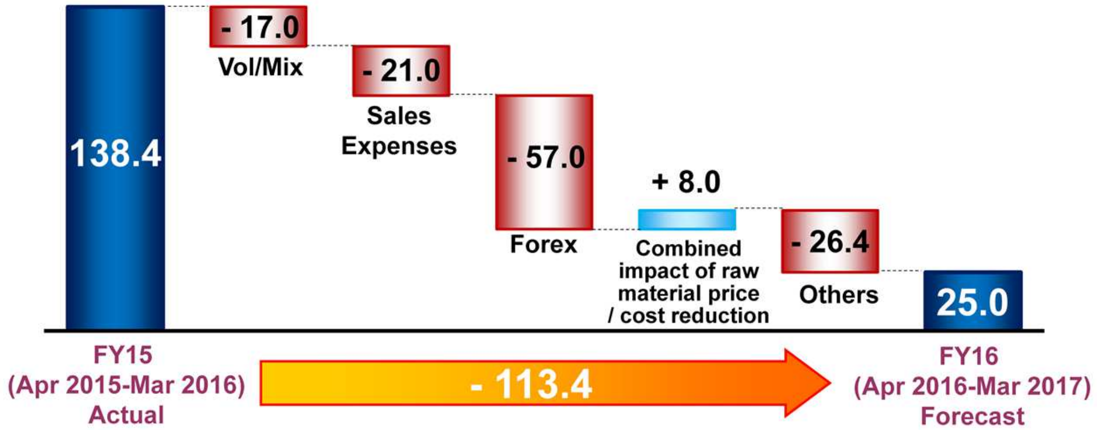
MITSUBISHI MOTORS

(billion yen)

Vol/Mix by region	
Japan	− 23.0
North America	+ 7.0
Europe	+ 8.0
Asia	− 9.0
Others	± 0

Forex effect by main currency	Forex rate(yen) FY15	Forex rate(yen) FY16	Effect (billion yen)
USD	121	106	− 30.0
EUR	133	123	− 15.0
AUD	88	82	− 10.0
THB	3.44	3.11	+ 33.5
GBP	182	154	− 13.0
RUB	2.02	1.52	− 4.5

Others	
R&D expenses	− 18.3
Others	− 8.1



8

We plan FY2016 operating income at 25 billion yen, down by 113.4 billion yen from 138.4 billion yen of 2015.

As explained before, fuel economy data issue related expenses, including volume, model mix, and sales cost, of 55 billion yen are factored in.

In addition to these expenses, due to forex rates' negative 57-billion-yen impact, we forecast decrease in profit by 113.4 billion yen in total.

Appendix

FY2016 Regional Forecasts (vs. FY2015 Actual)

(billion yen)

	FY15 Actual	FY16 Forecasts	Increase/ Decrease
Net Sales	**2,267.8**	**1,910.0**	**- 357.8**
- Japan	412.9	250.0	- 162.9
- North America	324.8	290.0	- 34.8
- Europe	514.6	460.0	- 54.6
- Asia	482.6	430.0	- 52.6
- Others	532.9	480.0	- 52.9
Operating Income	**138.4**	**25.0**	**- 113.4**
- Japan	-2.4	- 52.0	- 49.6
- North America	6.2	- 7.0	- 13.2
- Europe	22.1	3.0	- 19.1
- Asia	74.9	48.0	- 26.9
- Others	37.6	33.0	- 4.6

Capital expenditure / Depreciation / R&D expense

MITSUBISHI MOTORS

(billion yen)

	FY15 (Apr 2015- Mar 2016) Actual	FY16 (Apr 2016-Mar 2017) Forecasts
Capital expenditure (YoY)	69.0 (+1%)	80.0 (+16%)
Depreciation (YoY)	53.6 (+1%)	55.0 (+3%)
R&D expense (YoY)	78.7 (+5%)	97.0 (+23%)

All statements herein, other than historical facts, contain forward-looking statements and are based on MMC's current forecasts, expectations, targets, plans, and evaluations. Any forecasted value is calculated or obtained based on certain assumptions. Forward-looking statements involve inherent risks and uncertainties.
A number of significant factors could therefore cause actual results to differ from those contained in any forward-looking statement. Significant risk factors include:

- Feasibility of each target and initiative as laid out in this presentation;
- Fluctuations in interest rates, exchange rates and oil prices;
- Changes in laws, regulations and government policies; and
- Regional and/or global socioeconomic changes.

Potential risks and uncertainties are not limited to the above and MMC is not under any obligation to update the information in this presentation to reflect any developments or events in the future.

If you are interested in investing in Mitsubishi Motors, you are requested to make a final investment decision at your own risk, taking the foregoing into consideration. Please note that neither Mitsubishi Motors nor any third party providing information shall be responsible for any damage you may suffer due to investment in Mitsubishi Motors based on the information shown in this presentation.


Drive@earth
MITSUBISHI MOTORS