

**FY2019 Third-Quarter
Financial Results**
January 31, 2020

1. 3Q YTD/FY2019 Financial Results

2. FY2019 Financial Forecast

3. Business Highlight

3Q YTD/FY2019 Financial Results Summary (vs. 3Q YTD/FY2018)



| (Billion yen, 000 units) | 3Q YTD (Apr -Dec) | | | | 3Q QTD (Oct - Dec) | |
|---------------------------------|-------------------|-----------------------------|----------------------|-------|--------------------|-----------------|
| | FY2018 | FY2019 | Variance | | FY2018 | FY2019 |
| | | | Amount | Ratio | | |
| Net Sales | 1,794.1 | 1,666.9 | -127.2 | -7% | 624.8 | 538.9 |
| Operating Profit (OP Margin) | 85.0 (4.7%) | 3.6 (0.2%) | -81.4 (-4.5 P.P.) | -96% | 28.1 (4.5%) | -6.6 (-1.2%) |
| Ordinary Profit | 92.4 | -2.7 | -95.1 | - | 24.1 | -3.9 |
| Net Income* | 69.2 | -11.8 | -81.0 | - | 17.3 | -14.4 |
| Sales Volume (Retail) | 894 | 876 | -18 | -2% | 300 | 284 |

* Net income attributable to owners of the parent

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In 3Q YTD/FY19, Net Sales decreased 7% year on year to ¥1,666.9 billion, mainly due to a decline in automotive demand worldwide.

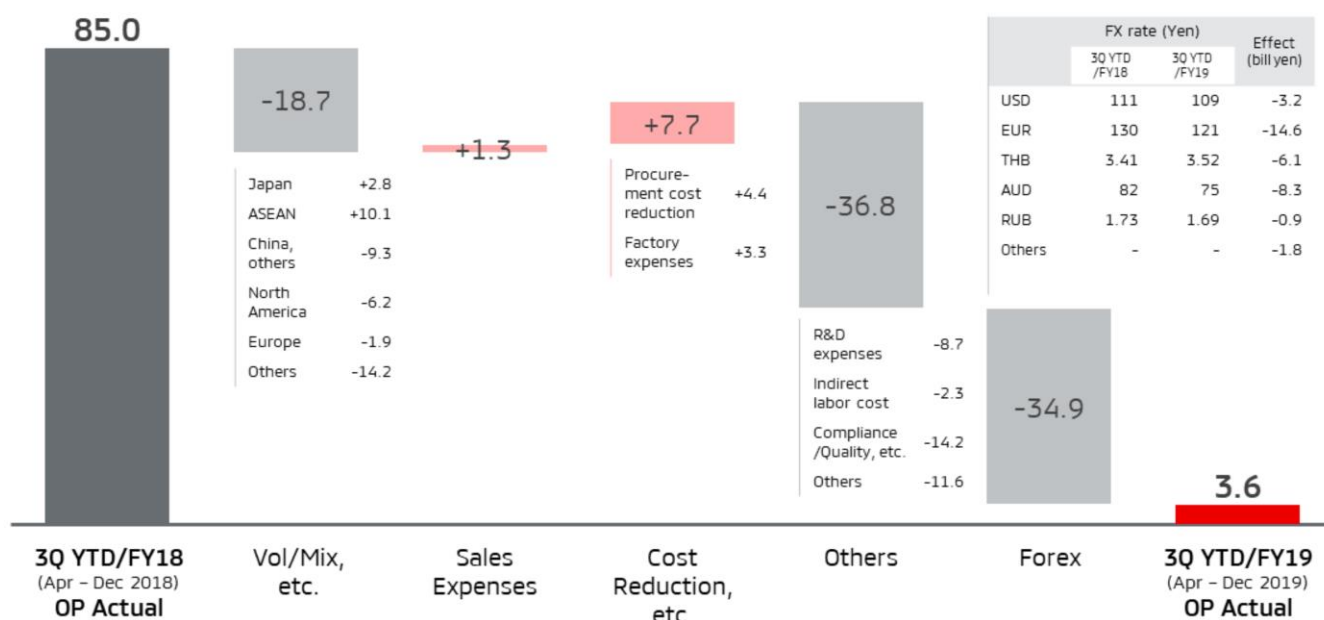
Operating Profit declined sharply to ¥3.6 billion from ¥85.0 billion year-on-year, mainly due to the decreased unit sales and the impact of currency fluctuations. The OP margin decreased from 4.7% to 0.2%.

Ordinary Profit was -¥2.7 billion, mainly due to the impact of foreign exchange losses as a non-operating expense. And, Net Income amounted to -¥11.8 billion, mainly due to taxes paid by overseas subsidiaries.

Our sales volume for 3Q YTD declined 2% YoY to 876,000 unites.

3Q YTD/FY2019 Operating Profit Variance (vs. 3Q YTD/FY2018)

(billion yen)



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The factors behind the year-on-year changes in Operating Profit are as follows:

Volume/Mix decreased by ¥18.7 billion year on year due largely to sluggish sales in North America, China, and other regions, despite solid sales in the mainstay ASEAN region.

In terms of costs, we worked to curb sales expenses, procurement cost, and factory related expenses, resulting in a total reduction of ¥9.0 billion.

Meanwhile, in other elements, earnings were squeezed significantly by the increased compliance and quality cost burden, as well as by the increased R&D and personnel expenses, compared with the previous fiscal year.

In the impact of foreign exchange rates, although the October to December period was relatively stable, the yen appreciated in the first half and the Thai baht appreciated, resulting in a total deterioration of ¥34.9 billion.



3Q YTD/FY2019 Sales Volume Results (vs. 3Q YTD/FY2018)

Retail sales
(000 units)

| | 894 | 876 | TOTAL | -18 | (-2%) |
|--------------------------------------|-----|--------------------------------------|---|-----|-------|
| | 235 | 232 | ASEAN | -3 | (-1%) |
| | 73 | 68 | Australia/NZ | -5 | (-7%) |
| | 69 | 68 | Japan | -1 | (-1%) |
| | 123 | 123 | China, others | +0 | (+0%) |
| | 118 | 115 | North America | -3 | (-3%) |
| | 168 | 162 | Europe | -6 | (-4%) |
| | 108 | 108 | Latin America, Middle East/Africa, etc. | +0 | (+0%) |
| 3Q YTD/FY18 (Apr-Dec 2018) | | 3Q YTD/FY19 (Apr-Dec 2019) | | | |

Regarding retail sales in China, we changed the calculation method for retail sales volume from FY2019. As a result, retail sales recorded in FY2019 may include retail sales recorded in or before FY2018.

Our sales volume decreased by 2% YoY to 876,000 units.

3Q YTD/FY2019 Sales Volume Results: TIV vs. MMC (vs. 3Q YTD/FY2018)



Global

-3% < **-2%**
TIV YoY vs MMC YoY

ASEAN

-4% < **-1%**

Japan

-2% < **-1%**

Australia/NZ

-7% < **-7%**

Europe

+2% > **-4%**

North America

-2% > **-3%**

China, others

-8% < **+0%**

Latin America, Middle East/Africa, etc.

-1% < **+0%**

Source: Marklines, MMC (TIV: 63 countries and regions, covered 97% of total MMC retail sales)

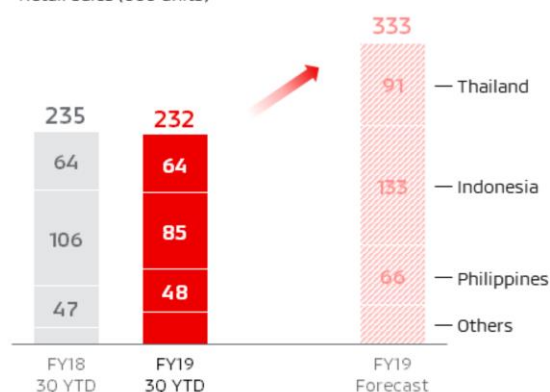
Global automobile demand in 2019 declined for the second consecutive year, for the first time since the Lehman crisis. At that time, the sluggish performance of developed countries was offset to some extent by the remarkably growing emerging countries, but this time sales have also declined in China, ASEAN and other emerging countries.

Against this backdrop, we focused on sales in our mainstay ASEAN region, and successfully kept the extent of the negative impact relatively small.

Sales Volume by Major Region

ASEAN

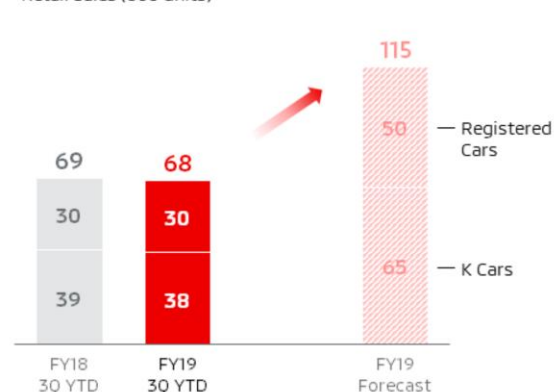
Retail sales (000 units)



- Thailand: Driven by *XPANDER* to secure positive growth
- Indonesia: Stagnant overall demand and intensified competition led to weak sales
- Philippines: Recovered moderately

Japan

Retail sales (000 units)



- Turned to negative growth due to a decline following the consumption tax hike
- Aiming to maintain and strengthen product freshness and increase unit sales by launching new *eK Space* series

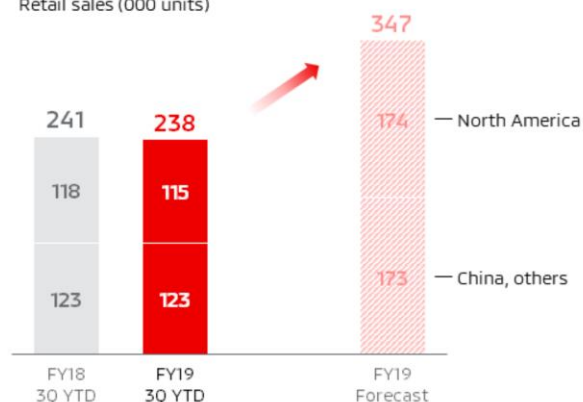
In the ASEAN region, high growth in two major markets, in particular, Indonesia and Thailand, was subdued and overall automobile demand was sluggish. We were naturally affected by the slowdown in the market, however, our sales were better than the market, thanks to firm sales of "*XPANDER*" and launch of new versions of "*TRITON*", "*PAJERO SPORT*" and other models. Although we cannot be optimistic about our future outlook, it goes without saying that ASEAN is the most important region for us, and we will continue to strengthen our products, brands, and sales networks.

In Japan, total demand fell below the previous year's level as a reaction to the consumption tax hike in October. Despite the launch of new models, we were unable to avoid the impact of price competition, and our sales were struggling. We are anticipating the challenging business environment will continue, but we will make every effort to recover by launching new Kei-car super height-wagon "*eK Space*" and "*eK X Space*" toward the end of the fiscal year.

Sales Volume by Major Region

China, others North America

Retail sales (000 units)



- China: Maintained the same level of sales as the previous year due driven by new models amid sluggish market
- North America: Sluggish sales due to intensified competition in the core segment

Australia/NZ

Retail sales (000 units)



- TIV declined due to sluggish economy in China; price competition intensified
- Focus on sales of core models and maintain market share without participating in price competition

In the Chinese market, the economy was sluggish due to the prolonged trade friction with the United States, and automobile demand also recorded negative growth for the second consecutive year in 2019. Although “ECLIPSE CROSS”, which was launched in November 2018, contributed to the year-on-year increase in sales, we were unable to achieve the expected growth. Despite the challenging business environment, we are aiming to secure year-on-year growth through expanded sales of “ECLIPSE CROSS” and the full-fledged contribution of “ASX”, which was renovated at the end of last year. In North America, although overall demand began to pick up in the summer due to decreased auto loan interest rates, the competitive environment remained severe and our sales were sluggish as well. Amid the shrinking market, sales competition is intensifying, and we will strive to secure proper sales while paying close attention to the market situation.

In Australia and New Zealand, the economic slowdown in China, the largest trading partner, caused automobile demand to decline 7% year on year. Price competition also intensified, and these harsh environments affected our sales. On the other hand, by focusing on sales of SUV/LCV, which is our strength, we were able to maintain our market shares. Despite the continuing challenging business environment, we will continue to focus on the sales of models which represent our strengths in Australia and New Zealand, as one of our core markets.

1. 3Q YTD/FY2019 Financial Results

2. FY2019 Financial Forecast

3. Business Highlight

FY2019 Full-Year Forecast (vs. FY2018)

| (billion yen, 000 units) | FY18 Actual (Apr 2018 – Mar 2019) | FY19 Forecast (Apr 2019 – Mar 2020) | Variance | |
|--|--------------------------------------|--|----------------------|-------|
| | | | Amount | Ratio |
| Net Sales | 2,514.6 | 2,450.0 | -64.6 | -3% |
| Operating Profit (OP Margin) | 111.8 (4.4%) | 30.0 (1.2%) | -81.8 (-3.2 P.P.) | -73% |
| Ordinary Profit | 119.9 | 20.0 | -99.9 | -83% |
| Net Income* | 132.9 | 5.0 | -127.9 | -96% |
| Sales Volume (Retail) | 1,244 | 1,274 | +30 | +2% |

* Net income attributable to owners of the parent

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There is no change from the forecast revised at the announcement of the 1H/FY19 results. Despite the continuing harsh external environment, we will do our utmost to achieve our full year forecasts.

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3. Business highlight

Product Innovation



FY2019

3Q



XPANDER CROSS



ATTRAGE



MIRAGE

4Q



eK Space



eK X Space

→ Launching this Spring

Since FY2017, we have launched new cars on an ongoing basis in order to achieve "product innovation," one of the goals of the current mid-term plan.

In 3Q/FY19, we began sales of the new "XPANDER CROSS", "MIRAGE" and "ATTRAGE" in November.

Soon after, we will launch our new super-height-wagons of Kei-car, "eK Space" and "eK X Space".

Going forward, we will continue to focus our development on segments where we can secure competitiveness. Specifically, we will strive to strengthen and renew our model-lineup, such as core products for the ASEAN region and cross-over models for the global market.

eK X/Wagon: Achievement of Alliance Collaboration



RJC Car of the Year
2020

Car of the Year Japan
2019-2020
in Small Mobility category

Auto Color Awards
2019 Special Prize*

*eK X only

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The new "*eK Wagon*" and "*eK X*" combine MMC's approximately 60 years of mini-vehicle manufacturing expertise with Nissan's advanced technologies.

This year, we have won high praise, including the RJC Car of the Year, and have reaffirmed that the Alliance is an important tool that will produce significant results for us.

We will continue to strengthen the Alliance to further increase our competitiveness.



The results for 3Q/FY19 were also severe, due to the recent severe external environment. Although it is difficult to expect an immediate upturn in this situation, the "Small but Beautiful" direction we should aim for is clear and we are fully aware of what we should do. Specifically, we will strengthen our foundation for sustainable growth by utilizing our limited resources effectively to further advance our competitive-edge technologies and strong regions and by improving profitability.

APPENDIX

3Q/FY2019 Balance Sheet (vs. FY2018)

| (billion yen) | FY18 (As end of Mar 2019) | 3Q/FY19 (As end of Dec 2019) | Variance |
|--|-------------------------------------|--|----------|
| Total Asset | 2,010.3 | 1,927.6 | -82.7 |
| Cash & Deposits | 500.9 | 370.1 | -130.8 |
| Total Liabilities | 1,129.1 | 1,085.0 | -44.1 |
| Interest-bearing Debt* | 231.0 | 274.3 | +43.3 |
| Total Net Assets | 881.2 | 842.6 | -38.6 |
| Shareholders' Equity (Equity Ratio) | 871.8 (43.4%) | 826.9 (42.9%) | -44.9 |
| Net Cash 【Automobiles & Eliminations】 | 543.9 | 361.2 | -182.7 |

*Include Lease Obligations

3Q YTD/FY2019 Capital Expenditure, Depreciation and R&D Expense



| (billion yen) | 3Q YTD/FY18 (Apr-Dec 2018) | 3Q YTD/FY19 (Apr-Dec 2019) | FY19 Forecast (Apr 2019 - Mar 2020) |
|--|-------------------------------|-------------------------------|--|
| CAPEX (variance YoY) | 82.7* | 66.1 (-20%) | 115.0 (-16%) |
| Depreciation (variance YoY) | 44.2 | 55.1 (+25%) | 75.0 (+22%) |
| R&D Expense (variance YoY) | 91.2 | 99.9 (+10%) | 141.0 (+13%) |

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

3Q YTD/FY2019 Regional Performance (vs. 3Q YTD/FY2018)



| (billion yen) | Net Sales | | | Operating Profit | | |
|--------------------|-------------------------------|-------------------------------|----------|-------------------------------|-------------------------------|----------|
| | 3Q YTD/FY18 (Apr-Dec 2018) | 3Q YTD/FY19 (Apr-Dec 2019) | Variance | 3Q YTD/FY18 (Apr-Dec 2018) | 3Q YTD/FY19 (Apr-Dec 2019) | Variance |
| Total | 1,794.1 | 1,666.9 | -127.2 | 85.0 | 3.6 | -81.4 |
| - Japan | 299.5 | 332.5 | +33.0 | -1.8 | -15.1 | -13.3 |
| - ASEAN | 400.3 | 444.8 | +44.5 | 47.6 | 48.2 | +0.6 |
| - China, others | 79.7 | 35.3 | -44.4 | 11.3 | -0.8 | -12.1 |
| - North America | 264.1 | 214.3 | -49.8 | -1.0 | -14.2 | -13.2 |
| - Europe | 368.4 | 347.7 | -20.7 | -0.5 | -14.3 | -13.8 |
| - Others | 382.1 | 292.3 | -89.8 | 29.4 | -0.2 | -29.6 |

FY2019 Full-Year Forecast: OP Variance (vs. FY2018)

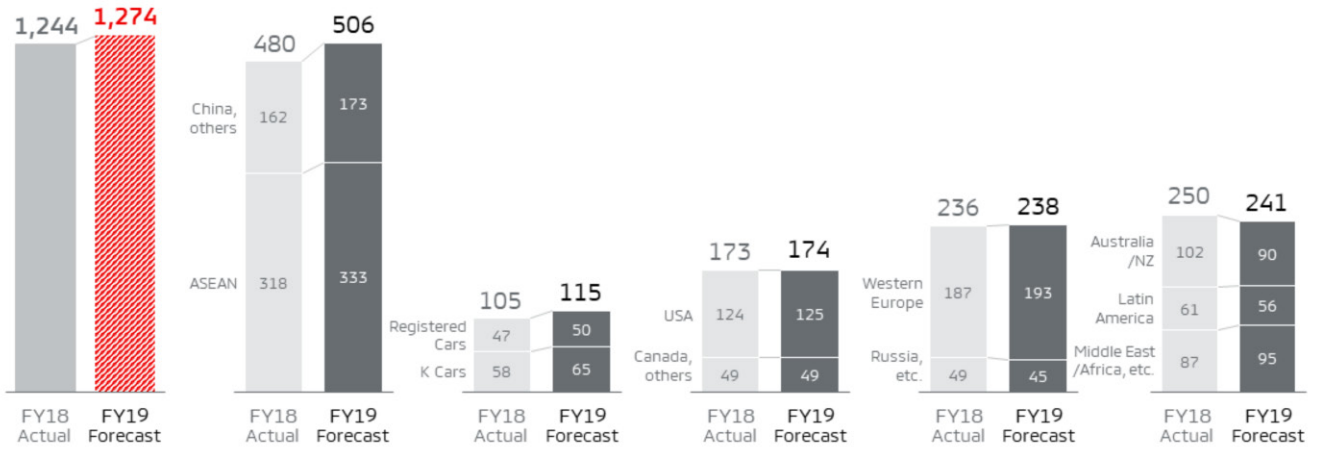


FY2019 Regional Sales Forecast (vs. FY2018)

| (billion yen) | FY18 Actual (Apr 2018 – Mar 2019) | FY19 Forecast (Apr 2019 – Mar 2020) | Variance |
|-----------------|--------------------------------------|--|----------|
| Total | 2,514.6 | 2,450.0 | -64.6 |
| - Japan | 428.7 | 530.0 | +101.3 |
| - North America | 387.8 | 340.0 | -47.8 |
| - Europe | 514.1 | 470.0 | -44.1 |
| - Asia | 663.9 | 650.0 | -13.9 |
| - Others | 520.1 | 460.0 | -60.1 |

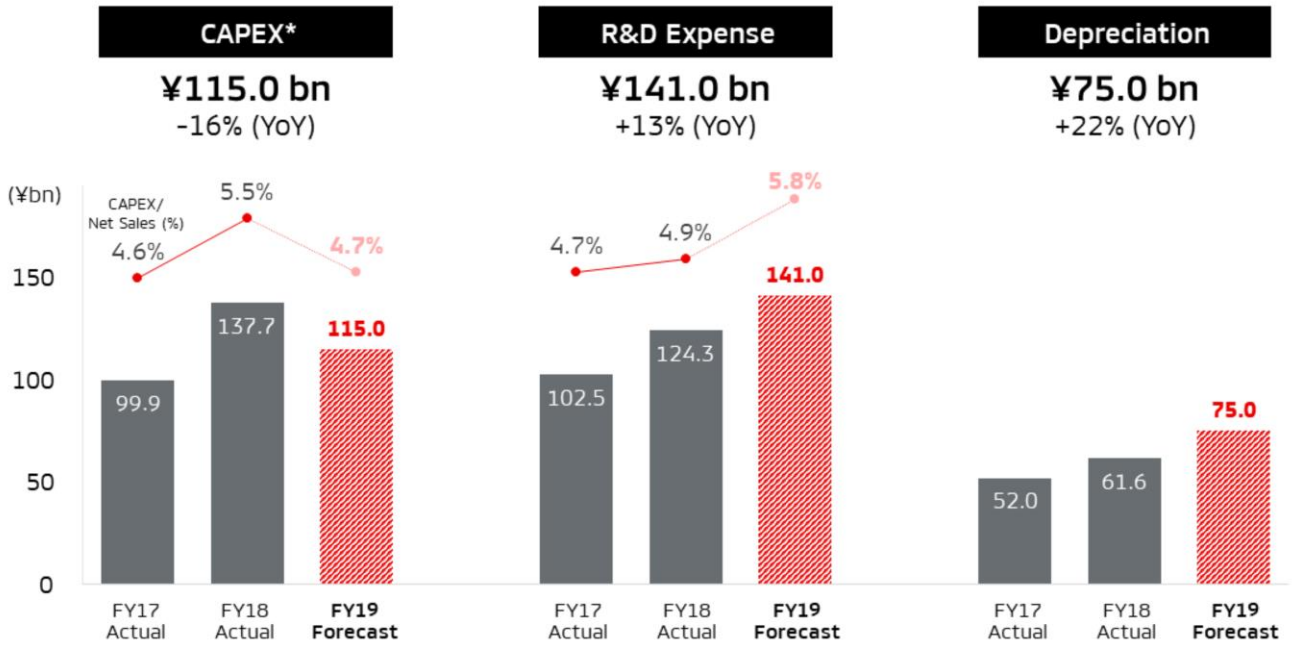
FY2019 Retail Sales Forecast (vs. FY2018)

(000 units)



| Total | Asia | Japan | North America | Europe | Others |
|---------------------|---------------------|----------------------|--------------------|--------------------|--------------------|
| +30 (+2%) | +26 (+5%) | +10 (+10%) | +1 (+1%) | +2 (+1%) | -9 (-4%) |

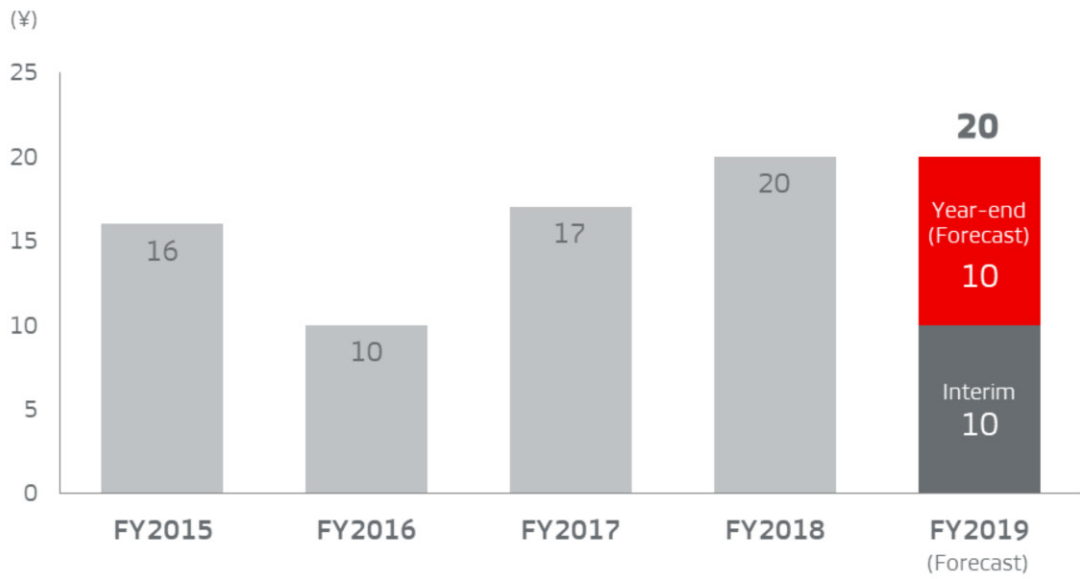
FY2019 Capital Expenditure, Depreciation and R&D Expense Forecasts



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

Shareholder Returns Forecast

Dividend per share: ¥20 (Forecast)



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