
FY2017 Third Quarter
Financial Results
ECLIPSE CROSS
Mitsubishi Motors Corporation
February 5, 2018
Eclipse Cross

FY2017 3Q (Apr-Dec) Results Summary

(vs. FY2016 3Q)

(billion yen, thousand units)

	FY16 (Apr-Dec 2016) Actual	FY17 (Apr-Dec 2017) Actual	Variance	
			Amount	Ratio
Net sales	1,341.8	1,518.1	+176.3	+13%
Operating profit (Margin)	-23.2 (-1.7%)	64.6 (4.3%)	+87.8	-
Ordinary profit	-22.2	81.1	+103.3	-
Net income*	-213.3	70.1	+283.4	-
Sales volume (Retail)	673	777	+104	+15%

*Net income attributable to owners of the parent

2

For the nine months to December 2017, we have maintained our V-shaped recovery trend.

Net sales increased 13% to 1,518.1 billion yen. Operating profit totaled 64.6 billion yen, which equates to an operating margin of 4.3 per cent. Ordinary Profit was 81.1 billion yen. Net income was 70.1 billion yen. We ended up with great improvement in all financial categories compared to the same period in 2016 in which we reported a large loss.

Global sales volume rose 15% year on year to 777,000 units, due primarily to robust sales of pickup trucks in Thailand, stronger growth in Indonesia where the new “XPANDER" was introduced, and continued solid sales of the locally produced Outlander in China.

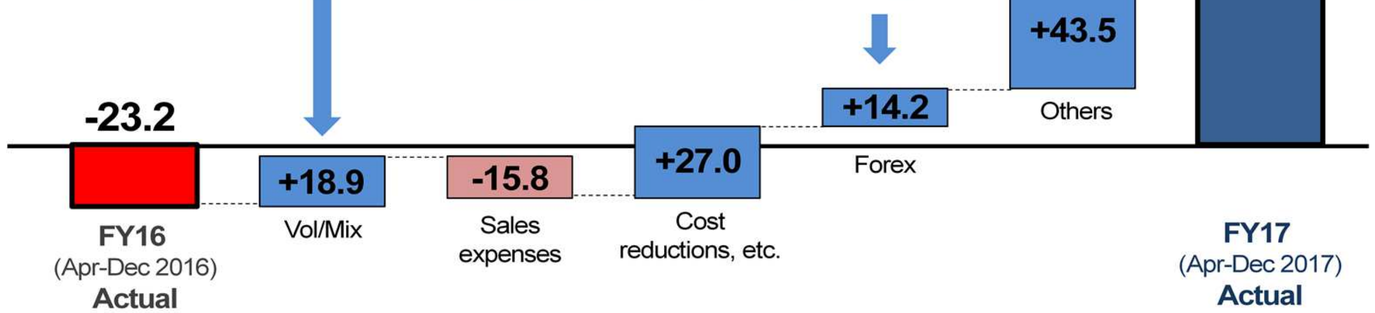
FY2017 3Q (Apr-Dec) Operating Profit Variance Analysis (vs. FY2016 3Q)

(billion yen)

Vol/Mix by region	
Japan	+3.1
ASEAN	+13.5
China and others	+2.3
North America	+3.7
Europe	-5.1
Others	+1.4
Total	+18.9

Forex effect by main currency	Forex rate(yen)		Effect (billion yen)
	FY16 1-3Q	FY17 1-3Q	
USD	107	112	+5.4
EUR	118	129	+9.6
AUD	80	86	+9.6
THB	3.06	3.36	-21.1
Others	-	-	+10.7
Total	-	-	+14.2

Others	
R&D expenses	-4.5
Cost on quality measures in market and Others	+48.0
Total	+43.5



3

This page provides an analysis of our nine-month operating profit variances from the same period last year. As you can see here, we have made well-balanced improvements on sales and cost reductions.

Volume and model mix produced a positive impact of 18.9 billion yen as a result of solid sales growth in ASEAN and China, and a recovery in Japan.

Sales expenses had a negative impact of 15.8 billion yen due to the increased incentives and advertisement for brand rebuilding on our main models, particularly in the U.S. and Japan.

Cost reductions produced a positive impact of 27.0 billion yen. The effect of synergies included in this total was 17.0 billion yen.

In FX, we saw a positive impact of 14.2 billion yen as the depreciation of the Thai Baht was offset by benefits from other currency movements.

Others had a positive impact of 43.5 billion yen, reflecting the large amount of cost on quality measures in market recorded last fiscal year.

FY2017 3Q Balance Sheet and Free Cash Flow Summary

(billion yen)

	FY16 Actual (end of Mar. 2017)	FY17 3Q Actual (end of Dec. 2017)	Variance
Total assets	1,484.4	1,562.3	+77.9
Cash and deposits	556.8	534.2	-22.6
Total liabilities	780.9	793.3	+12.4
Interest-bearing debt	15.6	33.1	+17.5
Total net assets	703.5	769.0	+65.5
Shareholders' equity (Equity ratio)	690.5 (46.5%)	751.8 (48.1%)	+61.3
Net cash	541.2	501.1	-40.1
	FY16 3Q Actual (Apr – Dec 2016)	**FY17 3Q Actual (Apr – Dec 2017)**	**Variance**
Free cash flow	-118.5	-27.1	+91.4

4

This page gives a summary of our balance sheet and free cash flow.

In terms of cash and deposits, despite the decrease of 22.6 billion yen from the end of the last fiscal year, the net cash position at the end of the third quarter was still as large as 534.2 billion yen.

The equity ratio was 48.1%, which indicates our sound financial condition.

Free cash flow improved from the large negative position, but we ended the third quarter with a negative 27.1 billion yen, due primarily to payments related to the improper conduct of fuel economy testing last year. We expect to return to positive free cash flow by the end of this fiscal year as we are monitoring cash flow very carefully while increasing investments.

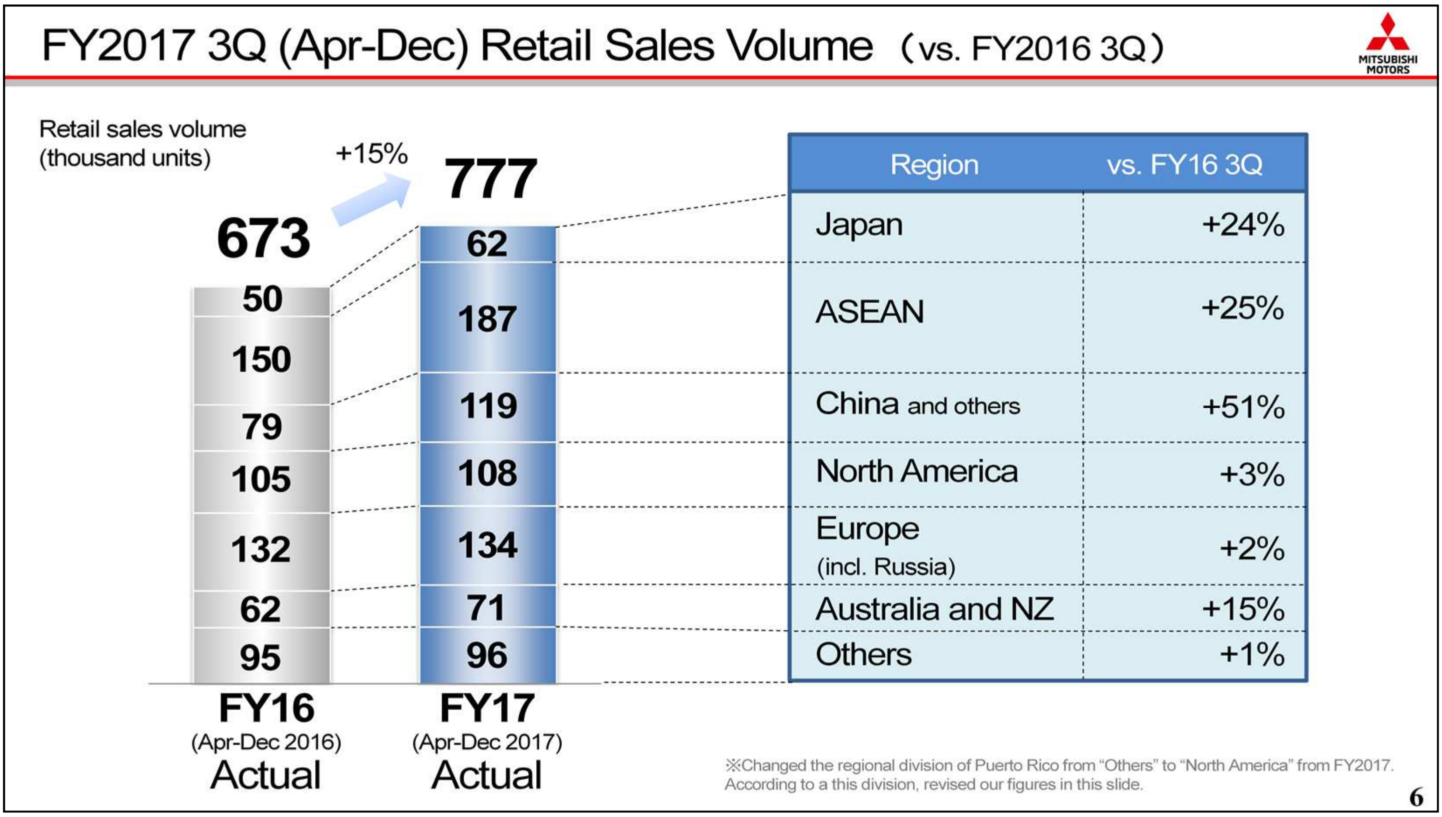
In this fiscal year, we actively invest in CAPEX to ensure sustainable growth. And we will continue to use our cash for investments in effective growth strategies to enhance our corporate value.

1. FY2017 3Q (Apr-Dec 2017) Results Summary

2. FY2017 3Q (Apr-Dec 2017) Results by Region

3. FY2017 3Q Topics

4. FY2017 Forecast



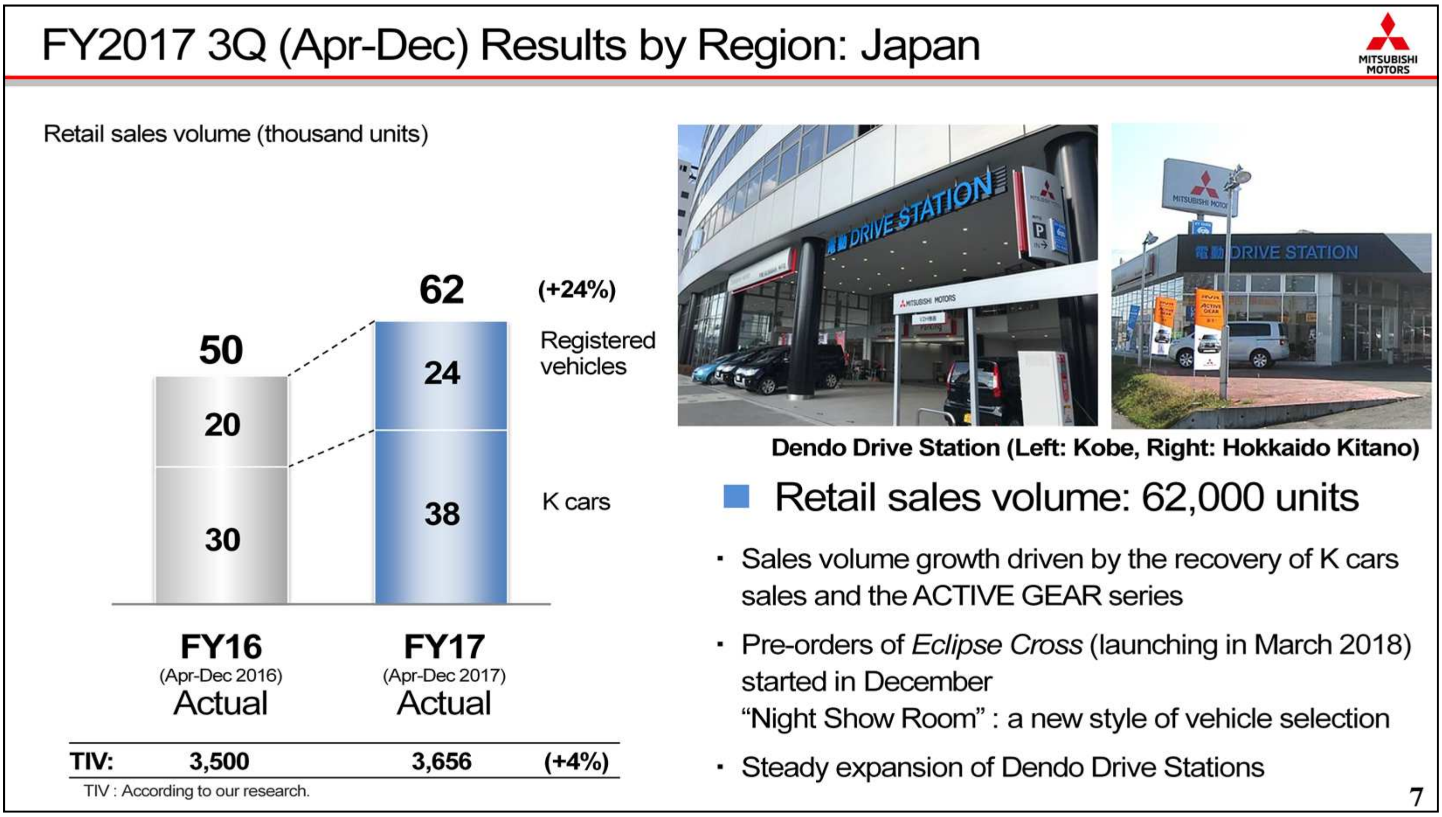
I will explain the retail sales volume.

Sales volume for the 9 months ended in December 31, 2017 rose year on year in all regions.

ASEAN, Australia and New Zealand, which we defined as Bedrock Markets in the "DRIVE FOR GROWTH" mid-term plan announced in October last year, have maintained solid growth.

In Focus Markets, sales have been growing steadily in China. North America which faces ongoing fierce competition was also able to exceed the previous year's sales.

Even in Japan, which was defined as a Recovery Market, recovered from last year's slump caused by the issue of improper conduct in fuel economy testing. Global sales volume increased 15% year-on-year to 777,000 units.



In Japan, sales volume rose by 24% over the same period last year, expanding sustainably because of the recovery of K cars, eK Wagon and eK Space and the contribution of the AVTIVE GEAR series.

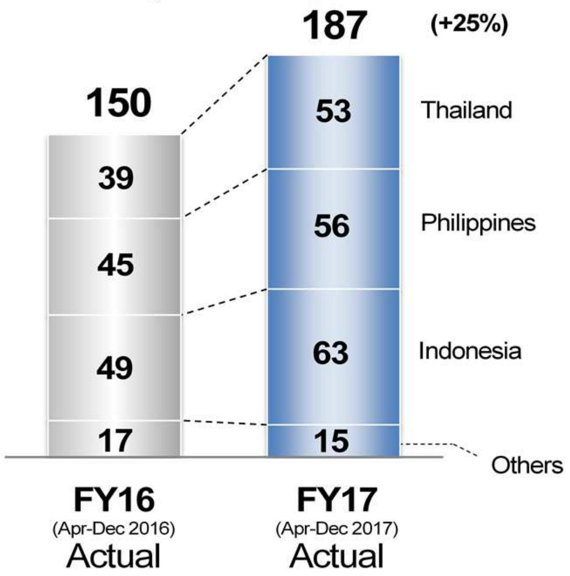
We have started pre-orders of our new model Eclipse Cross in December. Sales will start in March. In taking pre-orders, we have opened "Night Show Room", which offers a new style of vehicle selection and makes you feel as if you were actually in a dealer showroom while at home.

Going forward, we will leverage this Eclipse Cross to further expand our sales.

One important initiative of the brand rebuilding will be the continued expansion of our Dendo Drive Stations. We remodeled and reopened our dealership in Matsue on February 3. This is our 25th Dendo Drive Station.

FY2017 3Q (Apr-Dec) Results by Region: ASEAN

Retail sales volume (thousand units)



TIV:	1,666	1,775	(+7%)

TIV : According to our research. ＊Thailand + Philippines + Indonesia

Indonesian dealer exhibiting *XPANDER*

■ Retail sales volume: 187,000 units

Maintaining strong sales in our main markets

Indonesia:

- Good start of our new structure (manufacturing and selling)
- Strong orders of *XPANDER*

8

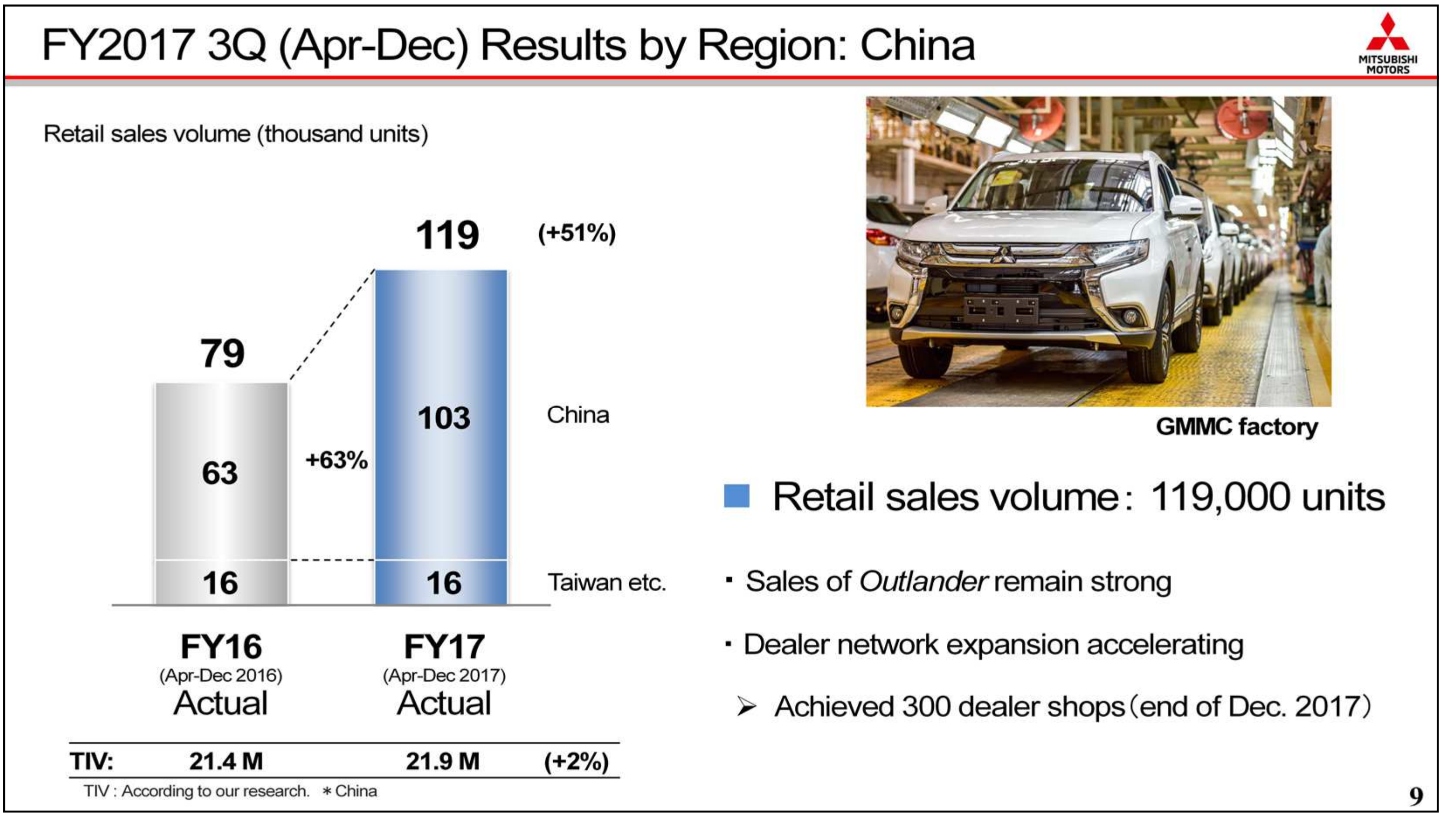
Sales in ASEAN continued to be strong and rose by 25% over the same period last year, surpassing Total Industry Volume (TIV) growth. We are maintaining strong sales in our main markets: Thailand, Philippines and Indonesia.

In Thailand, the reinforced after sales and the enhanced dealer network boosted pickup truck sales in the third quarter and helped achieve growth higher than TIV.

In the Philippines in which we have a high market share, the volume of the Pajero Sport grew significantly because of more aggressive advertisement and test drive events which offered the opportunity to compare our car to competitors' products. We are also strengthening the sales of Mirage and Mirage G4 which were localized last year to increase our presence and increase volume in the passenger car market where demand is improving.

In Indonesia, we launched new manufacturing and sales companies this year to renew the business model. We made a good start. The new MPV model XPANDER, among other things, is in strong demand and we will aim for further growth of the product.

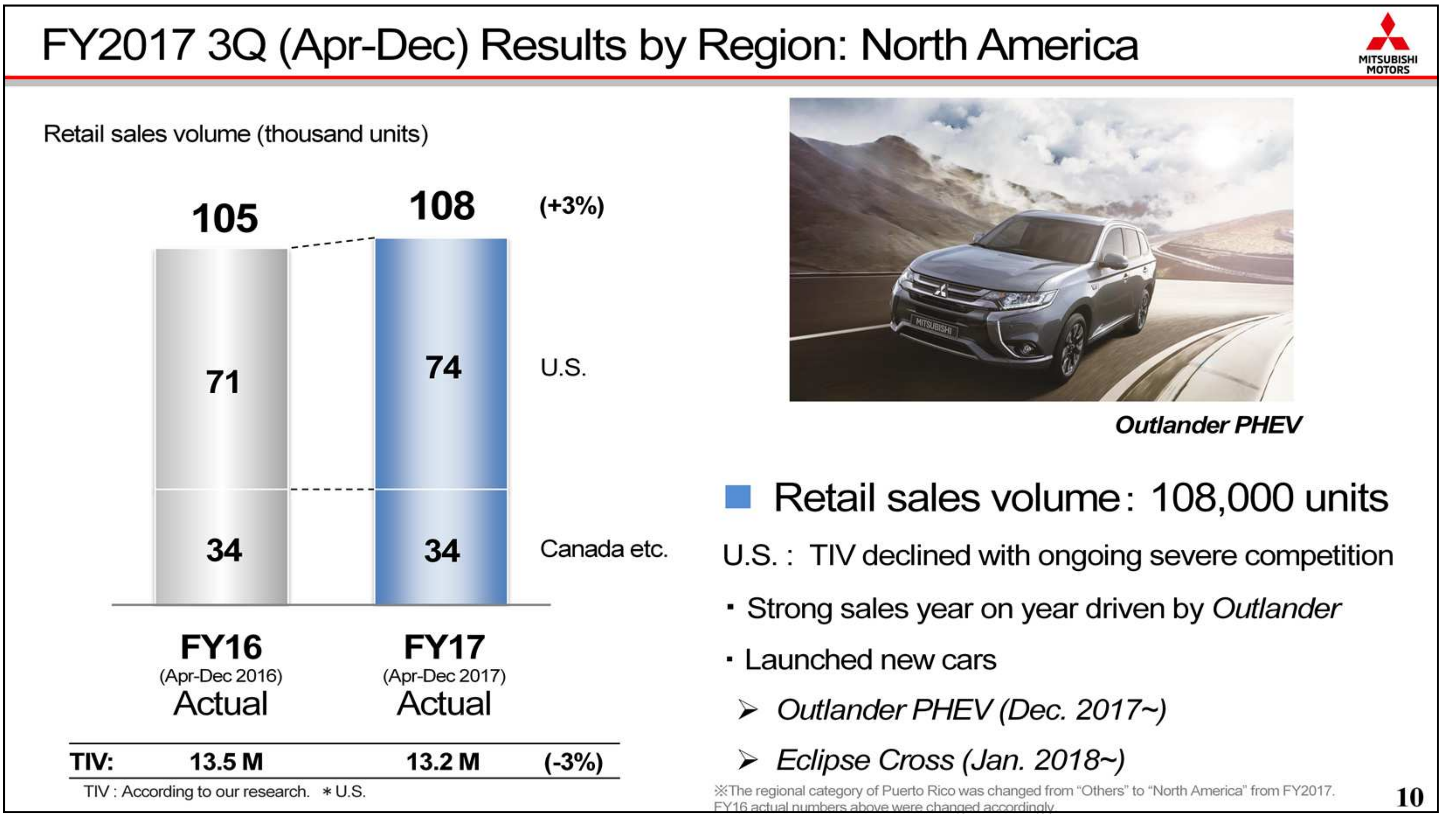
In addition, we are promoting business expansion in Vietnam. In January, we entered into a Memorandum of Understanding with the Government of Vietnam for EV expansion and started local production of our main model Outlander.



Volume in China increased by 63% over the same period last year, driven by strong sales of the localized “Outlander.”

In future, to further expand sales, we will accelerate the start-up of new dealers and increase the number of units sold per dealership so as to increase our market share. We will also provide dealers with sales reinforcement training programs to increase sales volume per dealer.

Our dealer network expanded steadily from 210 at the end of FY2016 to 300 dealers at the end of December 2017. We plan to further increase the number to 400 by the end of FY2019.

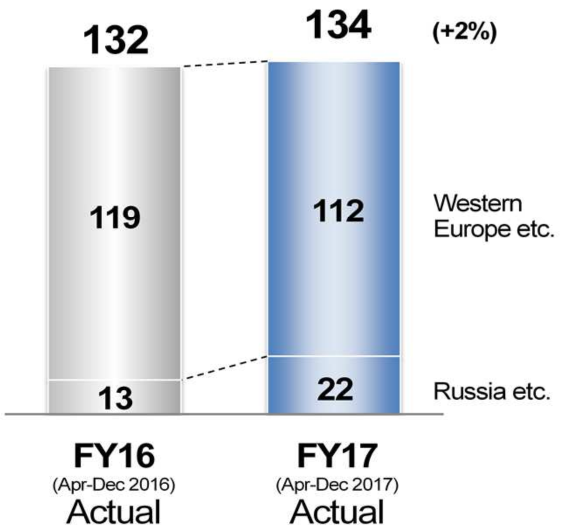


In the US, when TIV declined year on year and fierce competition continued, the growth of our key "Outlander" model helped the region exceed the volume of the same period last year.

In December 2017, we launched Outlander PHEV. And in January 2018, we began shipping Eclipse Cross to the U.S. market. Going forward, we will leverage these new cars to expand sales volume.

FY2017 3Q (Apr-Dec) Results by Region: Europe (including Russia)

Retail sales volume (thousand units)



TIV:	12.7 M	12.9 M	(+2%)

TIV : According to our research. ＊EU + EFTA

Resume production of *Pajero sports* at the Russian Plant

■ Retail sales volume：134,000 units

<Western Europe>

- Germany and UK maintaining steady sales
- Good start of *Eclipse Cross*

<Russia>

- Production of new *Pajero Sport* resumed
- Sales growth exceeding TIV growth

11

In Europe, while sales volume decreased in Western Europe, sales volume recovered in Russia. The overall regional volume increased year on year.

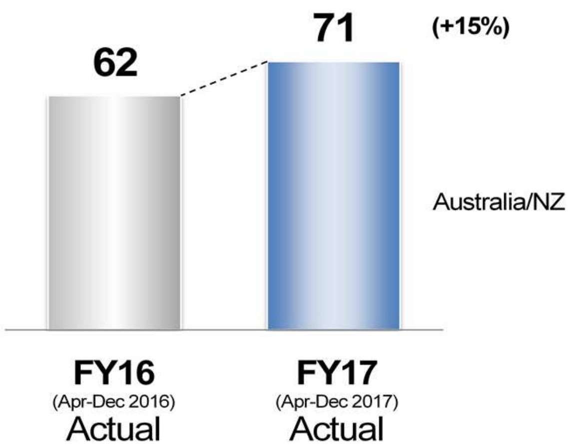
In Western Europe, as in the second quarter, we maintained solid sales in Germany and the U.K in which we are relatively strong, but sales were sluggish in the other countries and decreased year on year.

Eclipse Cross whose shipment started in October 2017 made a good start. With this good start, we expect a further sales increase.

In Russia where demand is recovering, we reinforced sales finance and advertisement. These efforts brought about a strong recovery of sales, mainly in the new model of Pajero Sport of which we resumed production.

FY2017 3Q (Apr-Dec) Results by Region: Australia/NZ

Retail sales volume (thousand units)



TIV:	975	997	(+2%)

TIV : According to our research.

Triton

■ Retail sales volume：71,000 units

- SUV/LCV[*1] markets expanding
- MMC sales remaining strong
- *Outlander PHEV* wins *Green Car of the Year 2017*[*2] in Australia

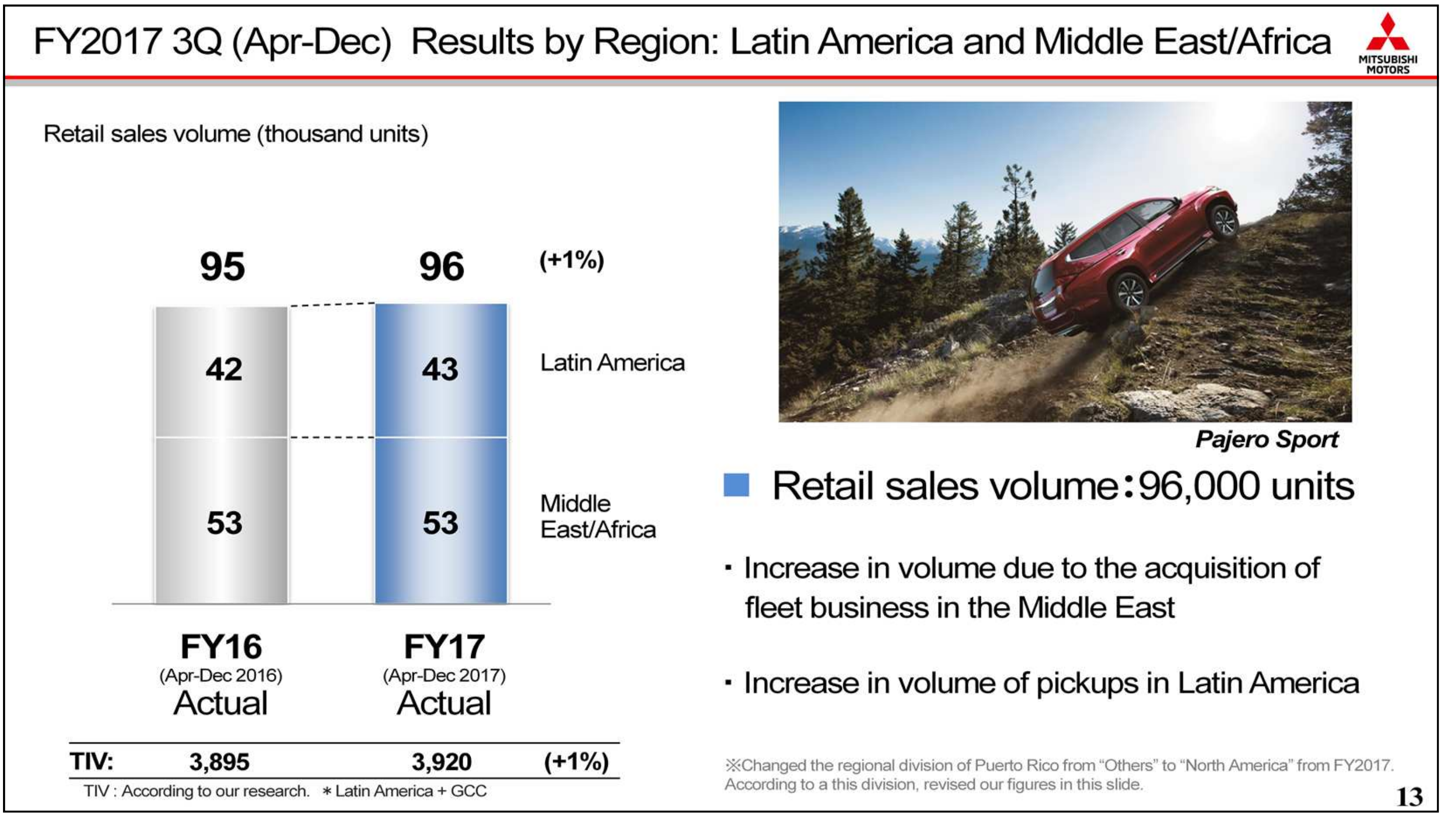
*1 LCV : Light Commercial Vehicle
*2 The West Australian "The West Australian's 2017 CARS OF THE YEAR AWARDS"

12

In Australia and NZ in which we have a high market share, stable sales have continued in the recent years. Sales of mainly SUV and pick-up trucks which we have a competitive advantage increased steadily in 3Q, greatly exceeding total demand growth.

Outlander PHEV was awarded the Green Car of the Year 2017 for its high environmental performance in Australia.

We will continue to focus on the sales of SUV/LCV models which are our strengths and on the growing trend in the Australian/NZ market.



In the Middle East, TIV recovery seems to take time, but performance exceeded sale at the same period last year. It was successful fleet negotiation in the coast countries.

In Latin America, TIV is recovering. We captured the fleet demand and achieved a year-on-year increase in volume which was driven mainly by pick-up trucks.

Next, I will discuss the latest topics.

1. FY2017 3Q (Apr-Dec 2017) Results Summary

2. FY2017 3Q (Apr-Dec 2017) Results by Region

3. FY2017 3Q Topics

4. FY2017 Forecast

We would like to explain the latest sales of 2 new models which were launched in the third quarter - our new MPV, XPANDER and our new SUV, Eclipse Cross.

Sales of the XPANDER launched in Indonesia in October has been continuing strong. More than 58,000 orders have been placed for our new MPV by end of January 2018.

The XPANDER will be exported to the Philippines and Thailand from 2018, strengthening our presence in ASEAN.

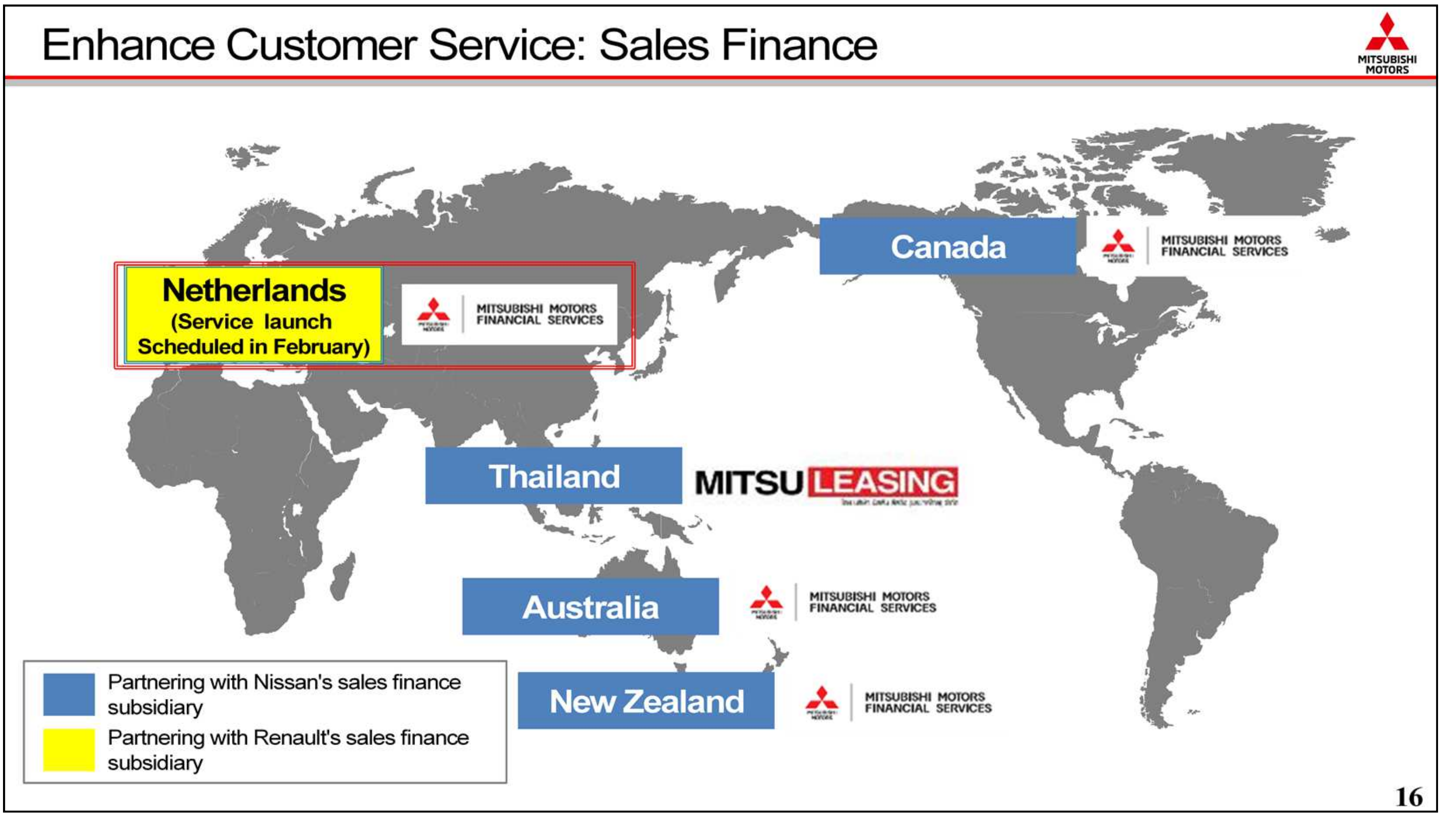
Exports of the Eclipse Cross to Europe started in October, and have already expanded to North America, as well as Australia and New Zealand. Global retail sales volume of the Eclipse Cross was more than 4,000 units at the end of January 2018.

In Japan, we began taking pre-orders for the Eclipse Cross on December 22, 2017. The number of pre-orders has totaled 3,000 and more units by the end of January 2018.

The "NIGHT SHOWROOM" which we started on January 9 is a live streaming service from our showroom on the first floor. It is a new web-based initiative, which enables customers to view the vehicle and ask development engineers and motor journalists questions just by connecting the internet from their home. We have had a total of 65,000 visits by the end of January 2018.

In the U.S., the Eclipse Cross won the Chicago Athenaeum Good Design Award for its superb design.

We are planning to deploy the Eclipse Cross in 80 markets with the aim of further boosting sales.



In order to improve customer loyalty and reinforce sales support for dealers by providing customers with more competitive financial services, we are taking advantage of the Alliance to offer sales finance services.

We have partnered with Nissan’s sales finance subsidiary to launch sales finance services in Australia in June last year and in Thailand, New Zealand and Canada in July last year.

In addition to these, we have today announced our plan to collaborate with RCI Bank & Services, Renault’s sales finance subsidiary, to launch financial services in the Netherlands. This is the first alliance effort with Renault in the sales finance area.

We will consider further expanding the regions in which we will provide sales finance services.

Production System

MITSUBISHI MOTORS

Japan

Production of *RVR* was moved from Okazaki Plant to Mizushima Plant on December 20

Indonesia

Strong orders of *XPANDER*:
We have accelerated the launch of the second shift

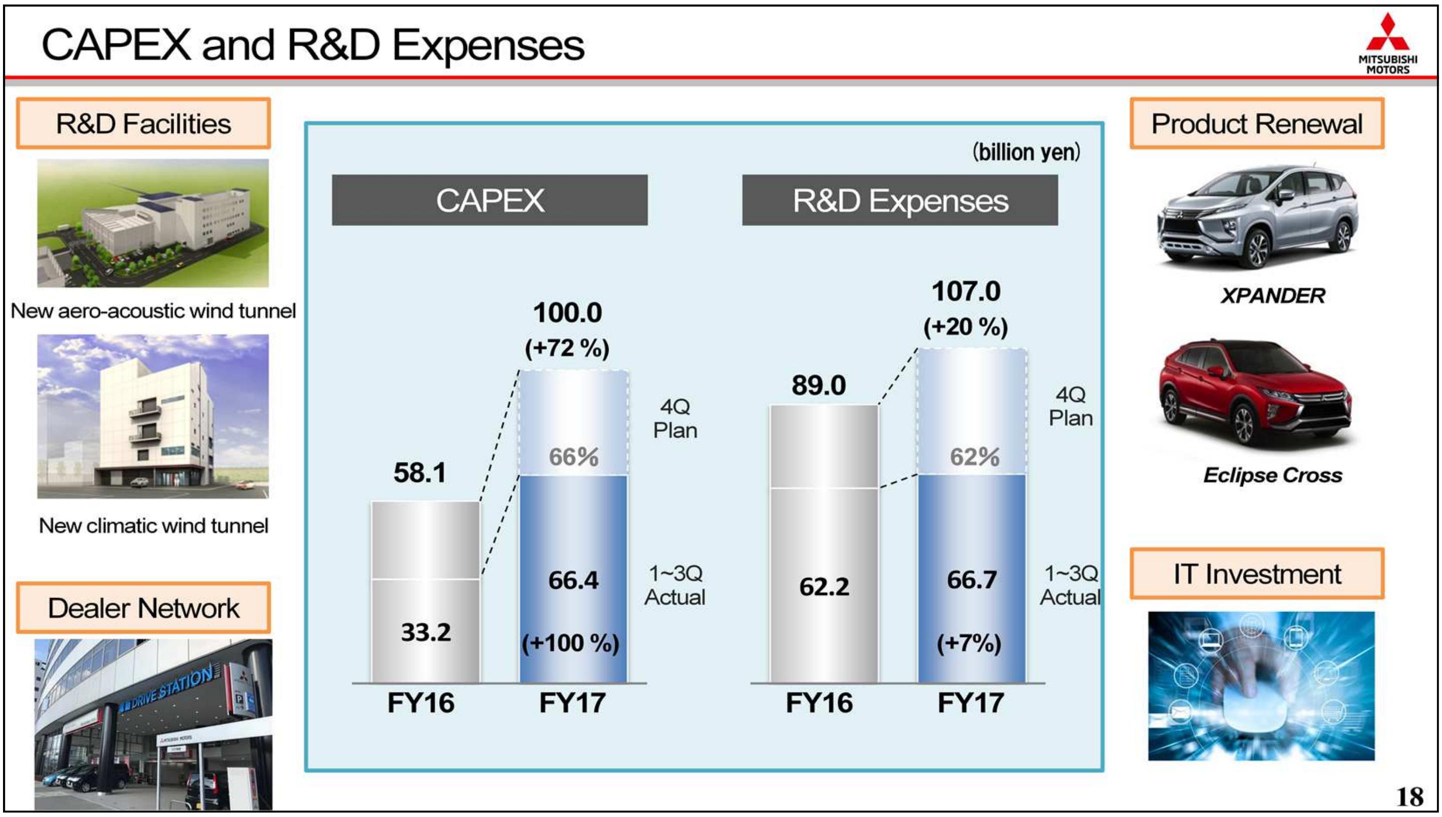
17

We have been working on improving our production system this fiscal year.

In Japan, as the production of the "Eclipse Cross" began in October at Okazaki Plant, the production of the "RVR" model was transferred from Okazaki Plant to Mizushima Plant on December 20. As a result, the domestic production capacity utilization has been optimized.

In Indonesia, the 2 shifts per day manufacturing operation was implemented in October earlier than its original plan in order to catch up the strong demand of the XPANDER. Operation is progressing smoothly.

We will continue to strengthen the plant as an important production base in the ASEAN region and plan to raise its capacity to 160,000 units per year.



We have continued to promote investment for future growth steadily.

The rate of progress in the third quarter was 66% in CAPEX and 62% in R&D expenses.

The main items of CAPEX include production-related investment for XPANDER and Eclipse Cross, construction investment for new testing facilities at Okazaki, and deployment of Dendo Drive Stations and enhancement of the dealer network for rebuilding the brand, as well as investment in IT to realize a worker-friendly environment.

Moreover, we are now in the process of increasing R&D resources for the development of new models due to be launched in the next year and beyond. We are also actively promoting the outsourcing of R&D jobs by utilizing engineering companies in order to secure R&D resources.

We are hoping to further refine our SUV and electrification technologies and merge them with AI, connectivity and many other technologies to add new value to vehicles.

1. FY2017 3Q (Apr-Dec 2017) Results Summary

2. FY2017 3Q (Apr-Dec 2017) Results by Region

3. FY2017 3Q Topics

4. FY2017 Forecast

FY2017 Forecast Summary (vs Previous Forecast)

MITSUBISHI MOTORS

(billion yen, thousand units)

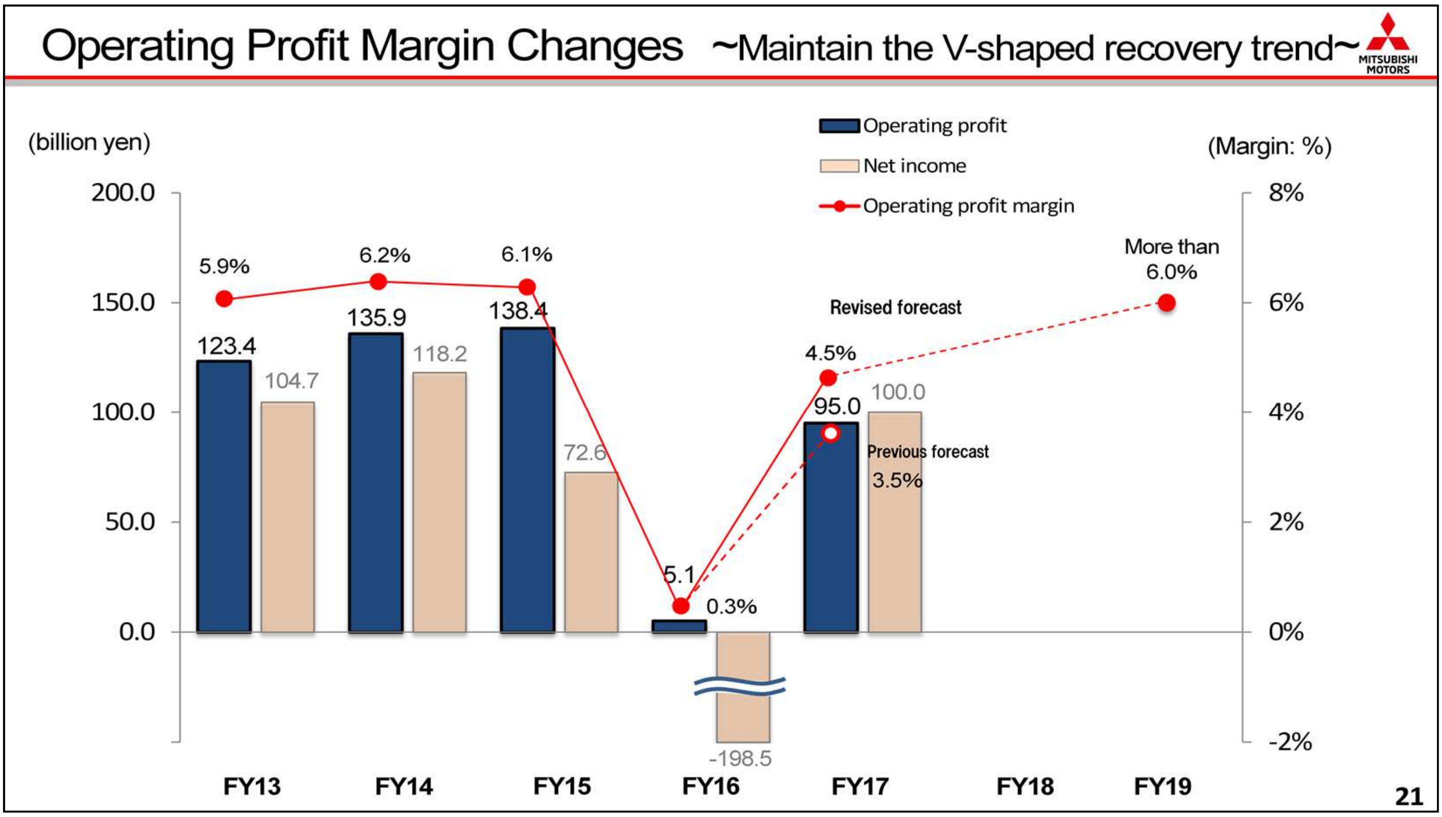
	Previous Forecast (announced in May)	Revised Forecast (announced in Feb)	Variance	
			Amount	Ratio
Net sales	2,000.0	**2,100.0**	+100.0	+5%
Operating profit (Margin)	70.0 (3.5%)	**95.0 (4.5%)**	+25.0	+36%
Ordinary profit	79.0	**110.0**	+31.0	+39%
Net income*	68.0	**100.0**	+32.0	+47%
Sales Volume (Retail)	1,029	**1,090**	+61	+6%

*Net income attributable to owners of the Parent

20

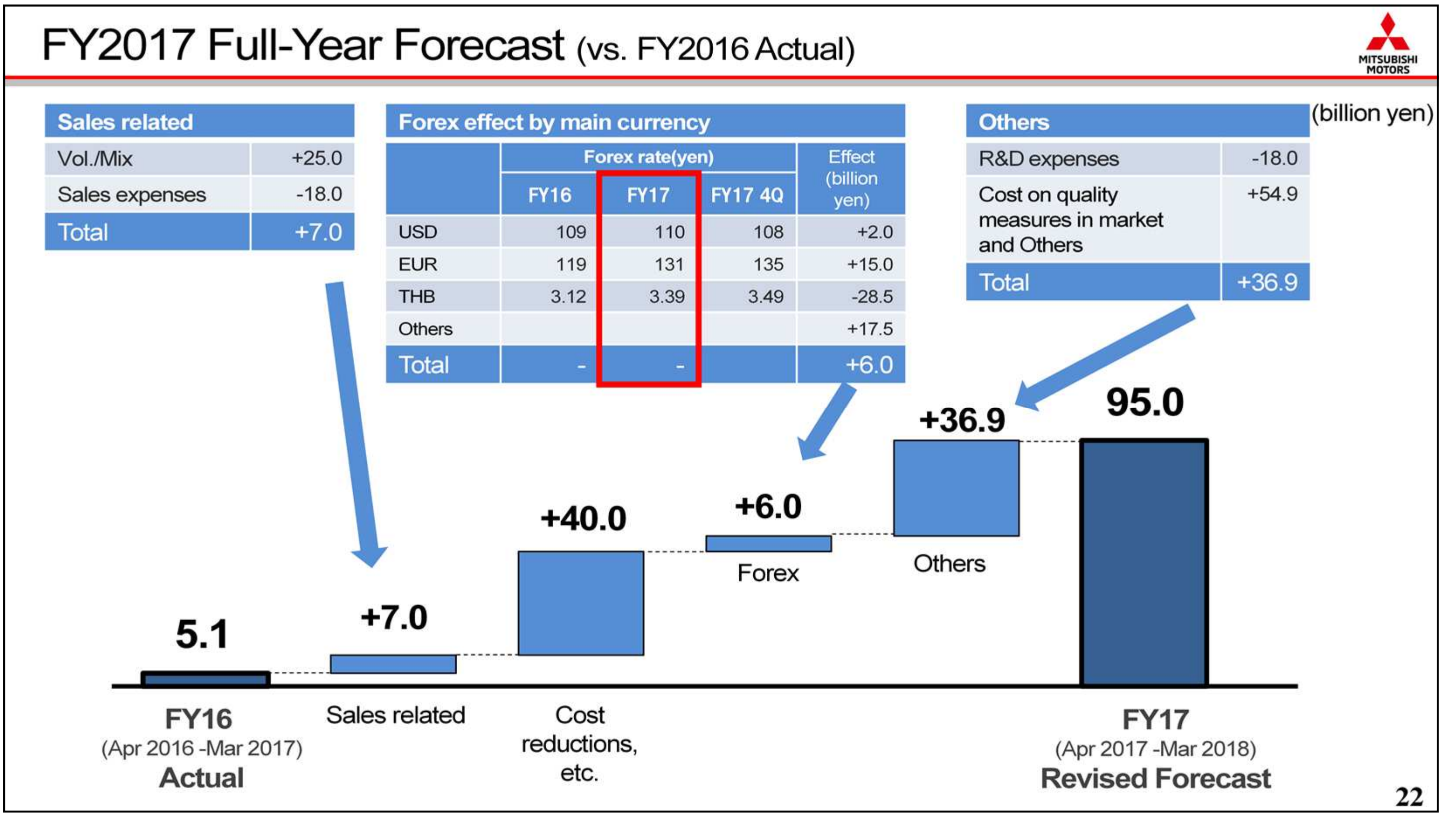
Given the strong sales performance and the progress of cost reduction during the nine months through the third quarter, today, we have released an upward revision to the forecast for the full fiscal year 2017.

Net sales is increased by 5% to 2 trillion and 100 billion yen; operating income is increased by 36% to 95 billion yen; operating profit margin is 4.5%; ordinary profit is increased by 39% to 110 billion yen; net income is increased by 47% to 100 billion yen. Sales volume is increased by 6% to 1,090,000 units.



We maintain the V-shaped recovery trend to drive us to achieve the over 6% operating margin target for FY2019 in the MTP.

Our initially planned operating margin was 3.5%. With today's upward revision, the operating margin is expected to reach 4.5%.



This slide explains the factors causing the operating profit variance from the previous year.

The revised full-year forecast of 95.0 billion yen is up 89.9 billion yen from 5.1 oku yen in the previous year.

If you look at the breakdown, the sales-related positive impact is expected to be 70 oku yen because, while the volume increased in ASEAN, North Asia and Japan, our focused regions, sales expansion activities pushed up sales expenses.

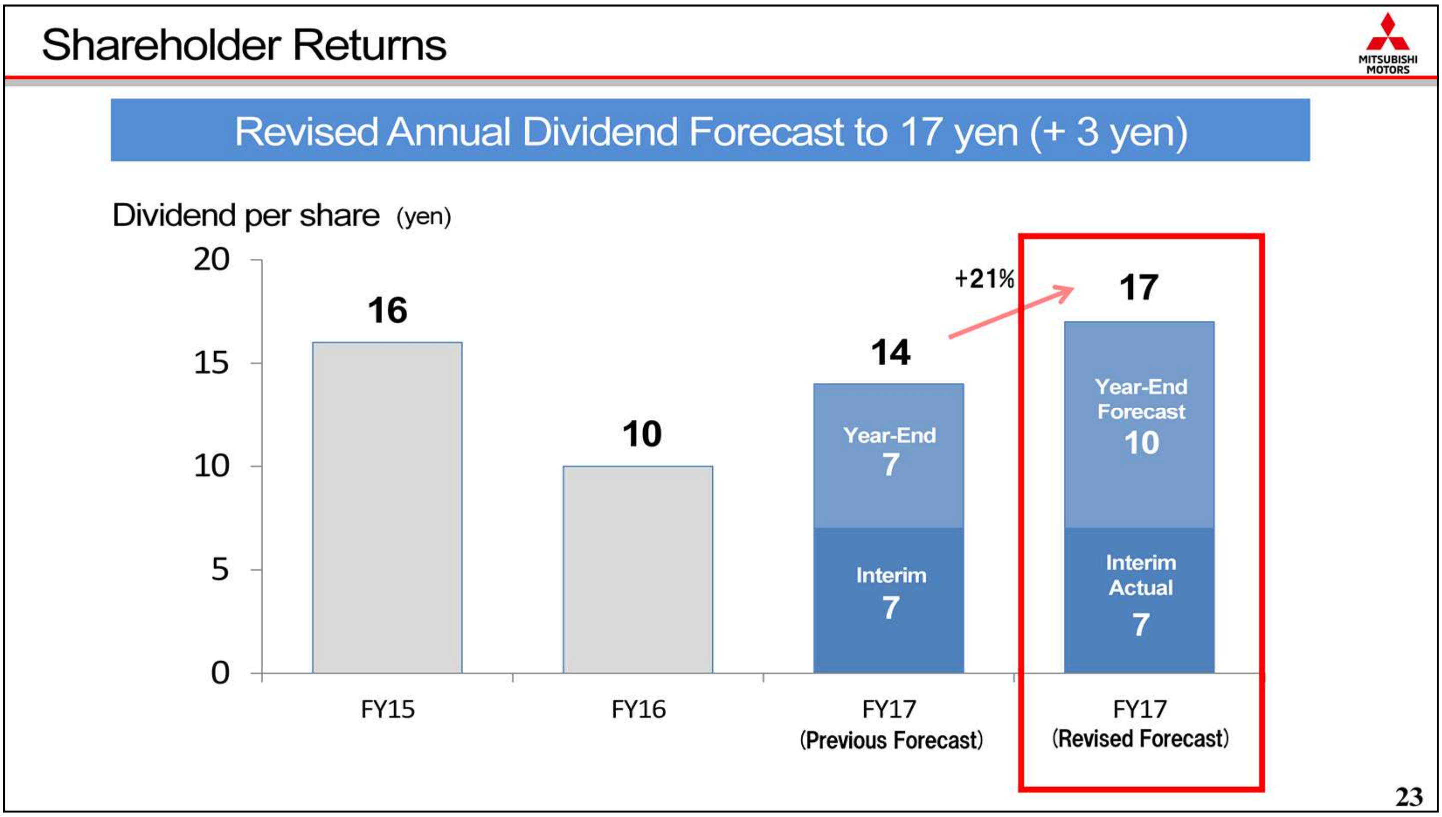
Cost reductions produced a positive impact of 40.0 billion yen.

In FX, we see a positive impact of 6.0 billion yen given the recent currency market.

The exchange rate forecast for the 4th quarter is 108 yen /USD, 135 yen/EUR, and 3.49/THB.

In Others, while we expect to see a large increase in R&D spending and IT investment, our estimate is a positive impact of 36.9 billion yen reflecting the effect of the large amount of cost on quality measures in market recorded last fiscal year.

As a result, we expect to secure an operating profit of 95.0 billion yen for this fiscal year.



As we have maintained a strong recovery, we have revised the dividend forecast upward.

By considering the balance with investment for growth, we have revised the year-end dividend forecast from the previous forecast and increased 3 yen to 10 yen.

MITSUBISHI MOTORS

MITSUBISHI MOTORS
Drive your Ambition

MITSUBISHI e-EVOLUTION CONCEPT

24

As we were able to exceed the plan in the 3rd quarter, we made an upward revision to the previous forecast.

During this quarter, we will make sure to accomplish this plan. We will also continue necessary investments to revive our company and build a foundation for our future growth.

Appendix

FY2017 Full-Year Operating Profit Forecast Variance Analysis (vs. Previous Forecast)

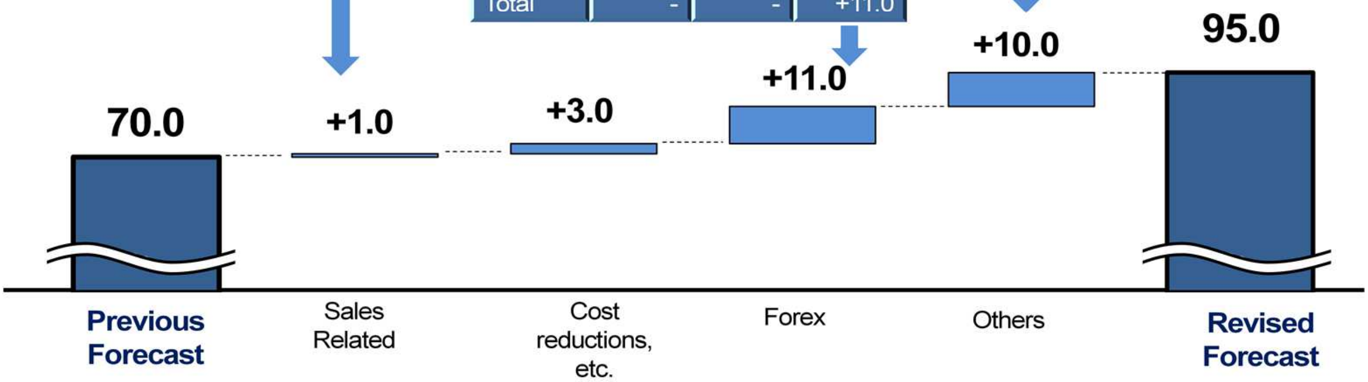
(billion yen)

Sales Related	
Vol/Mix	+4.0
Sales Expenses	-3.0
Total	+1.0

Forex effect by main currency

	Forex rate(yen)		Effect (billion yen)
	Previous	Revised	
USD	105	110	+10.0
EUR	115	131	+21.0
THB	3.05	3.39	-36.0
Others	-	-	+16.0
Total	-	-	+11.0

Others	
R&D expenses	-2.0
Cost on quality measures in market and others	+12.0
Total	+10.0



26

FY2017 3Q (Apr-Dec) Regional Performance (vs. FY2016 3Q)

MITSUBISHI MOTORS

(billion yen)

	Net Sales			Operating Profit		
	FY16 (Apr-Dec 2016) Actual	FY17 (Apr-Dec 2017) Actual	Variance	FY16 (Apr-Dec 2016) Actual	FY17 (Apr-Dec 2017) Actual	Variance
Total	**1,341.8**	**1,518.1**	**+176.3**	**-23.2**	**64.6**	**+87.8**
- Japan	188.5	239.1	+50.6	-24.4	-15.9	+8.5
- ASEAN	244.0	358.7	+114.7	31.3	33.6	+2.3
- China and others	61.4	66.4	+5.0	1.9	13.6	+11.7
- North America	215.0	238.0	+23.0	-17.8	0.6	+18.4
- Europe	328.5	303.5	-25.0	-27.3	6.3	+33.6
- Others	304.4	312.4	+8.0	13.1	26.4	+13.3

※The regional category of Puerto Rico was changed from “Others” to “North America” from FY2017. FY16 actual numbers above were changed accordingly.

FY2017 3Q (Oct-Dec) Operating Profit Variance Analysis (vs. FY2016 3Q)

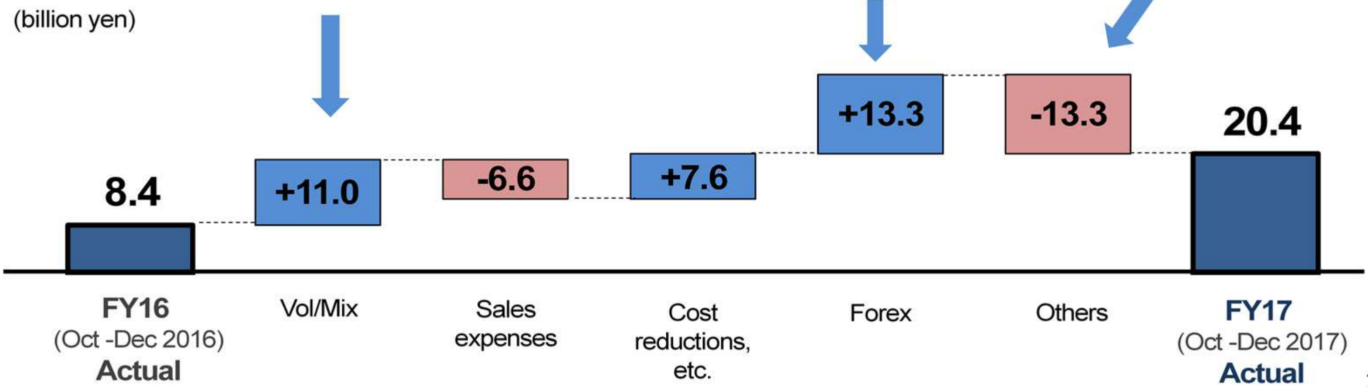
MITSUBISHI MOTORS

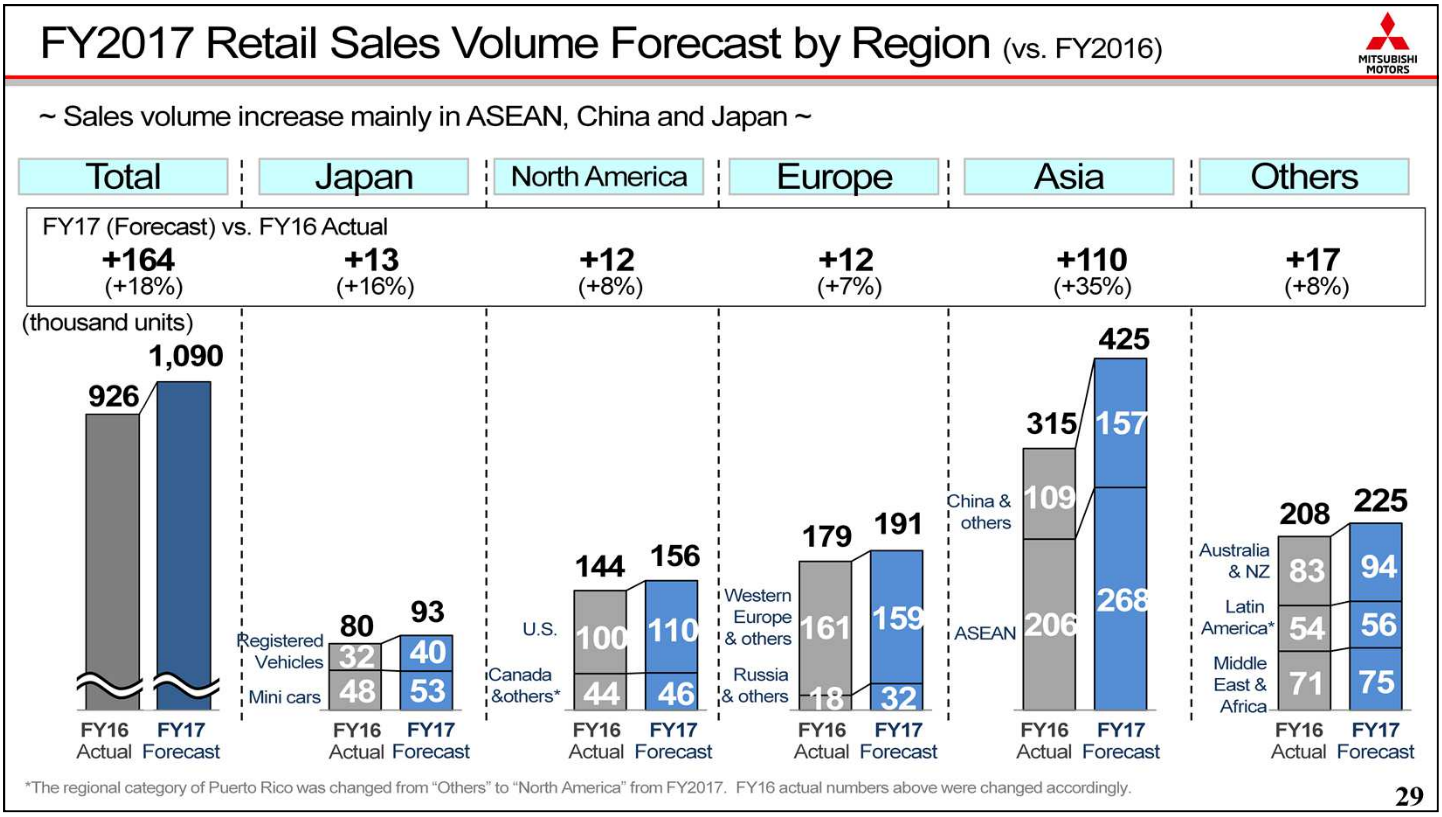
Vol/Mix by region	
Japan	−0.9
ASEAN	+5.8
China and others	−1.1
North America	+4.3
Europe	+0.1
Others	+2.8
Total	+11.0

Forex effect by main currency	Forex rate(yen)		Effect (billion yen)
	FY16 3Q	FY17 3Q	
USD	107	113	+2.6
EUR	116	133	+5.7
AUD	80	86	+3.9
THB	3.12	3.42	-6.8
Others			+7.9
Total	-	-	+13.3

Others	
R&D expenses	-2.6
Cost on quality measures in market and others	-10.7
Total	-13.3

(billion yen)





FY2017 Retail Sales Volume Forecast by Region (vs. FY2016)
MITSUBISHI MOTORS
~ Sales volume increase mainly in ASEAN, China and Japan ~
Total
Japan
North America
Europe
Asia
Others
FY17 (Forecast) vs. FY16 Actual
+164 (+18%)
+13 (+16%)
+12 (+8%)
+12 (+7%)
+110 (+35%)
+17 (+8%)
(thousand units)
926
1,090
Registered Vehicles
Mini cars
80
93
32
40
48
53
U.S.
Canada &others*
144
156
100
110
44
46
Western Europe & others
Russia & others
179
191
161
159
18
32
China & others
ASEAN
315
425
109
157
206
268
Australia & NZ
Latin America*
Middle East & Africa
208
225
83
94
54
56
71
75
FY16 Actual
FY17 Forecast
*The regional category of Puerto Rico was changed from "Others" to "North America" from FY2017. FY16 actual numbers above were changed accordingly.
29

FY2017 Regional Sales Forecast (vs. FY2016 and Previous Forecast)

(billion yen)

	① FY16 (Apr 2016-Mar 2017) Actual	② FY17 (Apr 2017-Mar 2018) Previous Forecast	③ FY17 (Apr 2017-Mar 2018) Revised Forecast	Variance	
				vs. FY2016 Actual (③−①)	vs. Previous Forecast (③−②)
Total	**1,906.6**	**2,000.0**	**2,100.0**	**+193.4**	**+100.0**
- Japan	297.3	350.0	360.0	+62.7	+10.0
- NorthAmerica	310.0	320.0	350.0	+40.0	+30.0
- Europe	433.5	440.0	420.0	-13.5	-20.0
- Asia	433.5	520.0	550.0	+116.5	+30.0
- Others	432.3	370.0	420.0	-12.3	+50.0

※The regional category of Puerto Rico was changed from "Others" to "North America" from FY2017. FY16 actual numbers above were changed accordingly.

Capital Expenditure / Depreciation / R&D Expense

MITSUBISHI MOTORS

(billion yen)

	FY16 (Apr-Dec 2016) Actual	FY17 (Apr-Dec 2017) Actual	FY17 (Apr 2017-Mar 2018) Forecast
CAPEX (YoY)	33.2 (-29%)	66.4 (+100%)	100.0 (+72%)
Depreciation (YoY)	34.7 (-13%)	37.1 (+7%)	53.0 (+15%)
R&D expense (YoY)	62.2 (+8%)	66.7 (+7%)	107.0 (+20%)

31

DRIVE FOR GROWTH

MITSUBISHI MOTORS

DRIVE FOR GROWTH (FY17 - FY19)

KPI

FY19 Retail sales: 1.3m (+40% vs. FY16)	FY19 Net revenue: 2.5Trn JPY (+30% vs. FY16)	FY19 COP: 6% or more	FY17-19 Positive free cash flow

Strategic Levers

Product renewal	Revenue growth through focus on core markets	Cost optimization

Foundations

- Organizational enablers for sustainability
- Alliance leverage for long-term growth

32

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.