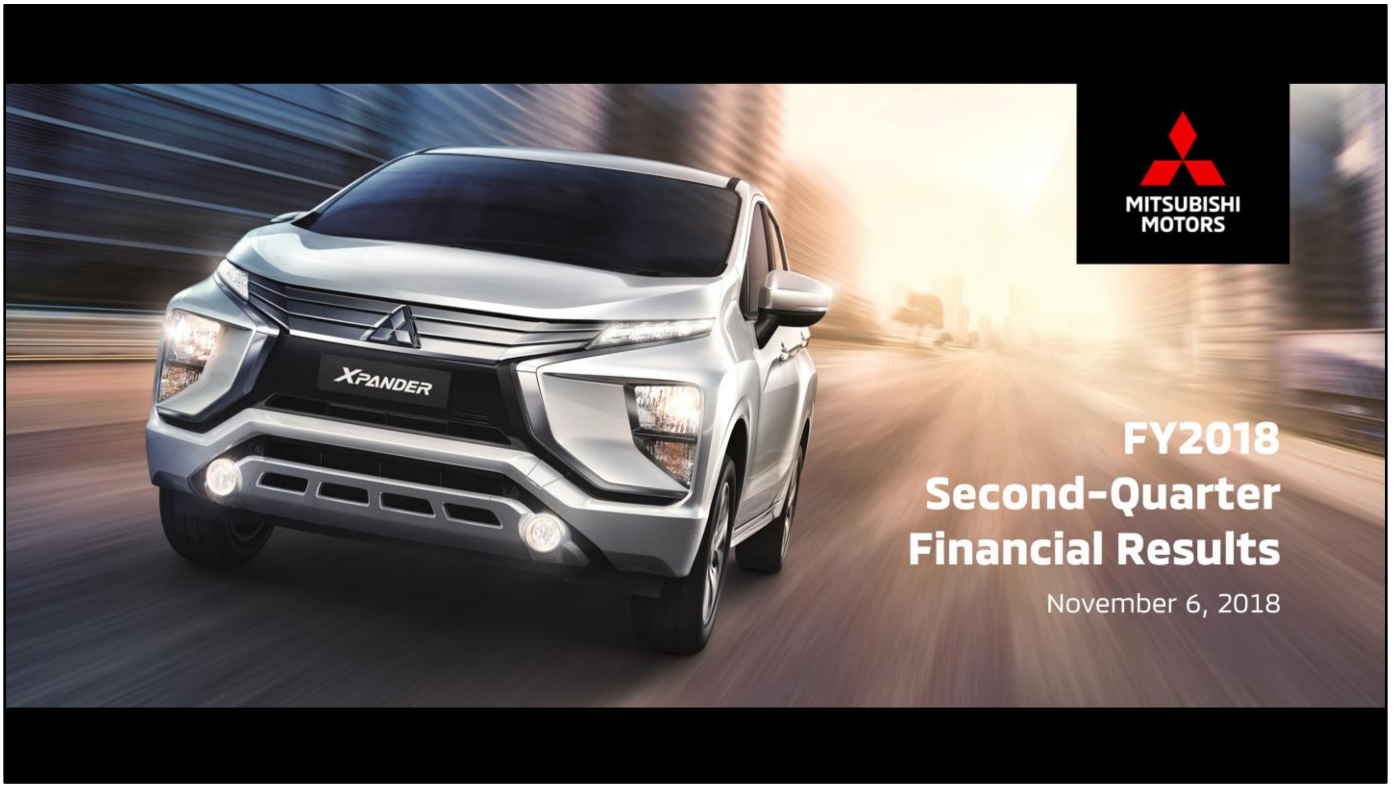

MITSUBISHI
MOTORS
XPANDER
FY2018
Second-Quarter
Financial Results
November 6, 2018

1. 1H/FY2018 Financial Results Summary

2. 1H/FY2018 Financial Results Details

3. FY2018 Financial Forecast

4. Business Highlights



As we have faced more natural disasters this year than usual and these brought huge damage and took many people's life, I would like to express my heartfelt sympathy to individuals who affected by natural disasters.

The torrential rain in western Japan caused a major damage in Okayama Prefecture, where our Mizushima Plant is located, and Our production has also been affected by more than 10,000 units.

But we were able to minimize the impact on our production and shipping with the cooperation of our suppliers and many other business partners, as well as the members in the local community. I would like to extend my heartfelt thanks to all of our business partners.

## 1H/FY2018 Financial Results Summary (vs. 1H/FY2017)

| (Billion yen, 000 units) | 1H/FY17 (Apr-Sep 2017) | 1H/FY18 (Apr-Sep 2018) | Variance | |
|---|---|---|---|---|
| | | | Amount | Ratio |
| Net Sales | 947.7 | **1,169.3** | +221.6 | +23% |
| Operating Profit (OP Margin) | 44.2 (4.7%) | **56.9 (4.9%)** | +12.7 (+0.2 P.P.) | +29% |
| Ordinary Profit | 60.6 | **68.3** | +7.7 | +13% |
| Net Income* | 48.4 | **51.9** | +3.5 | +7% |
| Sales Volume (Retail) | 498 | **594** | +96 | +19% |

* Net income attributable to owners of the parent

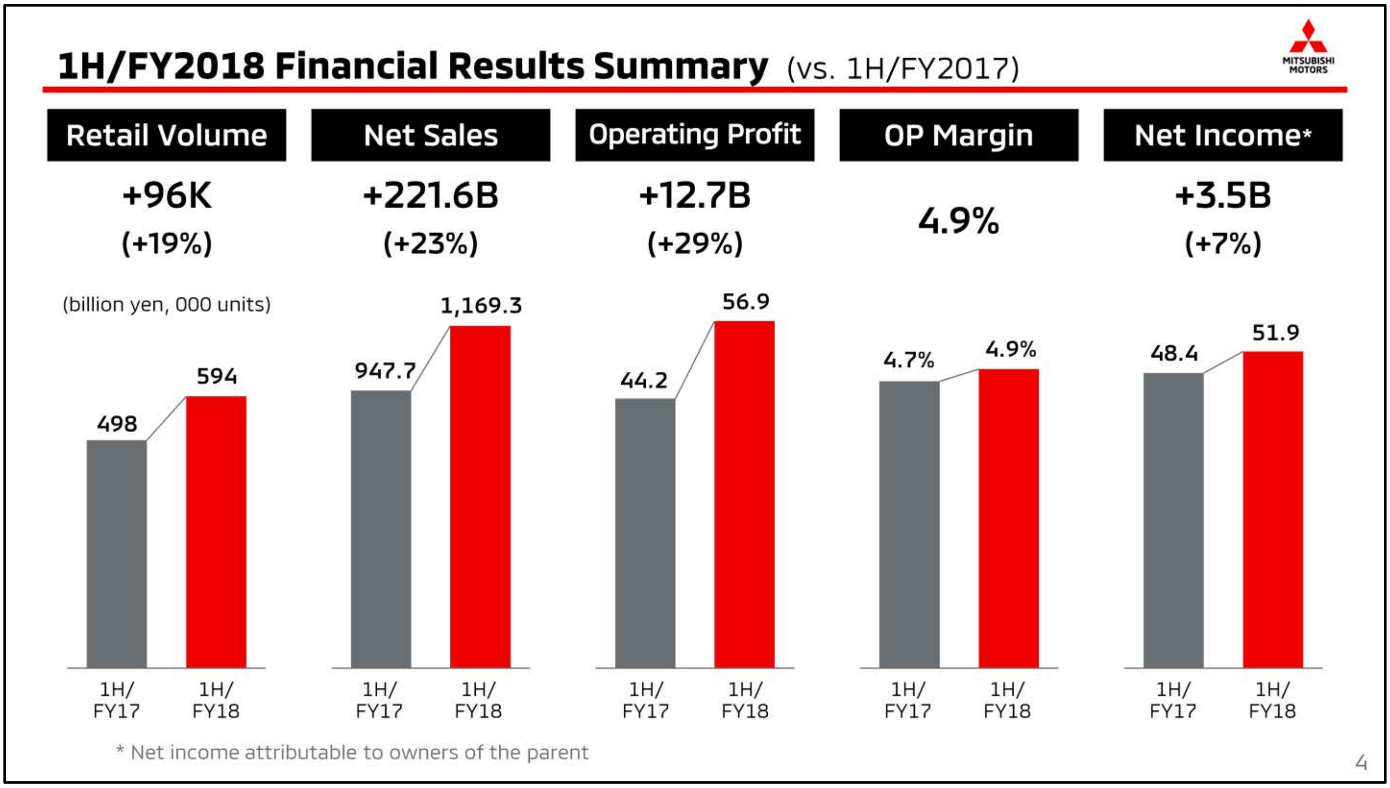
3

Net sales increased 23% from the same period of the previous year to 1.169 trillion yen.

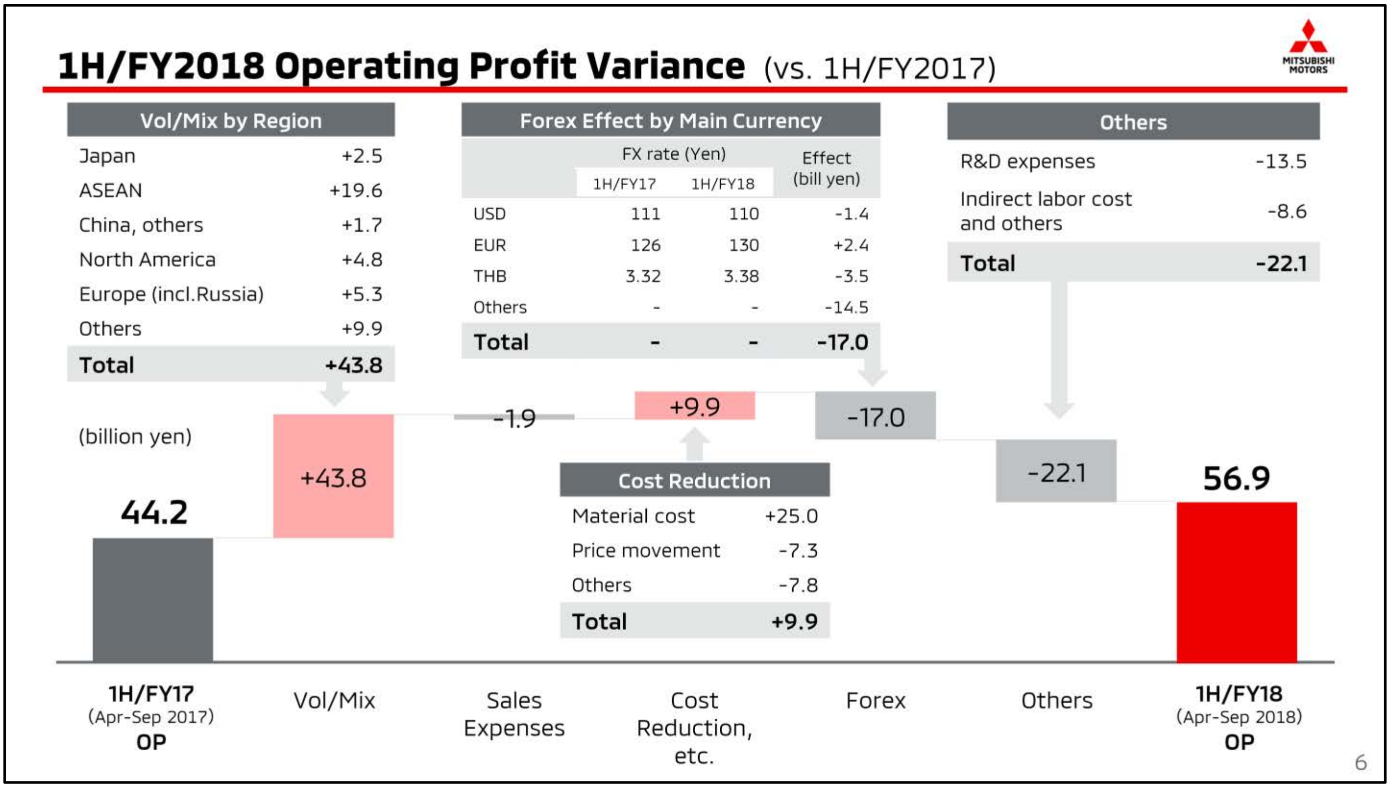
Operating profit in the six-months to September 30 increased 29% to 56.9 billion yen, up from 44.2 billion yen in the previous year. And I would like to highlight that our Operating Profit margin has now reached 4.9%.

Net income was 51.9 billion yen, which increased 7% from the same period of the previous year.

Our unit sales increased 19% from previous fiscal year to 594,000 units.




Sales volume, net sales and revenue all increased, and we have seen a particularly strong improvement in Net Sales and Operating Profit, which rose by 23% and 29% respectively.

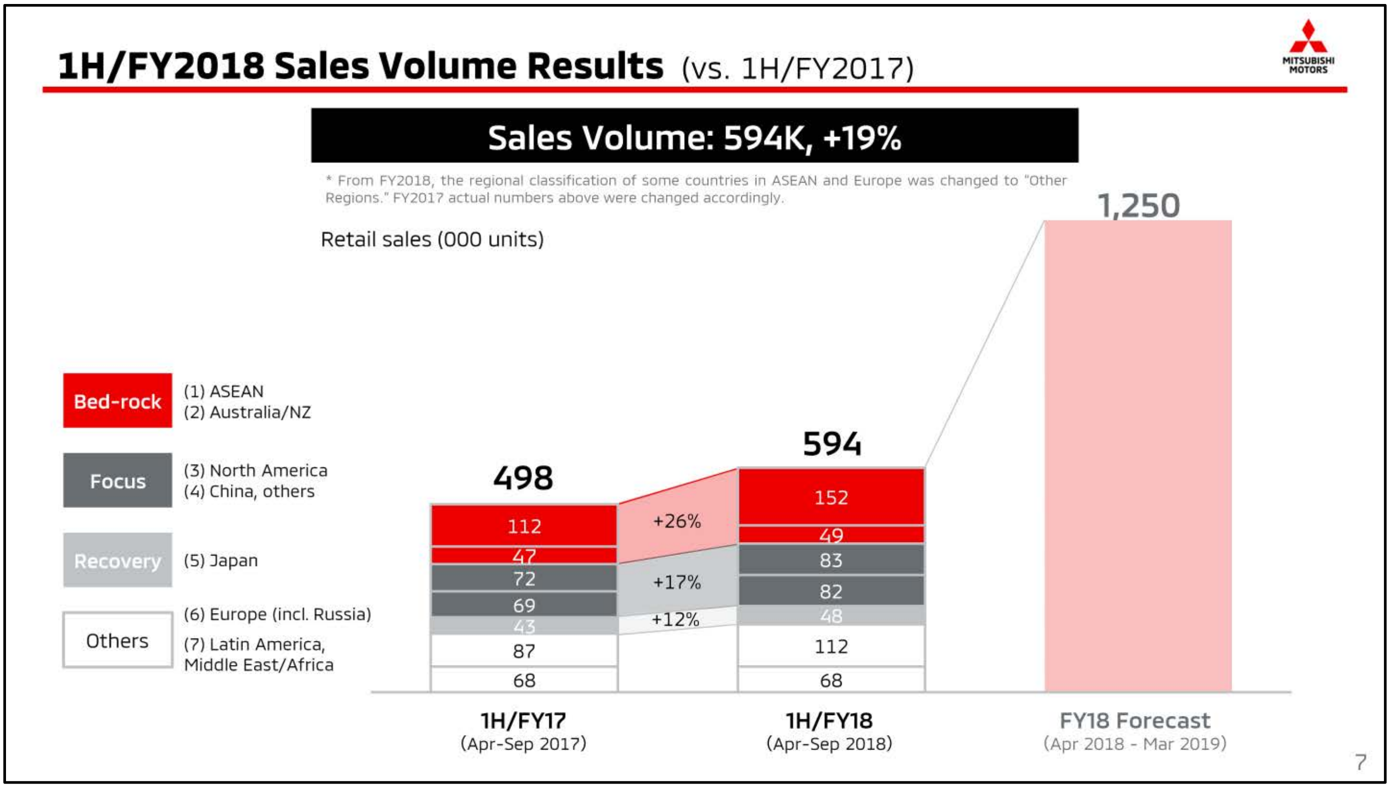



Unit sales and model mix increased by 43.8 billion yen, due in large part to sales of newly-launched cars, particularly the *XPANDER*.

Sales expenses had a negative impact of 1.9 billion yen due to an increase in North America and ASEAN, although we saw a significant improvement in Japan. The expense line mainly reflects the increased incentives and advertising spend for brand rebuilding in these regions.

Cost reductions produced a positive impact of 9.9 billion yen. Despite increased costs linked to fluctuating market conditions and higher costs related to investment in growth, synergies are being generated and material costs are progressing smoothly.

As for exchange rates, not only the U.S. dollar and Thai baht, but also other currencies especially in emerging and commodity currencies such as the Australian dollar, Russian ruble and Indonesian rupiah moved in a negative direction across the board. This has a 17.0 billion yen negative impact on operating profits.




Our global sales volume in the first half of FY2018 increased year on year in almost all regions. Strong momentum from our new car launches in the second half of the previous fiscal year, in addition to solid sales of existing models, contributed to growth in each region.

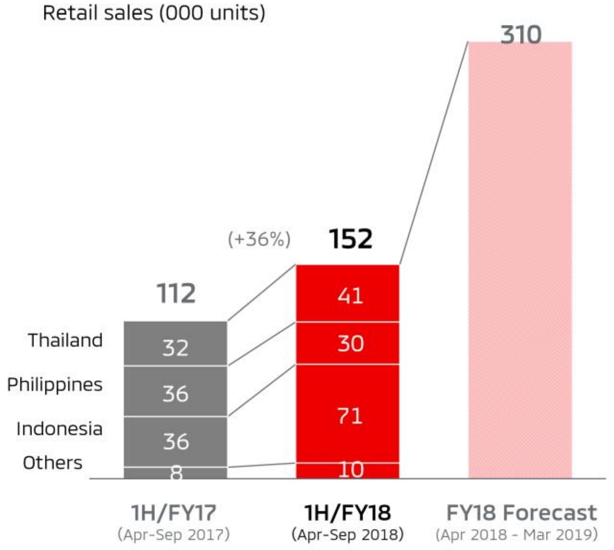
With strong momentum from our new car launches, our global sales volumes grew.

In ASEAN and Australia/New Zealand regions, which are the Bed-rock regions in the ‘DRIVE FOR GROWTH’ mid-term plan, sales increased 26% year on year.

Overall, the unit sales in our Focus regions increased by 17% compared to the same period a year earlier. In China, we achieved steady growth, and in North America, we worked to rebuild our brand and gradually increased sales.

In Japan, which we define as a recovery market, sales volumes increased by 12% from the previous year.

## 1H/FY2018 Results by Region: ASEAN




| | | |
|---|---|---|
| TIV | 1.5M | 1.7M (+9%) |

TIV: according to research (7 major countries).

*XPANDER*

**Sales Volume: 152K, +36%**

- *XPANDER* :
  - Strong sales remain in Indonesia: 38K
  - Sales start in other ASEAN: 7.7K (as of September)

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ASEAN sales increased by 36% to 152,000 units due to the strong performance of the new *XPANDER* MPV, which was launched in Indonesia last year.

In the first half, strong sales of *XPANDER* totaled over 45,000 units, mainly due to growth in Indonesia, where we have increased production capacity at our Bekasi plant to meet rising demand. This MPV has driven our strong sales in ASEAN.

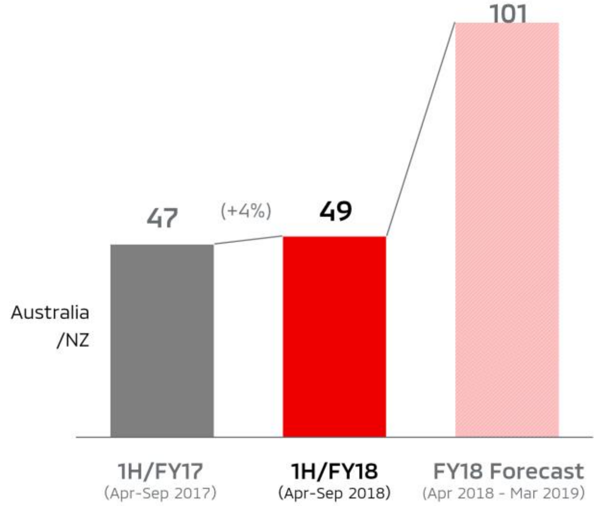
By country, although the market share rose 0.2% year on year, the sales volumes in the Philippines were impacted by the introduction of an excise tax last year, leading to 6,000 units decrease.

On the other hand, we saw a huge increase by 35,000 units in Indonesia due to success of *XPANDER* as I mentioned.

And in the recovering Thailand market, our volumes increased by 9,000 units, supported by a customer service campaign and good sales of *TRITON* with a special edition.

## 1H/FY2018 Results by Region: Australia/NZ

Retail sales (000 units)




| TIV | 0.7M | 0.6M (-3%) |
|---|---|---|

TIV: according to research.


*PAJERO SPORT*

**Sales Volume: 49K, +4%**

- Expand sales share: 4th in 1H (Australia)
- Sales remain steady

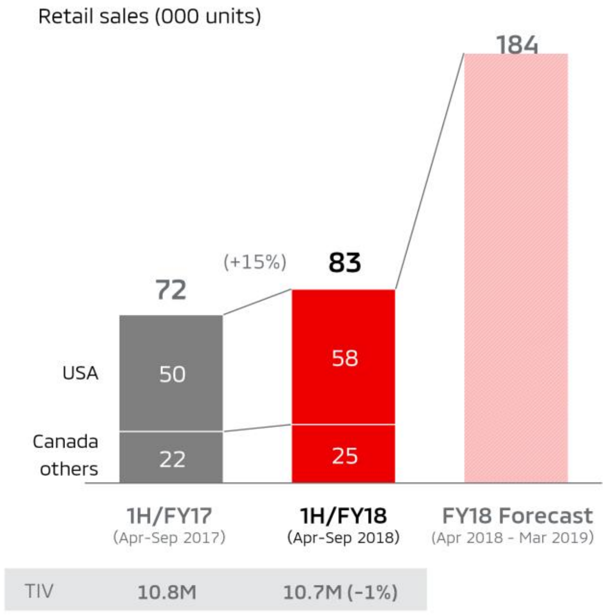
9

In Australia and New Zealand, sales increased by 4% to 49,000 units in this first half, maintaining our high market share in Oceania.

In particular, to meet the demand from an expanding market for sports utilities, in which we have an advantage, we introduced special edition models and improved our sales network. As a result, we were ranked 4th in the Australian, and 3rd in New Zealand of market share in the first half of the fiscal year.

We continue to focus on our strengths on SUV and LCV models, which is in tune with the trends in the Australian and New Zealand markets.

## 1H/FY2018 Results by Region: North America




TIV: according to research.

*OUTLANDER*

**Sales Volume: 83K, +15%**

- Contribution to increase sales: *OUTLANDER PHEV*, etc.
- Continue to work to strengthen our brand power

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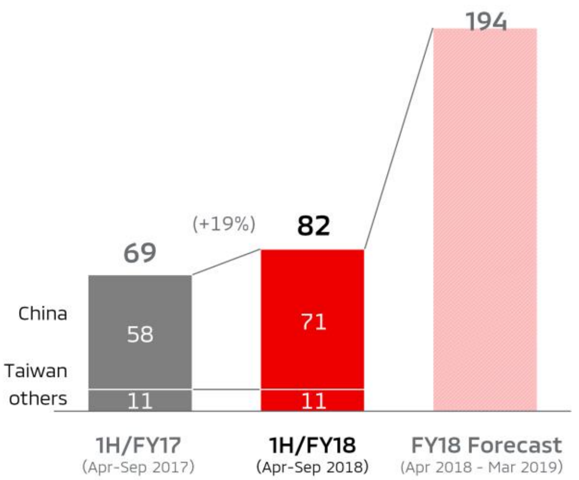
Sales in North America rose by 15% to 83,000 units from last year.

While the US remains intensely competitive, we were able to increase sales volumes thanks to the launches of the new *OUTLANDER PHEV*, etc.

Despite a gradual contraction in total demand, we will continue to work to strengthen our brand power and concentrate on harnessing the popularity of SUVs, our core segment.

## 1H/FY2018 Results by Region: China, others

Retail sales (000 units)




| TIV | 12.8M | 12.9M (±0%) |
|---|---|---|

TIV: according to research.


*ECLIPSE CROSS*

**Sales Volume: 82K, +19%**

- *OUTLANDER* sales remain strong
- Strengthen our sales network: 331 shops, up from 302 (from March to September)

11

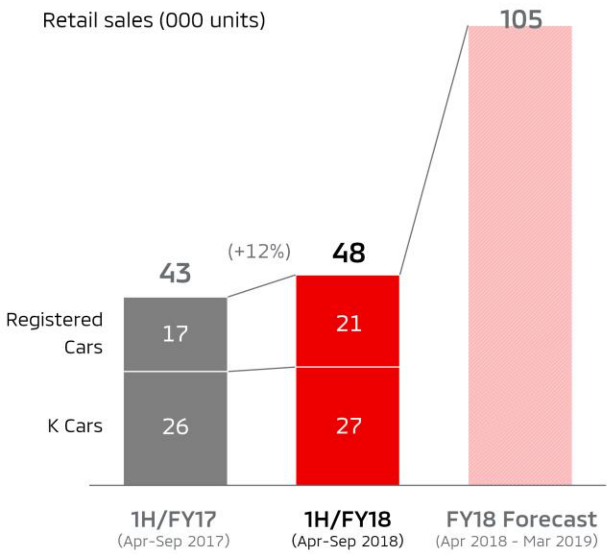
In China, the sales increased by 22% to 71,000 units due to the solid demand for the localized *OUTLANDER*.

Total sales in the entire North Asia including China, rose by 19% year on year to 82,000 units.

As we have issued a press release today, sales of locally produced *ECLIPSE CROSS* are to start to strengthen our product lineup.

We are also expanding our sales network in China, which now consists of 331 dealerships as of September, up from 302 last fiscal year.

## 1H/FY2018 Results by Region: Japan




| TIV | 2.2M | 2.2M (±0%) |
|---|---|---|

TIV: according to research.

*DELICA D:5*

**Sales Volume: 48K, +12%**

- *ECLIPSE CROSS* contributing to sales volume
- Steady increase of registered cars

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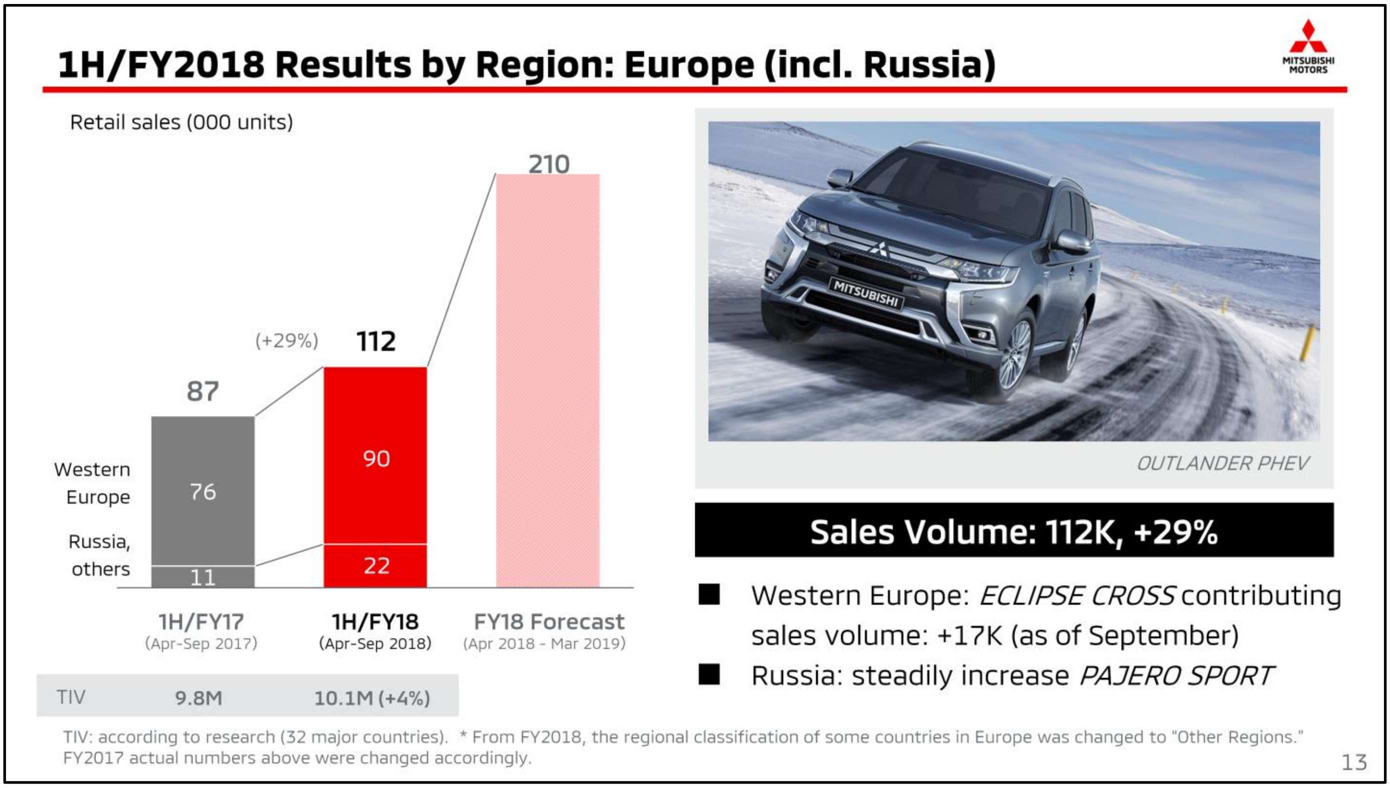
In our home market of Japan sales volume increased by 12% to 48,000 units compared with last year.

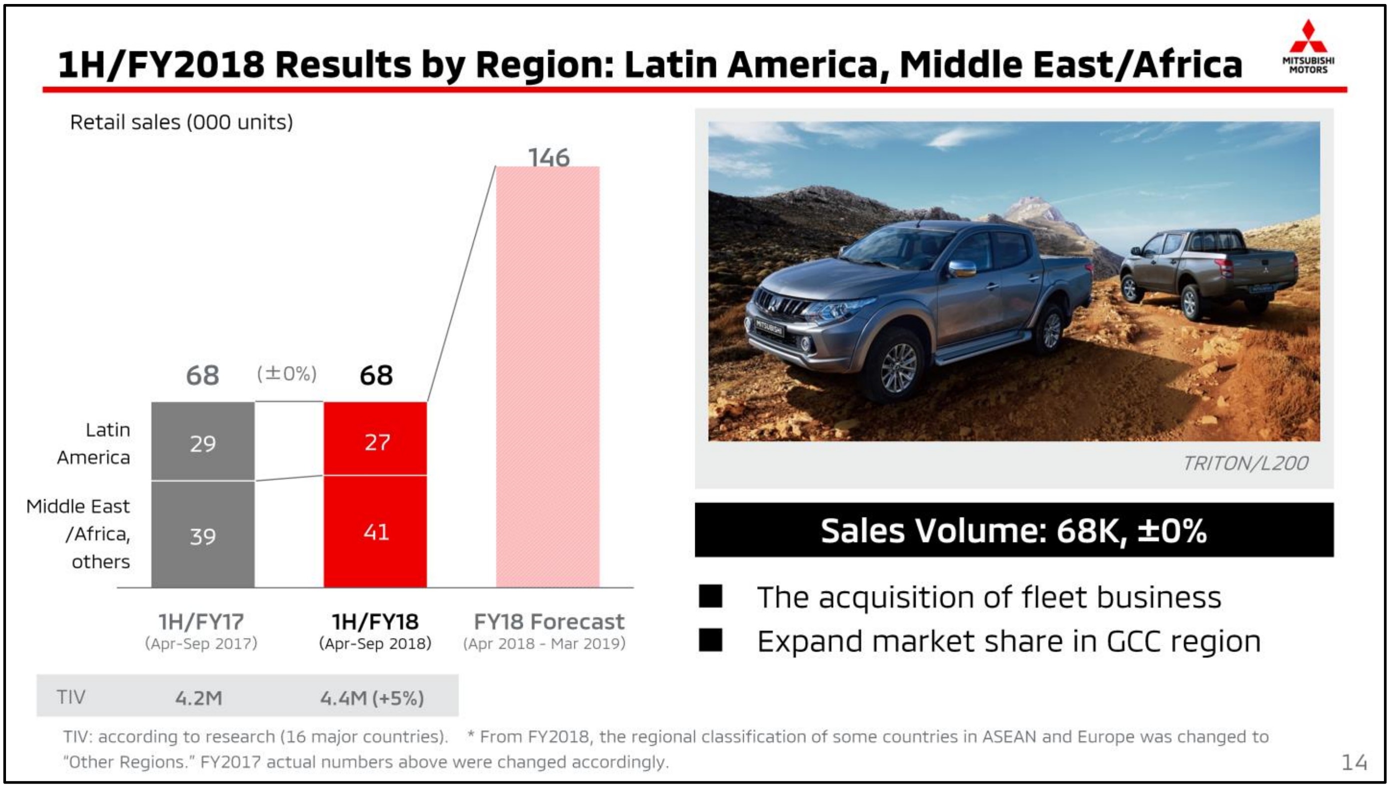
The introduction of the *ECLIPSE CROSS* at the end of FY2017 contributed to this performance, as well as a new version of the *OUTLANDER PHEV*, which has improved its marketability.




In Europe, sales of our diesel line-up decreased in line with the market as a whole, caused by tightening emissions regulations and fiscal changes.

However, sales of the *ECLIPSE CROSS* continued to rise, which contributed to a 29% year-on-year increase in total sales volume to 112,000 units.

Demand is finally recovering in Russia, allowing MITSUBISHI MOTORS to resume local production of *PAJERO SPORT*. Sales of *OUTLANDER* are also steadily increasing.




To complete the picture, here are our results from the Middle East and Africa and from Latin America. Together, these regions contributed sales of 68,000 units in the first half, the same as in the same period of the previous year.

Sales in Latin America decreased by 2,000 units yare-on-year mainly in Brazil. In the Middle East impacts of Iran and Turkey have been more than compensated by growth both in the Kingdom of Saudi Arabia and the United Arab Emirates.

1. 1H/FY2018 Financial Results Summary

2. 1H/FY2018 Financial Results Details

**3. FY2018 Financial Forecast**

4. Business Highlights

## 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

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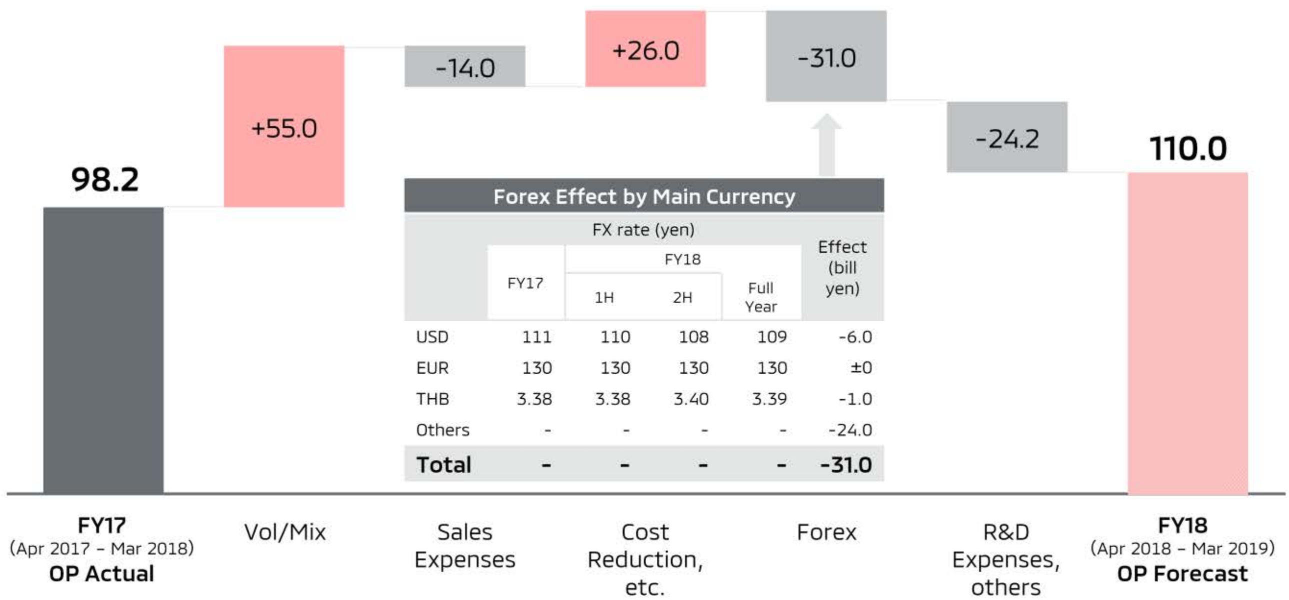
In the first half of the fiscal year, the business environment was not easy. In addition to many natural disasters, including torrential rains in western Japan, the depreciation of currencies of emerging countries pushed down profits by more than 10 billion yen. Nevertheless, we achieved about 50% of our initial forecasts for both revenue and profit, and were able to proceed almost as planned.

On the other hand, the global economy has become increasingly uncertain against the backdrop of trade friction between the United States & China, which is yet to see a clear convergence point. Furthermore, given the possibility that the market environment will become severer due to the continued depreciation of currencies of emerging countries, the future outlook is more cautious than usual at this point in time.

Therefore, we have decided to leave our earnings forecasts unchanged and we do not see any particular negative aspects in our own operation.

While expanding sales mainly in the ASEAN region, which is one of our strengths, we will keep a prudent eye on cost management in order to achieve our performance targets for sure.

## FY2018 Full-Year Forecast: OP Variance (vs. FY2017 Actual)




**Forex Effect by Main Currency**

| | FX rate (yen) | | | | Effect (bill yen) |
|---|---|---|---|---|---|
| | FY17 | FY18 | | | |
| | | 1H | 2H | Full Year | |
| USD | 111 | 110 | 108 | 109 | -6.0 |
| EUR | 130 | 130 | 130 | 130 | ±0 |
| THB | 3.38 | 3.38 | 3.40 | 3.39 | -1.0 |
| Others | - | - | - | - | -24.0 |
| **Total** | **-** | **-** | **-** | **-** | **-31.0** |

Full-year earnings forecasts remain unchanged, but the only factor among the issues that caused fluctuations compared with the previous fiscal year is foreign exchange. The only assumption is that the foreign exchange rate will reflect the first-half results and the current market prices.

Specifically, Specifically, although the Euro rate will remain unchanged at ¥130 for the second half and full year, the US dollar will be revised to ¥108 for the second half and ¥109 for the full year, and the Thai baht will be revised to ¥3.40 for the second half and ¥3.39 for the full year. As for other currencies, we reviewed the current market levels, mainly in emerging and commodity-exporting currencies such as the Australian dollar, Russian ruble, and Indonesian rupiah, which have a major impact on us.

As a result, although the negative impact of the U.S. dollar weakened from the initial forecast, the extent of the worsening of other currencies widened. As a result, the impact of the years' exchange rate remains unchanged from the initial forecast.

## Expanding production & New Models

***XPANDER*: expanding production (Indonesia)**

- Increase in product capacity of Bekasi plant: 220k/year (FY2020)
- Production volume of *XPANDER*:160k/year (FY2020)

**New *Triton/L200***

- Unveil on November 9
- Improving toughness, reliability and car-like comfort

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*XPANDER*, which began sales in Indonesia last year and began exporting to countries around the ASEAN region from this April, received more orders and requests than expected from each country. So we have decided to boost annualized production from 100,000 to 120,000 units.

We also plan to increase production to increase production capacity at the Bekasi Plant, which produces the *XPANDER*, from the current 160,000 units to 220,000 units by fiscal 2020. In addition, the *XPANDER*'s engine will be produced in Nissan Motor Indonesia, a local production subsidiary of Nissan Motor Co., Ltd.

Separately, in Thailand, we will introduce the New *TRITON* on November 9. This new model has a good combination of durability, reliability and comfort. We believe that it will be accepted by many customers around the world.

## Important CSR Materiality Initiatives

■ 6 Key Initiatives for our ESG (Environment/ Social/ Governance)

| Categories | Material CSR Issues | Major Efforts |
|---|---|---|
| Environment | **Responding to climate change and energy issues** | ✓ Create a new "Environmental Vision (post 2020)"<br>✓ Promote R&D to reduce CO2 emissions caused by running vehicles<br>✓ Reduce CO2 emissions caused by vehicle production and logistics operations<br>✓ Acquire a certificate of Eco-Action21 at domestic sales companies |
| Social | **Delivering products which help prevent traffic accidents** | ✓ Promote R& D to achieve further active/passive safety |
| Social | **Improvement of product, sales and service quality** | ✓ Deploy improving measures aiming to achieve top level quality in automobile industry from customer viewpoint |
| Social | **Contribution to local economy through business activities** | ✓ Contribute to local economy through employment, human resource development, investment, transfer of technologies, and export operations |
| Social | **Work style reform** | ✓ Enhance measures to promote work life balance |
| Governance | **Corporate governance, compliance** | ✓ Enhance internal control systems in MITSUBISHI MOTORS Group |

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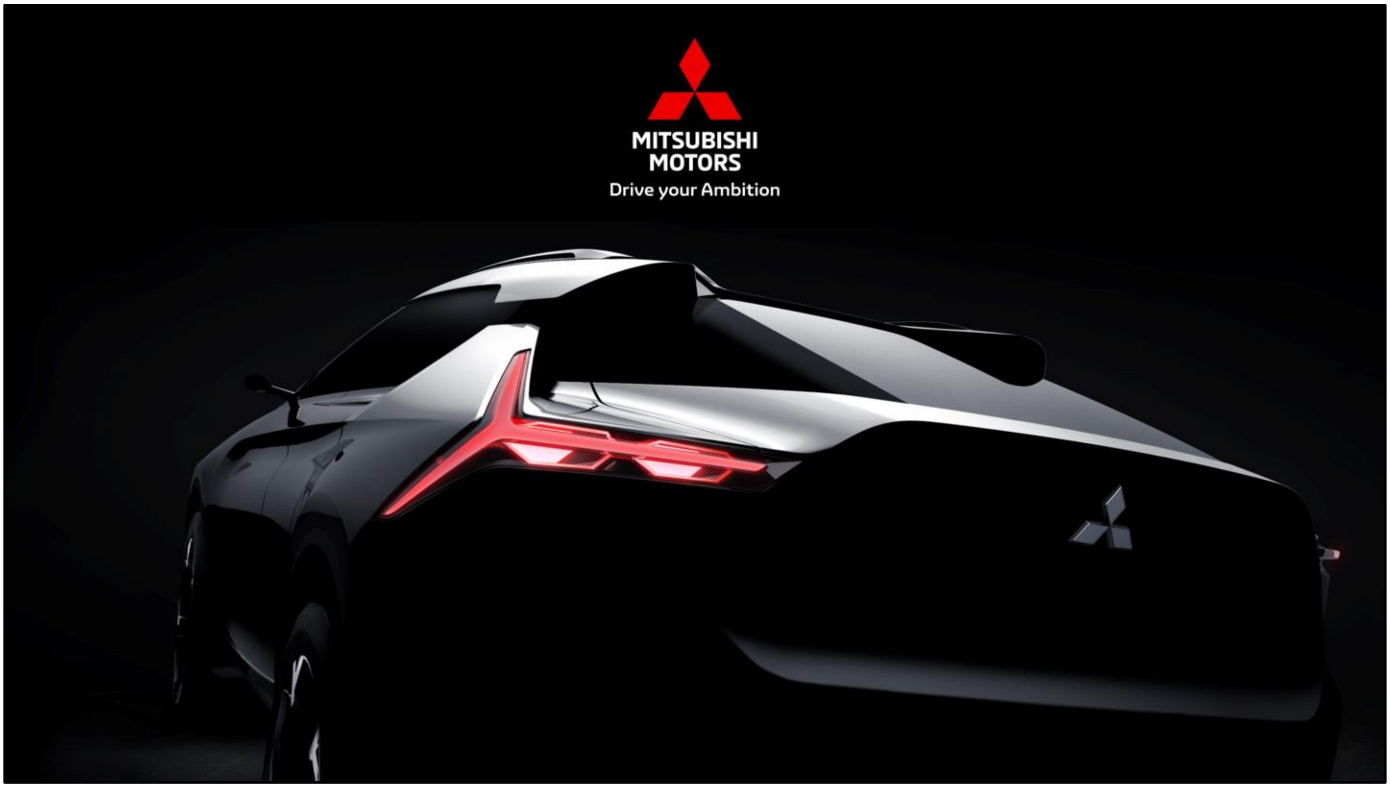
We recognized importance of the Sustainable Development Goals (SDGs) adopted in the United Nations in 2015, we have conducted interviews with experts and conducted in-house deliberations to identify key CSR issues that we need to address from various issues in the fields of the environment (E), society (S), and governance (G).

Furthermore, from the perspective of both stakeholder interest and impact on the company, we have appointed an executive as a leader and established a structure for thorough follow-up on six issues, including "response to climate change and energy issues" and "provision of products that contribute to the reduction of road traffic accidents," which are of particular importance as an automobile manufacturer.

In order to sustain sound business activities, we need to gain understanding and support not only from people who are direct customers of our products and services, but from society, in the wide meaning, including people who are not direct customers of our products and services. We will make every effort to contribute to the creation of a vibrant and sustainable society through business activities that are unique to Mitsubishi Motors, while keeping this in mind in our CSR efforts.




When the global situation is increasingly unstable, various risks, including unexpected ones, could affect us at any time.

While our business performance has been on a moderate recovery track, we are going back to basics and working to eliminate waste as we maintain disciplined cost management. At the same time, we will make every effort to implement what we can to achieve our performance targets.

We are currently in the process of deepening internal discussions on the optimal approach for the next medium-term plan and the management policy to achieve this. I look forward to explaining this approach to all of you in due course.

# APPENDIX

## 1H/FY2018 Balance Sheet (vs. FY2017) and Free Cash Flow (vs. 1H/FY2017)

| (billion yen) | FY17 (As end of Mar 2018) | 1H/FY18 (As end of Sep 2018) | Variance |
|---|---|---|---|
| Total Asset | 1,646.2 | 1,842.3 | +196.1 |
| Cash & Deposits | 571.9 | 458.6 | -113.3 |
| Total Liabilities | 849.6 | 1,019.5 | +169.9 |
| Interest-bearing Debt | 26.6 | 212.8 | +186.2 |
| Total Net Assets | 796.6 | 822.8 | +26.2 |
| Shareholders Equity (Equity Ratio) | 781.0 (47.4%) | 814.5 (44.2%) | +33.5 |
| Net Cash 【Automotive & Eliminations】 | 545.3 | *487.5 | -57.8 |

| (billion yen) | 1H/FY17 (Apr-Sep 2017) | 1H/FY18 (Apr-Sep 2018) | Variance |
|---|---|---|---|
| Free Cash Flow 【Automotive & Eliminations】 | -36.8 | -33.8 | +3.0 |

* This includes the 60.6 billion yen loan for sales finance business.

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

| (billion yen) | 1H/FY17 (Apr-Sep 2017) | 1H/FY18 (Apr-Sep 2018) | FY18 Forecast (Apr 2018 - Mar 2019) |
|---|---|---|---|
| CAPEX (variance YoY) | 44.8 | 55.4* (+24%) | 135.0* (+35%) |
| Depreciation (variance YoY) | 23.3 | 26.1 (+12%) | 60.0 (+15%) |
| R&D Expense (variance YoY) | 42.5 | 56.0 (+32%) | 122.0 (+19%) |

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

## 1H/FY2018 Regional Performance (vs. 1H/FY2017)

| (billion yen) | Net Sales | | | Operating Profit | | |
|---|---|---|---|---|---|---|
| | 1H/FY17 (Apr-Sep 2017) | 1H/FY18 (Apr-Sep 2018) | Variance | 1H/FY17 (Apr-Sep 2017) | 1H/FY18 (Apr-Sep 2018) | Variance |
| **Total** | 947.7 | **1,169.3** | +221.6 | 44.2 | **56.9** | +12.7 |
| - Japan | 160.4 | **193.2** | +32.8 | -12.7 | **-1.5** | +11.2 |
| - ASEAN | 214.0 | **254.7** | +40.7 | 20.1 | **29.3** | +9.2 |
| - China, others | 46.6 | **51.9** | +5.3 | 8.4 | **7.9** | -0.5 |
| - North America | 147.4 | **186.2** | +38.8 | 3.6 | **-1.0** | -4.6 |
| - Europe | 176.0 | **234.8** | +58.8 | 3.9 | **1.9** | -2.0 |
| - Others | 203.3 | **248.5** | +45.2 | 20.9 | **20.3** | -0.6 |

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

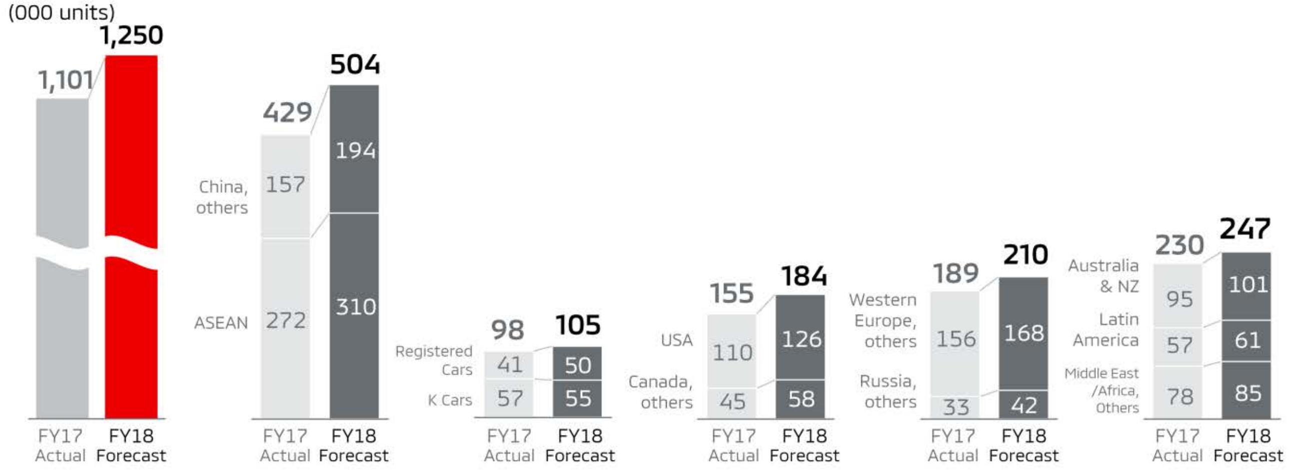
## FY2018 Regional Sales Forecast (vs. FY2017 Actual, announced in May 2018)

| (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.

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

(000 units)




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

## Impacts of Torrential Rain and Typhoons

| (billion yen) | Torrential Rain in Western Japan | Typhoon No.21 and No.24 |
|---|---|---|
| Operating Profit | -1.4 | -1.0 |
| Non OP and Extraordinary Loss | -1.2 | -0.4 |
| Total | -2.6 | -1.4 |

* Impact on 1H/FY18

## Supplier Support

- Finance Dept. has offered support to business partners since last year to address the impacts the joint purchasing within the Alliance and a shift to electric vehicles may have on them
- In addition to support in overseas business expansion, financial position improvement and financing, we helped suppliers with business process reengineering and sales network expansion
- Finance Dept. paid accounts payable to suppliers affected by the torrential rain in western Japan well before due date (10.9 billion yen for 258 companies) and provided personnel support for recovery

**Progress in Joint Purchasing within the Alliance**
- Support for market expansion within the Alliance
- Support for improvement of global supply capacity (Overseas operations and etc. )

**EV Shift Changes in Basic Parts**
- Agreement regarding EV shift with Okayama pref.
- Financial support for structural reform and change

**Continuous Management Improvement by Strengthening Finance Structure**
- Financial advice aimed at strengthening their financial structure on a recurring basis
- Support for financing in cooperation with local financial institutions

**When crises occurs,**
- Advance payment for supporting cash flows management to our suppliers affected by the torrential rain in western Japan
- Dispatched 30 employees to support restoration of supplier production

This presentation contains forward-looking statements, based on judgments and estimates that have been made on the basis of currently available information. By nature, such statements are subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned statements due to changes in economic environments related to our business, market trends, fluctuations in interest rates and exchange rate, changes in laws, regulations and government policies, etc.

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