

FY2018 First-Quarter Financial Results

July 24, 2018



1. FY2018 First-Quarter Financial Results Summary

2. FY2018 First-Quarter Financial Results Details

3. FY2018 Financial Forecast

4. Business Highlights

FY2018 First-Quarter Financial Results Summary (vs. 1Q/FY2017)



(Billion yen, 000 units)	1Q/FY17 (Apr-Jun 2017)	1Q/FY18 (Apr-Jun 2018)	Variance	
			Amount	Ratio
Net Sales	440.9	560.0	+119.1	+27%
Operating Profit (OP Margin)	20.6 (4.7%)	28.1 (5.0%)	+7.5 (+0.3 P.P.)	+36%
Ordinary Profit	29.0	33.4	+4.4	+15%
Net Income*	23.0	28.2	+5.2	+23%
Sales Volume (Retail)	241	292	+51	+21%

* Net income attributable to owners of the parent

FY2018 First-Quarter Financial Results Summary (vs. 1Q/FY2017)



Retail Volume

+51K
(+21%)

Net Sales

+119.1B
(+27%)

Operating Profit

+7.5B
(+36%)

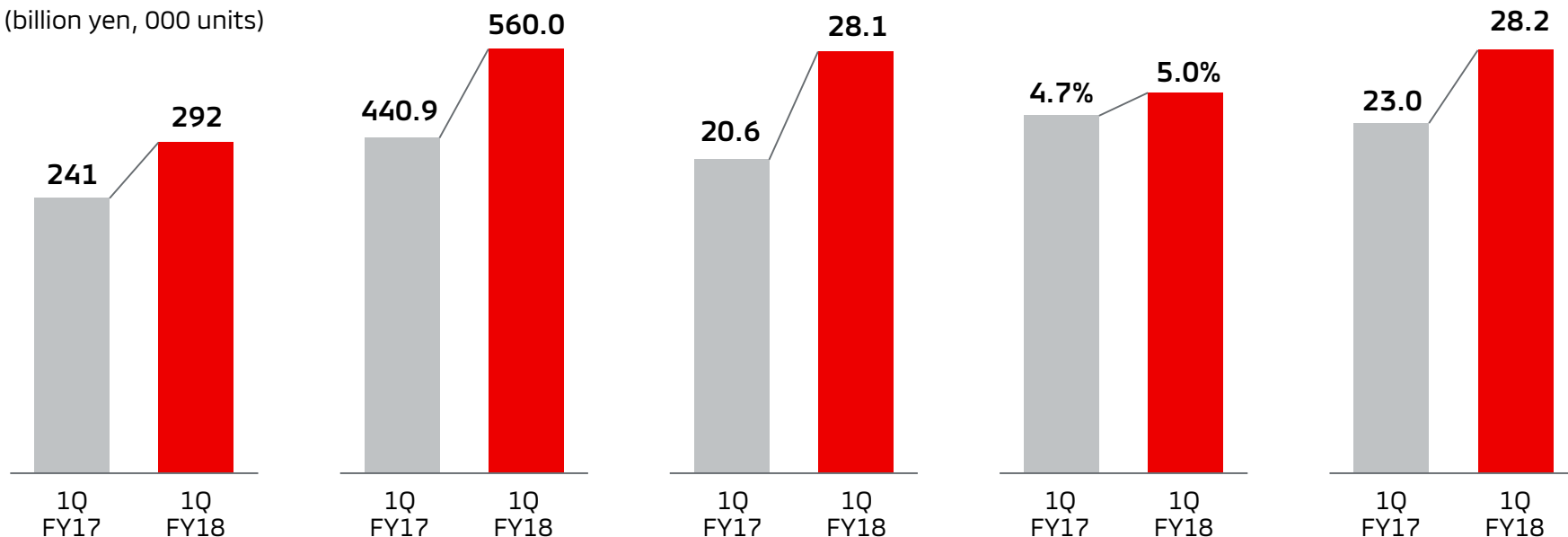
OP Margin

5.0%

Net Income*

+5.2B
(+23%)

(billion yen, 000 units)

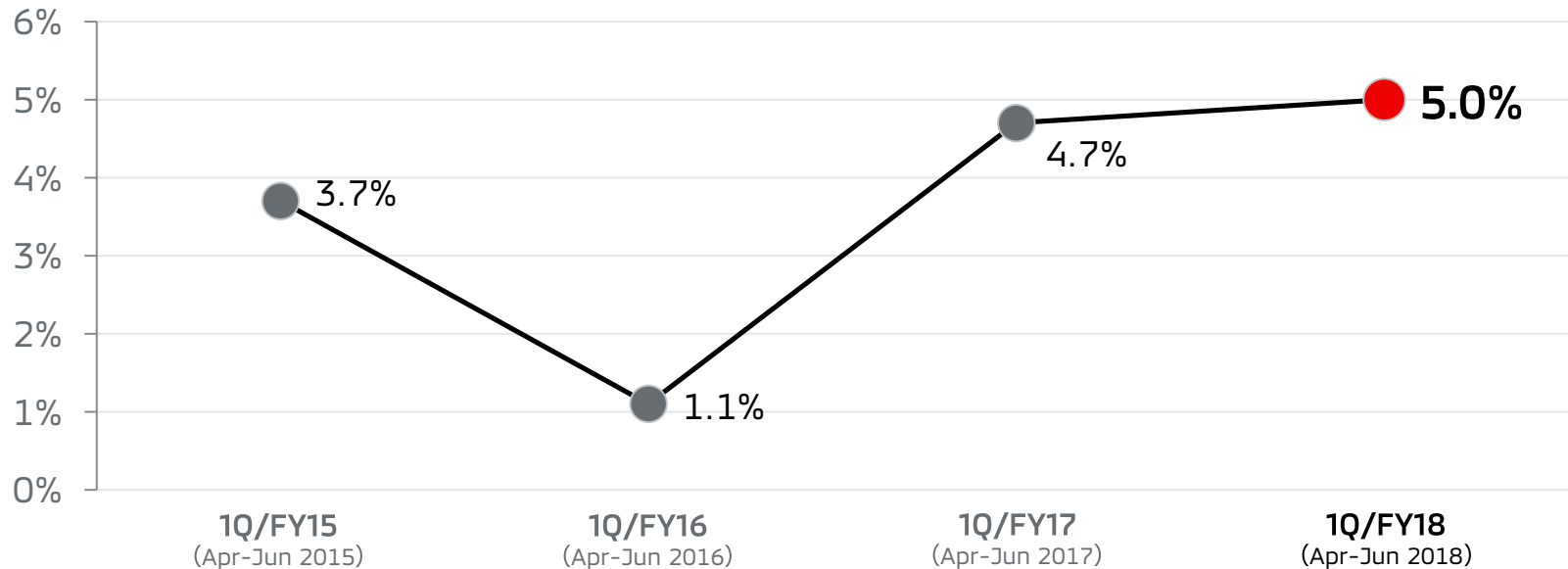


* Net income attributable to owners of the parent

Transition of 1Q OP Margin

Steadily Improve Profitability

- The PDCA cycle thorough monthly management has been in place
- OP margin improved to 5.0%



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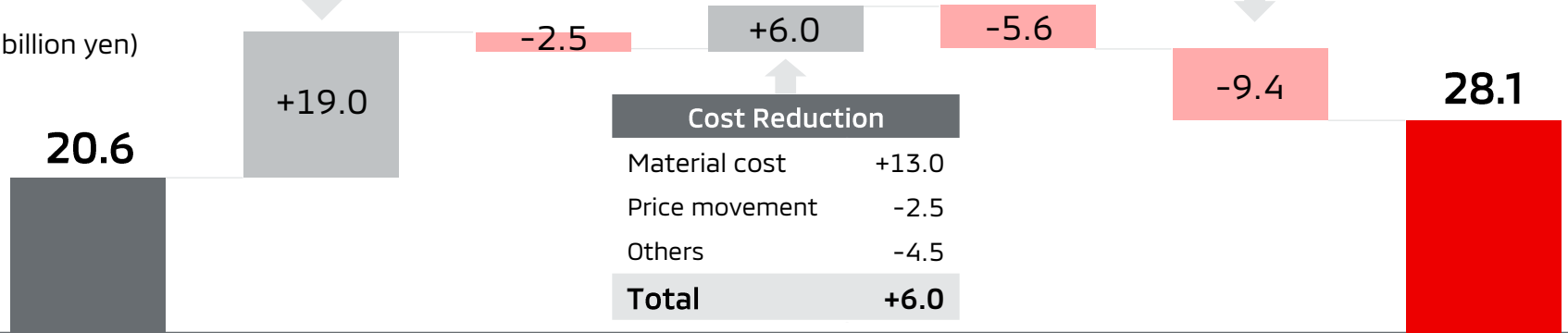
1Q/FY2018 Operating Profit Variance (vs. 1Q/FY2017)

Vol/Mix by Region	
Japan	0.9
ASEAN	7.5
China, others	0.2
North America	3.2
Europe (incl.Russia)	2.9
Others	4.3
Total	19.0

Forex Effect by Main Currency			
	FX rate (Yen)		Effect (bill yen)
	1Q/FY17	1Q/FY18	
USD	111	108	-1.9
EUR	122	130	2.5
THB	3.27	3.42	-2.7
Others	-	-	-3.5
Total	-	-	-5.6

Others	
R&D expenses	-5.9
Others	-3.5
Total	-9.4

(billion yen)



1Q/FY17
(Apr-Jun 2017)
OP

Vol/Mix

Sales
Expenses

Cost
Reduction,
etc.

Forex

Others

1Q/FY18
(Apr-Jun 2018)
OP

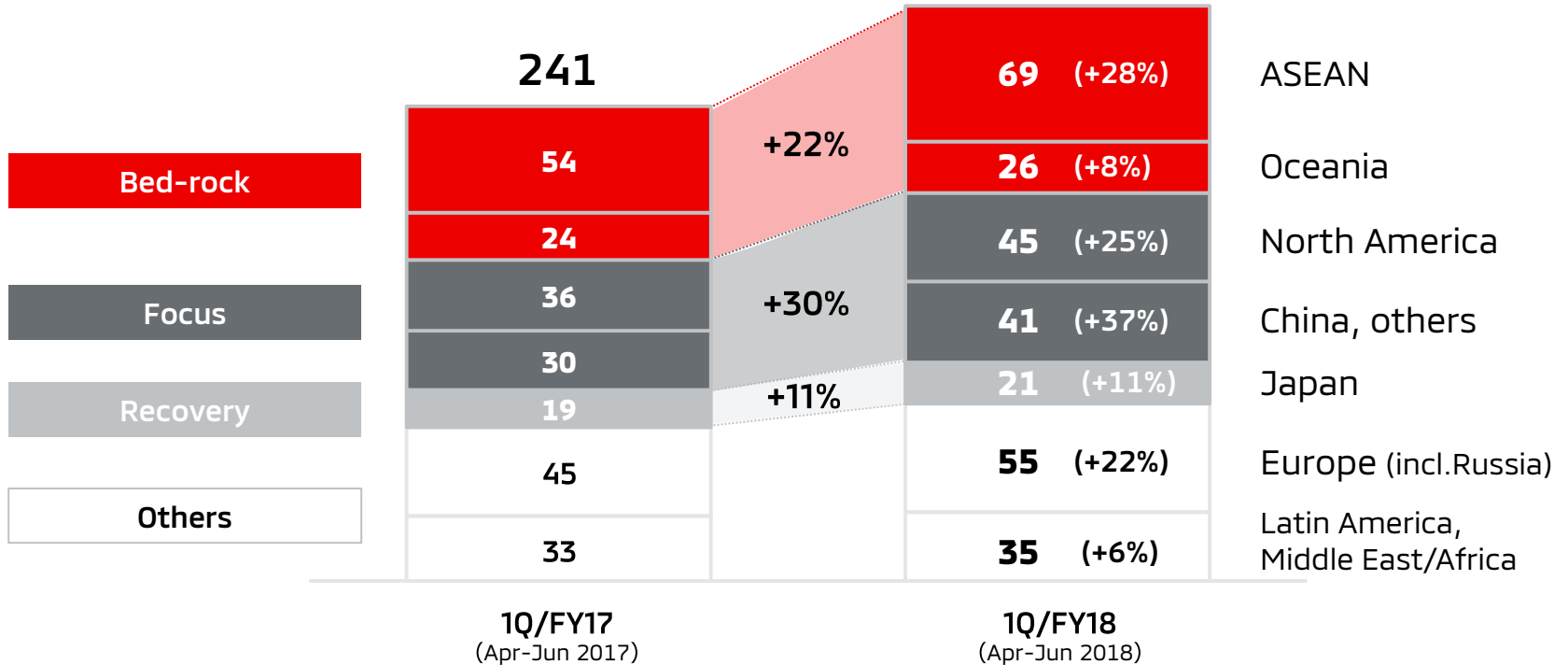
1Q/FY2018 Sales Volume Results (vs. 1Q/FY2017)



Sales Volume: 292K, +21%

Retail sales (000 units)

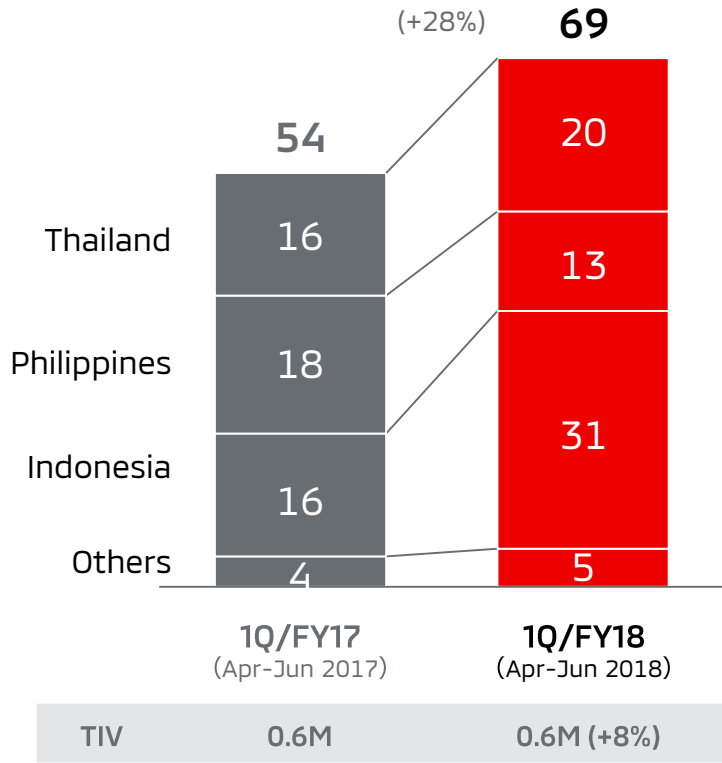
292 (+21%)



* From FY2018, the regional classification of some countries in ASEAN and Europe was changed to "Other Regions." FY2017 actual numbers above were changed accordingly.

1Q/FY2018 Results by Region: ASEAN

Retail sales (000 units)



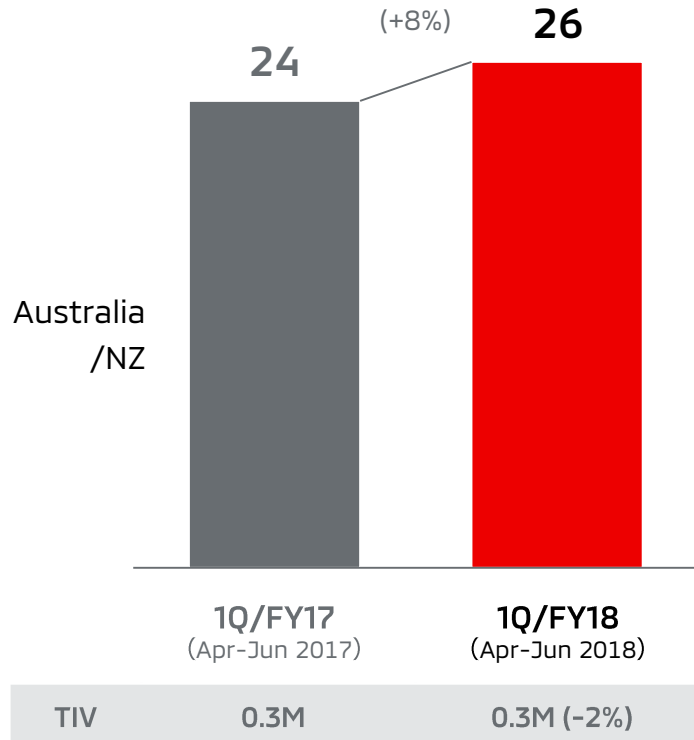
Sales Volume: 69K, +28%

- *XPANDER*
- Strong sales on Indonesia: 17K (as of June)
- Sales start in Philippines: 1.6K (as of June)

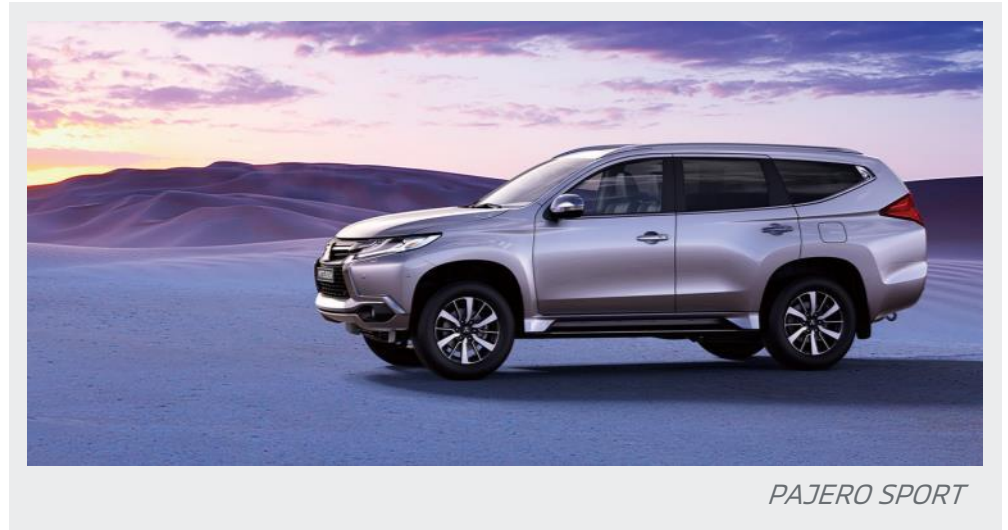
TIV: according to research (Thailand + Philippines + Indonesia). * From FY2018, the regional classification of some countries in ASEAN was changed to "Other Regions." FY2017 actual numbers above were changed accordingly.

1Q/FY2018 Results by Region: Oceania

Retail sales (000 units)



TIV: according to research.

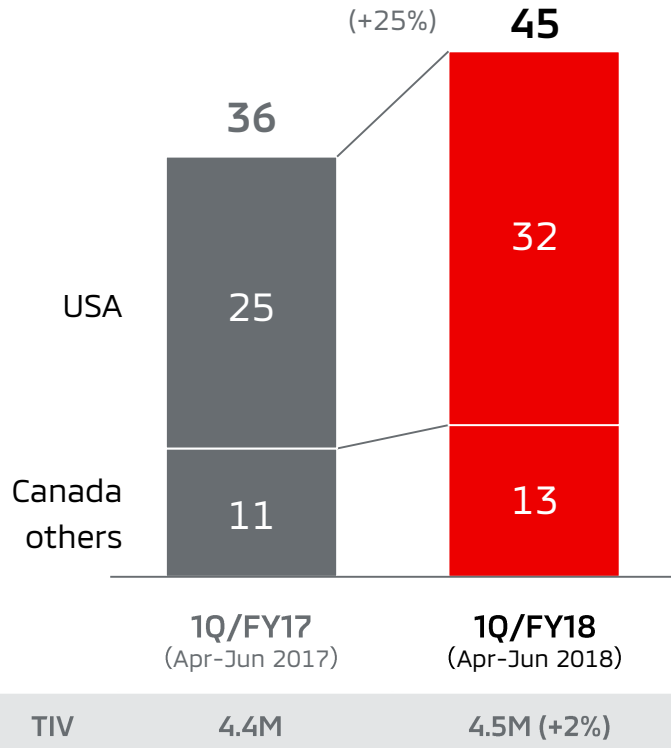


Sales Volume: 26K, +8%

- *ECLIPSE CROSS* contributing to increase sales volume: 2K (as of June)
- Sales remain strong

1Q/FY2018 Results by Region: North America

Retail sales (000 units)



TIV: according to research (USA only).



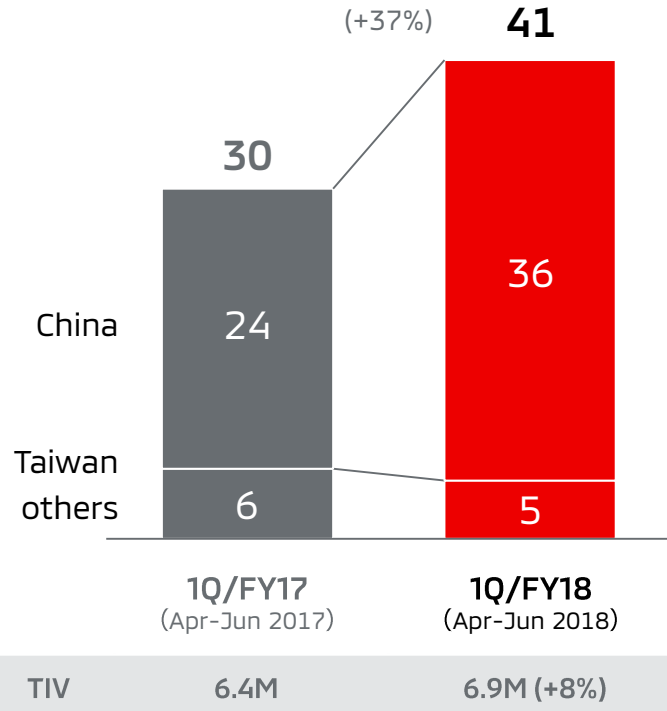
OUTLANDER PHEV

Sales Volume: 45K, +25%

- Strong start-up sales of *OUTLANDER PHEV* and *ECLIPSE CROSS*
- Steadily increase sales of *OUTLANDER*

1Q/FY2018 Results by Region: China, others

Retail sales (000 units)



TIV: according to research (China only).

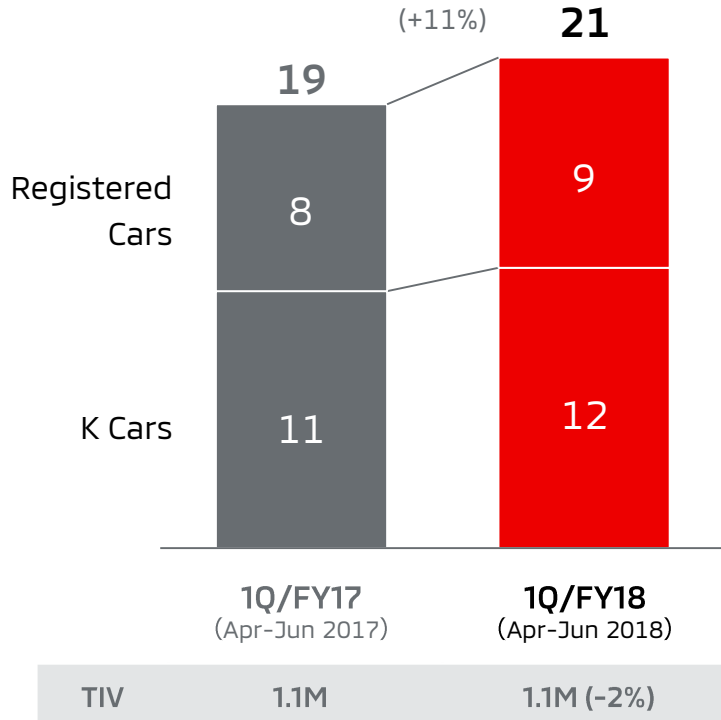


Sales Volume: 41K, +37%

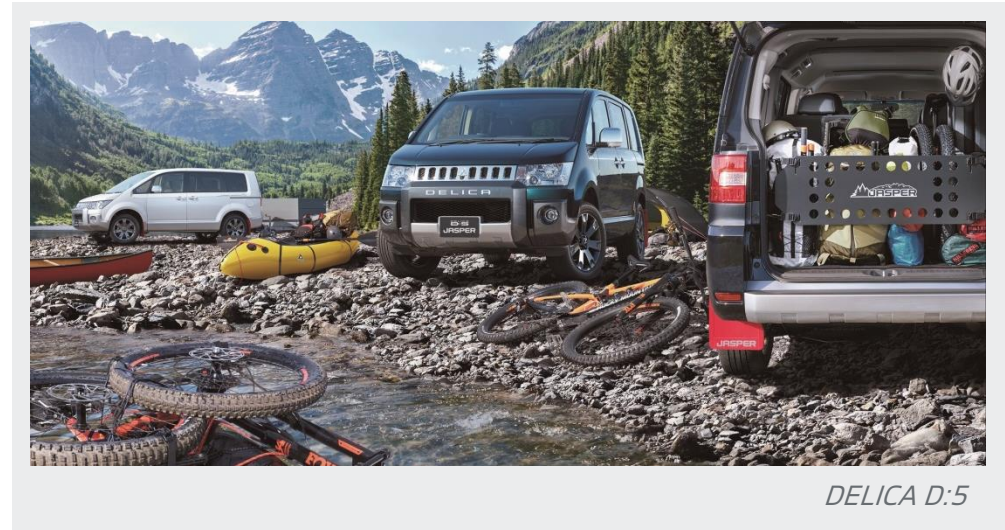
- Sales of *OUTLANDER* remain strong
- Strengthen our sales network: 314 shops, up from 302 (from March to June, 2018)

1Q/FY2018 Results by Region: Japan

Retail sales (000 units)



TIV: according to research.

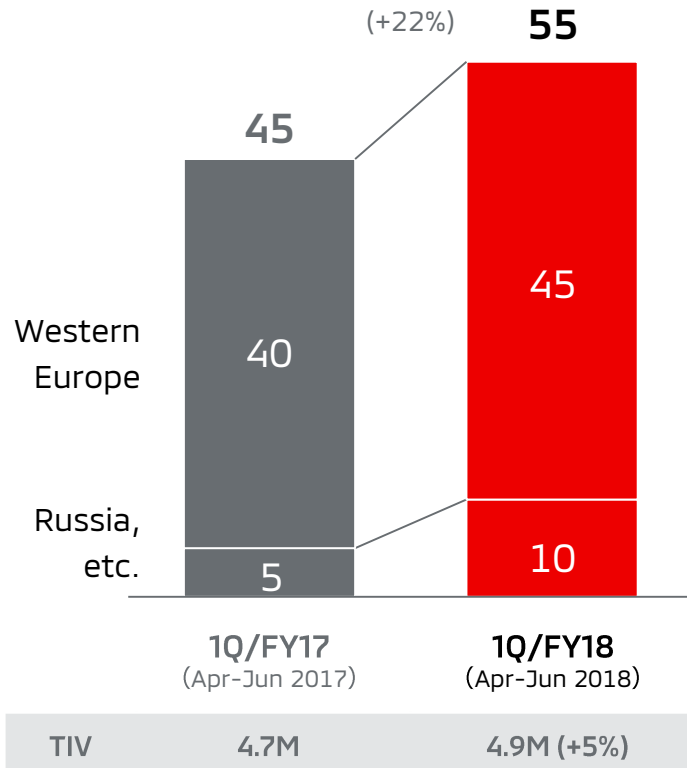


Sales Volume: 21K, +11%

- Growing sales volume of *ECLIPSE CROSS*
- Steady increase of registered cars

1Q/FY2018 Results by Region: Europe (incl. Russia)

Retail sales (000 units)



ECLIPSE CROSS

Sales Volume: 55K, +22%

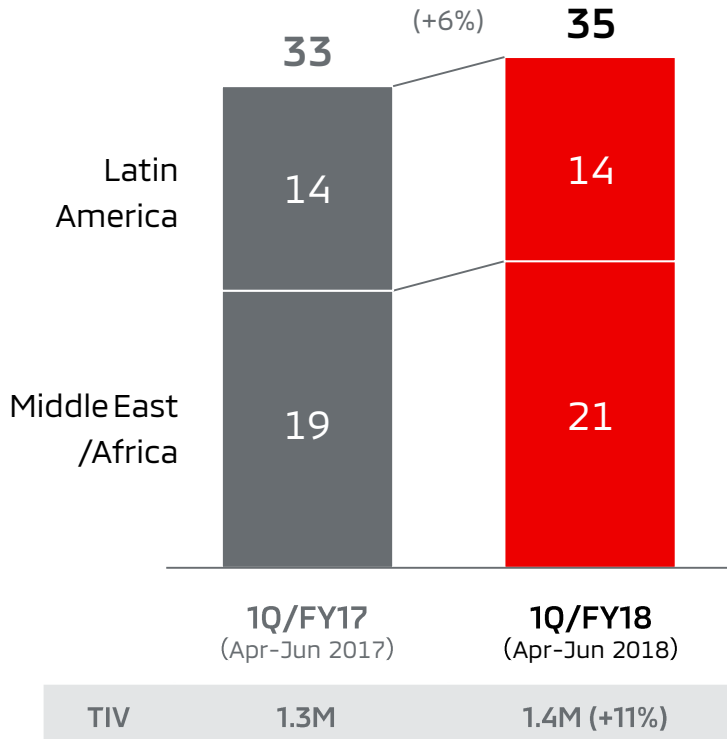
- Western Europe: *ECLIPSE CROSS* contributing to increase of sales volume: +7.9K (as of June)
- Russia: steadily increase *PAJERO SPORT*

TIV: according to research (EU28+EFTA). * From FY2018, the regional classification of some countries in Europe was changed to "Other Regions." FY2017 actual numbers above were changed accordingly.

1Q/FY2018 Results by Region: Latin America, Middle East/Africa



Retail sales (000 units)



Triton/L200

Sales Volume: 35K, +6%

- The acquisition of fleet business
- *ECLIPSE CROSS* contributed to sales increase

TIV: according to research (Latin America + GCC). * From FY2018, the regional classification of some countries in ASEAN and Europe was changed to "Other Regions." FY2017 actual numbers above were changed accordingly.

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FY2018 Full-Year Forecast (vs. FY2017 Actual)



(billion yen, 000 units)	FY17 Actual (Apr 2017 – Mar 2018)	FY18 Forecast (Apr 2018 – Mar 2019)	Variance	
			Amount	Ratio
Net Sales	2,192.4	2,400.0	+207.6	+9%
Operating Profit (OP Margin)	98.2 (4.5%)	110.0 (4.6%)	+11.8 (+0.1 P.P.)	+12%
Ordinary Profit	110.1	125.0	+14.9	+14%
Net Income*	107.6	110.0	+2.4	+2%
Sales Volume (Retail)	1,101	1,250	+149	+14%

* Net income attributable to owners of the parent

1. FY2018 First-Quarter Financial Results Summary

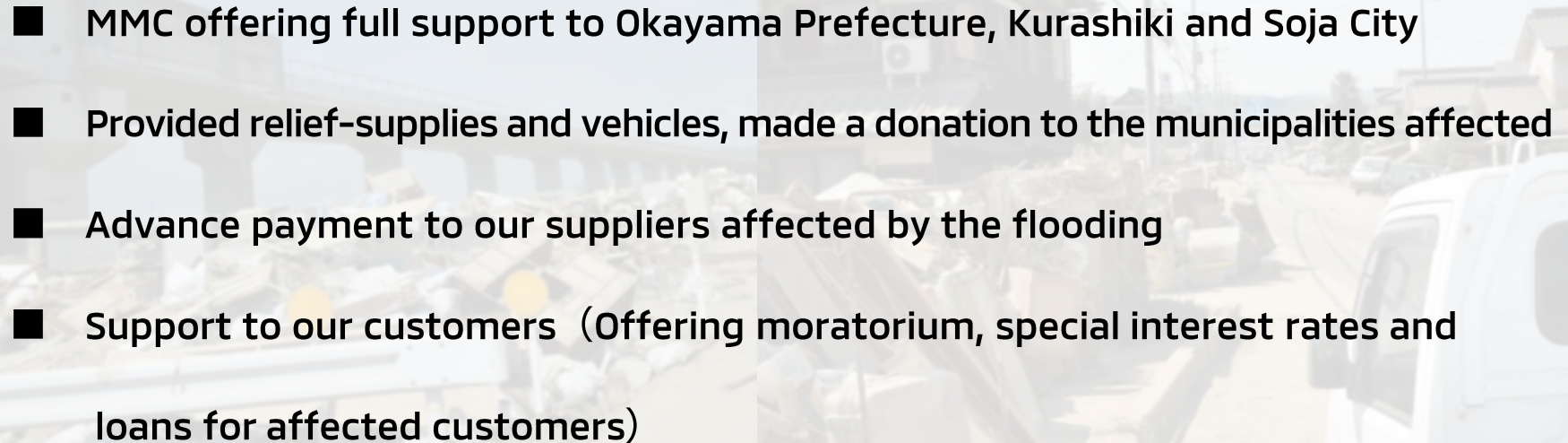
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4. Business Highlights

Torrential Rain in Western Japan: Impact and Response

- Mizushima Plant had no significant impact and resumed production on July 16
- However, the surrounding area and our business partners were seriously damaged

- 
- MMC offering full support to Okayama Prefecture, Kurashiki and Soja City
 - Provided relief-supplies and vehicles, made a donation to the municipalities affected
 - Advance payment to our suppliers affected by the flooding
 - Support to our customers (Offering moratorium, special interest rates and loans for affected customers)

Sales of New Models



***XPANDER*: Strong Sales & Start of Shipping**

- Started shipment to Philippines in April
- Aggregate Sales volume: 52K (as of June)



***ECLIPSE CROSS*: Global Sales**

- Launching over 60 countries (as of June)
- Aggregate Sales volume: 36K (as of June)



Improved *OUTLANDER PHEV*: Launching from August

- Expanding sales by improving its attractive
- Updating the PHEV system, and improving driving performance and quietness

New Design for Dealers Worldwide

- Developing a new Corporate Identity / Visual Identity
- 5,000 dealerships worldwide renovating interior and exterior
- Aiming to improve customer satisfaction through brand image experience



Exterior



Interior

Progress in Joint Operations

- Joint Training Center in Philippines: enhance customer service quality
- National Distribution Centre in Australia: strengthen distribution network for parts and accessories



Joint Training Center (Philippines)



National Distribution Centre (Australia)

Enhance Customer Service: Sales Finance

Netherlands

Launched in Feb 2018



MITSUBISHI MOTORS
FINANCIAL SERVICES

Canada

Launched in Jul 2017



MITSUBISHI MOTORS
FINANCIAL SERVICES

Japan

Obtaining 100% of the company
share in Apr 2018



MMCダイヤモンドファイナンス
株式会社

Thailand

Launched in Jul 2017

MITSU LEASING
มิซู เลอซิง

Australia

Launched in Jun 2017



MITSUBISHI MOTORS
FINANCIAL SERVICES

New Zealand

Launched in Jul 2017



MITSUBISHI MOTORS
FINANCIAL SERVICES

- Improve customer convenience from sales to aftersales
- Strengthening domestic sales structure by improving its value chain and developing sales measures integrated with financial services

- MMC developing business
- Partnering with Nissan's sales finance subsidiary
- Partnering with Renault's sales finance subsidiary



**MITSUBISHI
MOTORS**

Drive your Ambition



APPENDIX

1Q/FY2018 Balance Sheet (vs. FY2017)

(billion yen)	FY17 (As end of Mar 2018)	1Q/FY18 (As end of Jun 2018)	Variance
Total Asset	*1,646.2	1,808.5	*+162.3
Cash & Deposits	571.9	444.3	-127.6
Total Liabilities	*849.7	1,018.3	*+168.6
Interest-bearing Debt	26.6	219.1	+192.5
Total Net Assets	796.6	790.2	-6.4
Shareholders Equity (Equity Ratio)	781.0 (*47.4%)	782.7 (43.3%)	+1.7
Net Cash 【Automotive】	545.3	404.8	-140.5

*Figures have been revised since July 24, 2018 posted.

1Q/FY2018 Regional Performance (vs. 1Q/FY2017)



(billion yen)	Net Sales			Operating Profit		
	1Q/FY17 (Apr-Jun 2017)	1Q/FY18 (Apr-Jun 2018)	Variance	1Q/FY17 (Apr-Jun 2017)	1Q/FY18 (Apr-Jun 2018)	Variance
Total	440.9	560.0	+119.1	20.6	28.1	+7.5
- Japan	75.4	90.2	+14.8	-7.5	-0.1	+7.4
- ASEAN	105.5	125.7	+20.2	10.6	14.3	+3.7
- China, others	27.4	27.6	+0.2	4.6	4.8	+0.2
- North America	69.8	94.3	+24.5	3.3	-2.7	-6.0
- Europe	73.3	104.7	+31.4	0.2	2.5	+2.3
- Others	89.5	117.5	+28.0	9.4	9.3	-0.1

* From FY2018, the regional classification of some countries in ASEAN and Europe was changed to "Other Regions." FY2017 actual numbers above were changed accordingly.

1Q/FY2018 Capital Expenditure, Depreciation and R&D Expense



(billion yen)	1Q/FY17 (Apr-Jun 2017)	1Q/FY18 (Apr-Jun 2018)	FY18 Forecast (Apr 2018 – Mar 2019)
CAPEX (variance YoY)	12.9 (+47%)	34.2* (+165%)	135.0* (+35%)
Depreciation (variance YoY)	11.1 (-6%)	13.0 (+17%)	60.0 (+15%)
R&D Expense (variance YoY)	20.7 (+4%)	26.6 (+29%)	122.0 (+19%)

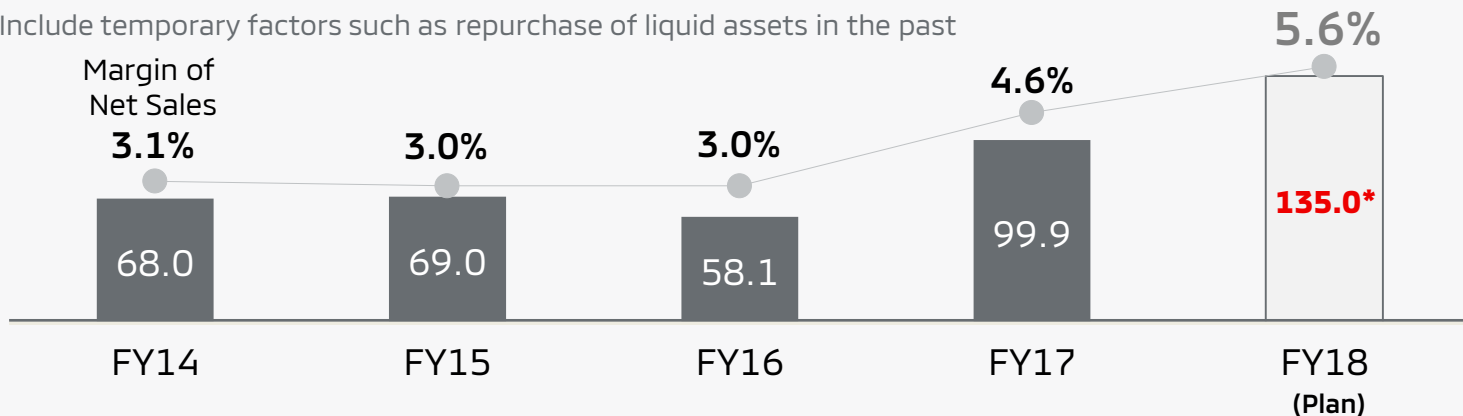
*Include one-time factors such as repurchase of SLB assets

Capital Expenditure / Depreciation Forecast (announced in May 2018)

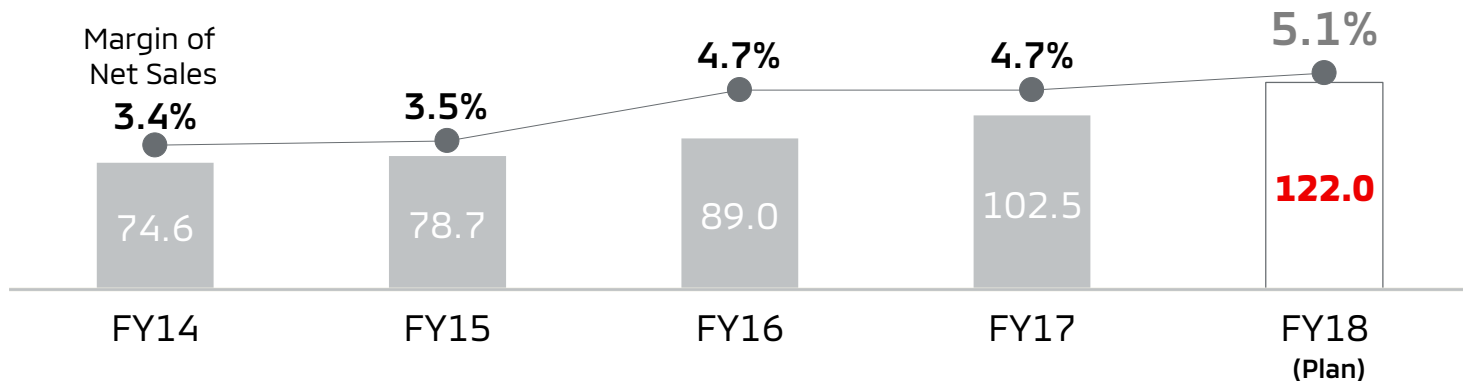


* Include temporary factors such as repurchase of liquid assets in the past

CAPEX
(billion yen)



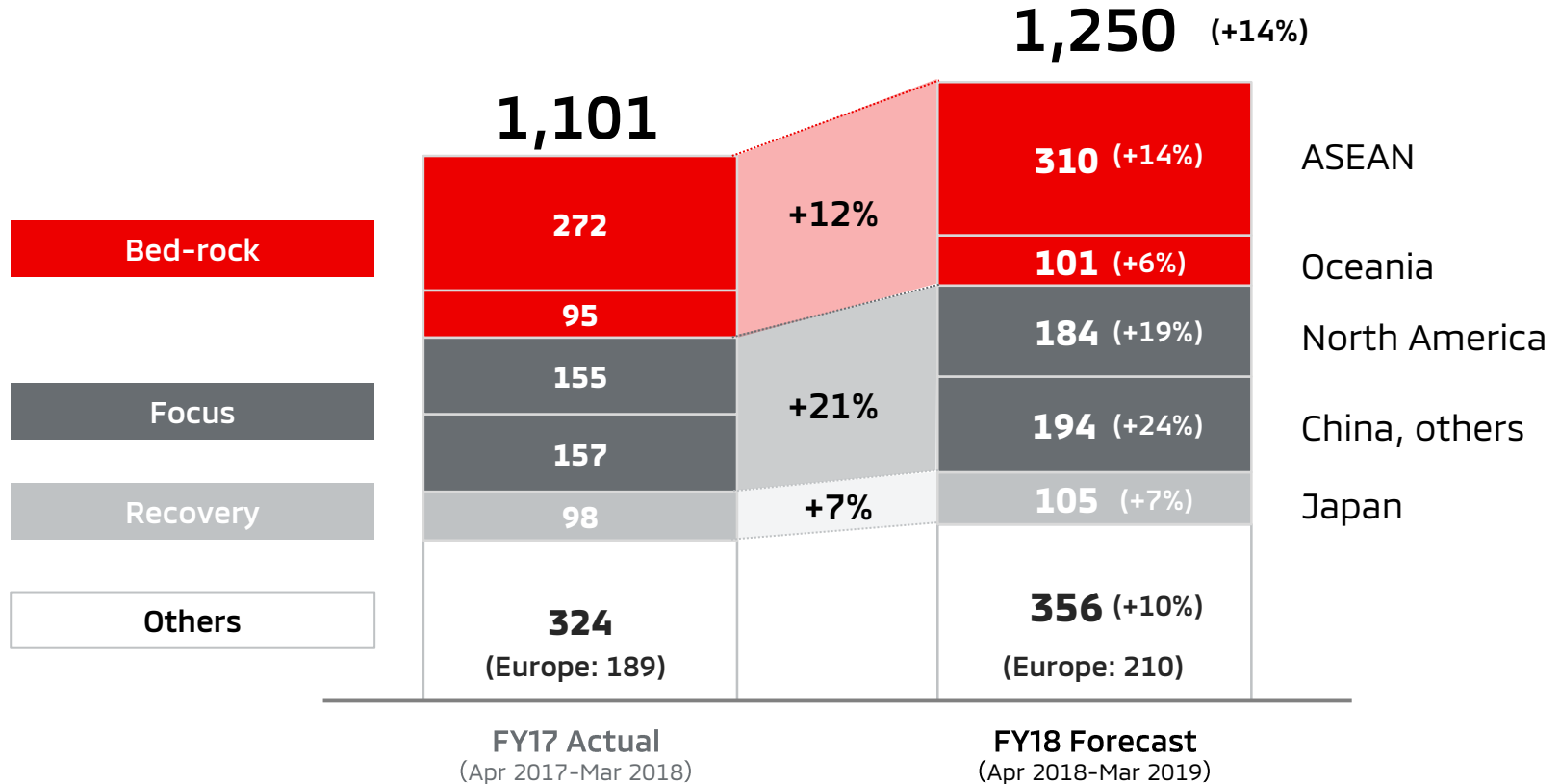
R&D
(billion yen)



FY2018 Retail Sales Forecast (vs. FY2017 Actual, announced in May 2018)



Retail sales (000 units)

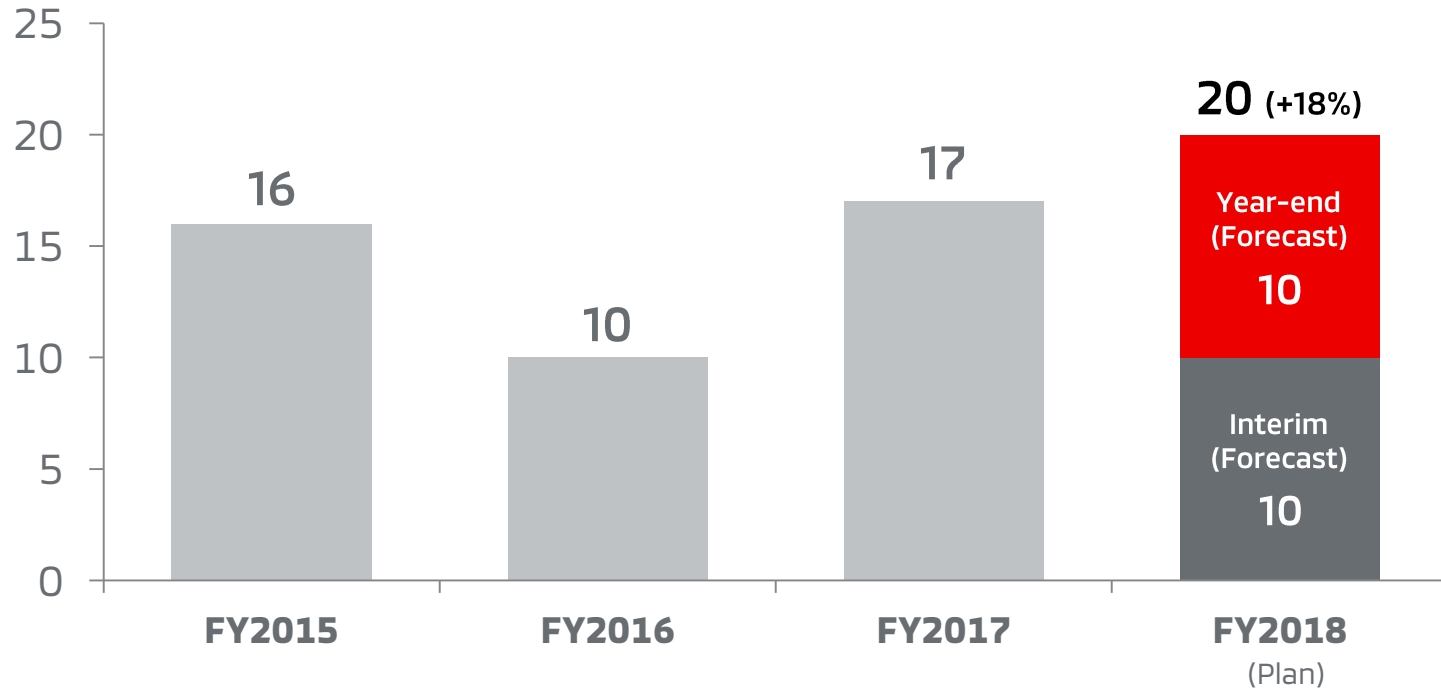


* From FY2018, the regional classification of some countries in ASEAN and Europe was changed to "Other Regions." FY2017 actual numbers above were changed accordingly. 30

Shareholder Returns Forecast (announced in May 2018)



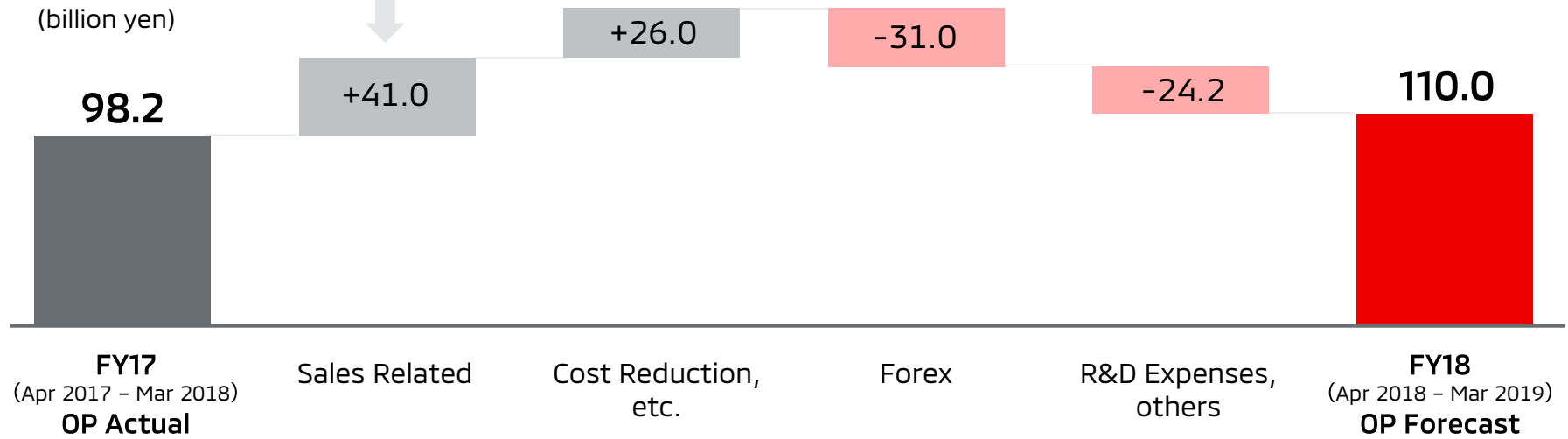
Dividend per Share (yen)



FY2018 Full-Year Forecast: OP Variance Forecast (vs. FY2017 Actual, announced in May 2018)

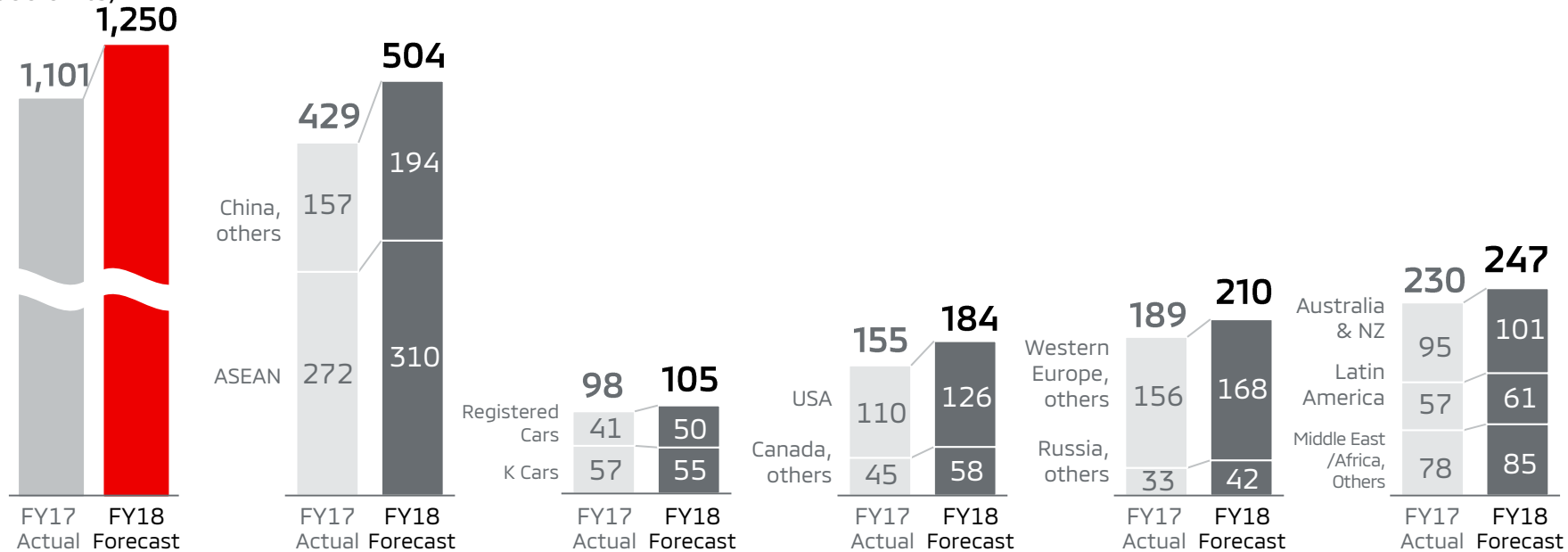
Sales	
Vol/Mix	+55.0
Sales expenses	-14.0
Total	+41.0

	FX rate (yen)		Effect (bill yen)
	FY17	FY18	
USD	111	105	-15.0
EUR	130	130	±0
THB	3.38	3.40	-2.0
Others	-	-	-14.0
Total	-	-	-31.0



FY2018 Retail Sales Forecast (vs. FY2017 Actual, announced in May 2018)

(000 units)



Total	Asia	Japan	North America	Europe	Others
+149	+75	+7	+29	+21	+17
(+14%)	(+17%)	(+7%)	(+19%)	(+11%)	(+7%)

* From FY2018, the regional classification of some countries in ASEAN and Europe was changed to "Other Regions." FY2017 actual numbers above were changed accordingly.

** Correction of errors in September 13, 2018

FY2018 Regional Sales Forecast (vs. FY2017 Actual, announced in May 2018)



(billion yen)	FY17 Actual (Apr 2017 – Mar 2018)	FY18 Forecast (Apr 2018 – Mar 2019)	Variance
Total	2,192.4	2,400.0	+207.6
- Japan	349.4	400.0	+50.6
- North America	352.5	390.0	+37.5
- Europe	444.7	460.0	+15.3
- Asia	586.2	645.0	+58.8
- Others	459.6	505.0	+45.4

* From FY2018, the regional classification of some countries in ASEAN and Europe was changed to "Other Regions." FY2017 actual numbers above were changed accordingly.

DRIVE FOR GROWTH (announced in October 2017)



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

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.

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