



**Update of
FY2020-2022
Mid-Term Business Plan
"Small but Beautiful"**
May 11, 2021

Progress of Structural Reforms: Fixed Cost Reduction



Achievement of a cost reduction plan of 20% or more for two years in one year

Structural reform activities announced in July last year have progressed more than originally anticipated, and we were able to achieve a reduction plan of 20% in two years one year ahead of schedule.

Although there were some painful measures such as the implementation of the voluntary retirement system, we achieved a reduction of approximately 10% from 20,000 on a global basis.

All of the reorganization of the production system has also progressed as planned.

In addition, many fixed cost reduction measures taken in the previous fiscal year, such as the recognition of asset impairment losses, are expected to result in greater reductions because they will be effective throughout this fiscal year.

On the other hand, we will aggressively invest in growth from this FY, such as advertising costs for new car launches and new product development to launch from FY2023 onwards. However, we plan to cover these investments with the full-year contributions of fixed cost savings and reduce the total value to roughly the same level as the previous year.

Progress of Structural Reforms: Europe

Sales

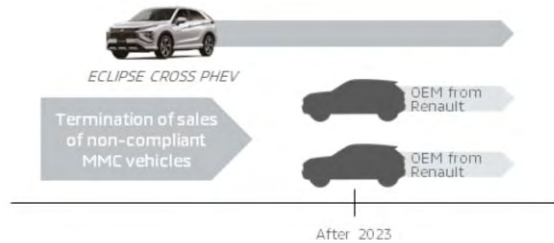
Decision to freeze new product development and review sales network

- Action in FY2020:
 - Decision to freeze development of new cars for Europe
 - Promoting optimization of selling prices, improvement of logistics and fixed costs and other operational efficiencies
- Reorganization of sales network:
 - Planning a step-by-step downsizing to curb dealer compensation costs and the impact on P/L
 - Withdrawal from new car sales business in some markets by 2023 (Sales country: 32 to 17 countries)

Products

Optimized product lineup

- Organize product lineups:
 - Freezing of new car development; termination of sales of non-compliant models
 - Launched *ECLIPSE CROSS PHEV* in response to strong demand from sales companies
 - Two OEM models from Renault



In Europe, where we decided to freeze the development of new products, we also began reorganizing our sales network.

As we have already announced, we have decided to withdraw from the new car sales business in 15 out of 32 countries by 2023 end. At the same time, in order to optimize our product lineup, we have decided to receive an OEM supply of two models from Renault, our alliance partner.

Through the implementation of these measures, we will optimize development resource as a whole and improve Europe business profitability, and will continue to carefully examine the potential for future business in preparation for stricter environmental regulations and changes in market trends.

Expand sales by capturing opportunities in core regions

Thailand



Accelerate sales network enhancement amid intensifying market conditions

Malaysia



Maintain and expand momentum in *TRITON*, *XPANDER* with strong sales

Indonesia



Aim to expand sales with luxury tax reductions as a tailwind



Australia



Promote sales expansion by launching new *ECLIPSE CROSS PHEV*

Philippines



Accelerate strengthening of sales network; Expand sales by leveraging the strengths of local production amid the issuance of the Safeguard Directive

Vietnam



Record-high unit sales in FY2020; Working to expand sales centered on *XPANDER* amid a boost from growth

New Zealand



Market share in FY2020: 10% at a record high

In the core region of ASEAN and Oceania, we will implement initiatives that are appropriate for each country in order to further increase our market share and expand sales.

First, the market environment in Thailand and the Philippines, where we were exposed to fierce competition amid COVID-19 in FY2020, is expected to remain harsh in FY2021. We recognize that it will take a certain amount of time to regain market share, although we are implementing measures to address each issue. Against the backdrop of a challenging business environment, we see the immediate future as a time of preparation for a turnaround and will accelerate the strengthening of our sales network.

On the other hand, we anticipate that strong sales momentum will continue in FY2021, in such countries as Indonesia where the market is recovering steadily, due to luxury tax exemptions and the measures to relax down payment limits for automobile loans, Malaysia where sales and profits continue to expand through strong sales of *XPANDER* and *TRITON*, and Vietnam where we achieved record-high unit sales amid remarkable market expansion.

In addition, in New Zealand, where we achieved record-high market share in the last fiscal year, and in Australia, where the exchange rate moved favorably, we will further expand unit sales through the introduction of new *OUTLANDER* and *ECLIPSE CROSS PHEV*, which have been very well received after the launch.

In this way, in counties in such a difficult environment, we will steadily implement measures, and in countries where we can expect to improve sales, we will firmly seize opportunities and do our utmost to achieve the plan for the current fiscal year.



Next, I would like to talk about future product development.

Since the announcement of our new mid-term plan last year, we have focused on core regions where we can leverage our strengths, and have redefined our "MITSUBISHI MOTORS-ness" for sustainable growth over the medium to long term.

First of all, we believe that the ideal form we aim for, or "MITSUBISHI MOTORS-ness", is safety, security, and comfort with eco-friendliness.

Specifically, we intend to manufacture cars that will enable our customers to experience (1) our strengths in electrification technologies, (2) SUV technologies with a high level of off-road driving power, and (3) comfortable performance in functional and pleasant interior.

The New Environmental Plan Package (Announced in November 2020)



Environmental Targets 2030

Average CO₂ emissions
from new vehicles

-40%
vs. FY2010

Percentage of
electric vehicles

50%

Average CO₂ emissions
from business activities

-40%
vs. FY2014

Set up electric vehicles for all models by 2030

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The first is our policy for environmental initiatives. In November of last year, we set the targets shown on the slide in the New Environmental Plan Package.

To achieve these goals, we will set up electric vehicles for all models by 2030. In addition, we will actively introduce electric vehicles to countries and regions where infrastructure is being developed and regulations are being further strengthened.

At the same time, we plan to strengthen our competitiveness by introducing PHEVs and EVs in advance for countries and regions where infrastructural facilities and environmental regulations are still in the development stage and will progress in the future, while offering products that meet regional demands.

Our EV Development



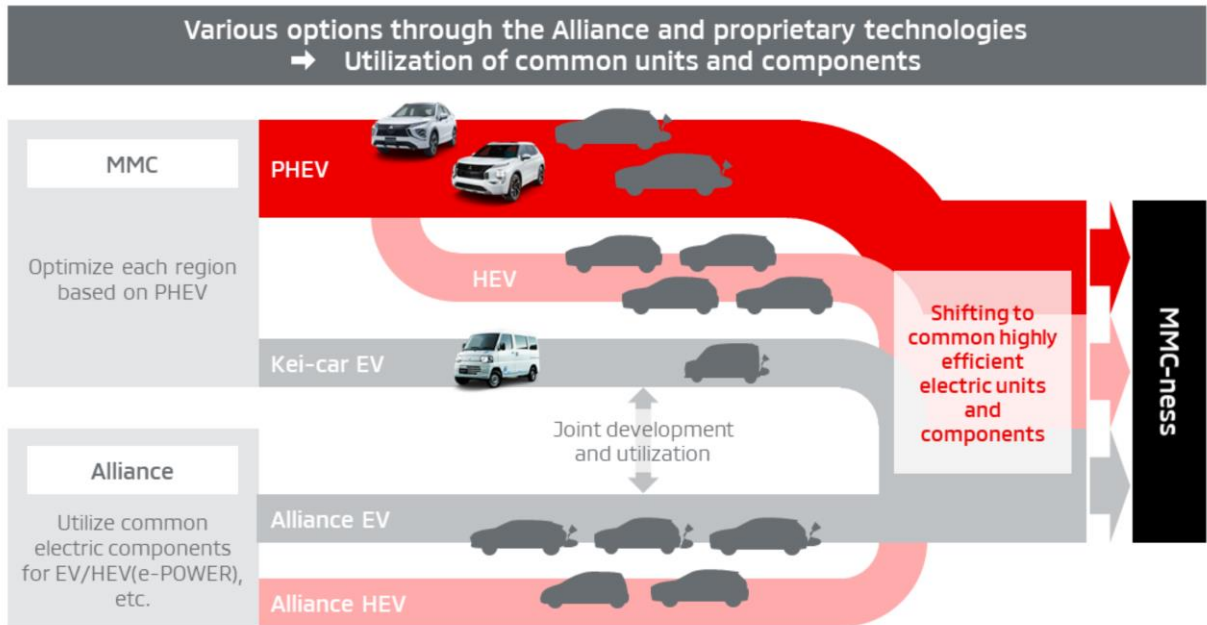
Now, as you know, we are a pioneer in EV manufacture and we have technologies and know-how that we can be proud of all over the world.

In 2009 we launched *i-MiEV*, the world's first mass-produced EV, and opened the door to popularization of EVs. Later, we introduced a *MINICAB MiEV* to expand the field of commercial use of EV.

In PHEV, the *OUTLANDER PHEV*, launched in 2013, is the world's first SUV-type plug-in hybrid, and has become the world's best-selling plug-in hybrid vehicle, with No.1 global unit sales in cumulative terms since its launch. In FY2020, we added a new PHEV to *ECLIPSE CROSS*, and received strong orders both domestically and in Europe. And, during the current fiscal year, we plan to introduce a PHEV model of the new *OUTLANDER*, which was recently launched.

In addition, as I mentioned at the announcement of the mid-term plan last fiscal year, we are also advancing joint development with NISSAN of kei-car EVs, and plan to further strengthen our lineup of electric vehicles.

Our Strengths for Electrification



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We believe that our strength for electrification is to have various options through the alliance and our proprietary technologies.

Specifically, while utilizing our proprietary technologies of PHEVs and EVs, we can also leverage the electric units and components of other companies in the alliance, or provide motors developed in our PHEV and Front-Rear units to other companies. In the future, we believe that the Alliance Group will be able to standardize its more efficient electric units and components.

By combining these wide-ranging component options, we will meet the needs of each country and region, and successively roll out attractive products that incorporate the unique characteristics of MITSUBISHI MOTORS-ness.

Kei-car Commercial EV: Various Business Opportunities



MINICAB MiEV

- Easy-handling Kei-car commercial vehicle with quick-charging capability
- Spacious luggage equivalent to its ICE model
- Range for route delivery applications
- 10 years of experience and reliability since its launch

**Delivered more than 9,000 units to more than 40 companies and local governments nationwide;
Supporting last one mile of clean logistics**



Expand business to capture needs for a carbon neutral society

Scheduled delivery of about 200 test vehicles to 20 companies, including logistics, telecommunications, and electric power companies following Japan Post
Commencement of product enhancement for the next generation: Expansion of running range, cost reduction, and reflection of test results in products

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We believe that initiatives that are rapidly advancing towards a zero-carbon society represent a major opportunity for us.

Of these, we think that light commercial EVs are one optimal solution to the "last 1 mile" in logistics. The *MINICAB MiEV* is highly regarded as an easy-handling commercial EV because of power of the motor, quietness, and the convenience of not requiring refueling.

Due to the growing interest in carbon neutral society, business opportunities are increasing, including with Japan Post to which we have already delivered our EVs. By June this year, we will have introduced 200 units on a trial basis to about 20 companies, and we will work together with some companies to improve our products. We plan to collect product requests and introduce improved models that reflect our customers' various requests within two to three years.

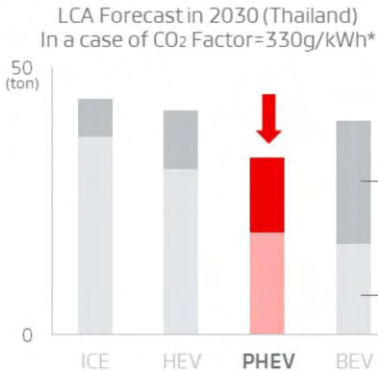
Commercial mini-EV business negotiations have also begun in ASEAN, where logistics networks will be established in earnest in the future.

Going forward, we will further make product improvements and carry out demonstration tests to contribute to society with companies in various industries.

Our Electrification Technologies: Superiority of PHEV



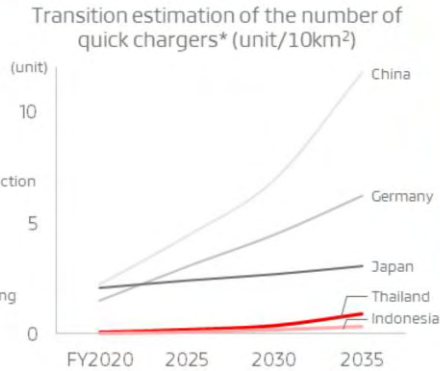
Smaller environmental impact



*According to research (Assumes: mid-size SUV running 0.2 million km)

Life Cycle Assessment (LCA) advantage considering power generation Mix

ASEAN



*According to research

Electrification with less investment burden on charging infrastructure

SUV × PHEV



Gasoline engines can generate battery power without worrying about cruising range. Overcoming conditions that are BEV's weaknesses like continuous hill climbing, extremely high and low temperatures.

Driving performance with which you can go anywhere without worrying about the shortage of electricity

We believe that PHEV at the core of our electrification technology is the immediate optimal solution to a rapidly spreading decarbonized society with the advantages shown in the slide.

First of all, we would like to highlight the smallest environmental burden, that is, the superiority in terms of the Life Cycle Assessment (LCA). CO₂ emission of PHEV based on life cycle assessment is less than BEV at the moment, and it is superior in total environmental performance.

Next, in ASEAN, the core region for us, where environmental regulations will be tightened in the future, will begin to develop infrastructure. In such an infrastructure environment, we assume that plug-in hybrids that can be charged at home and can drive on gasoline and generate power on their own will be one good solution.

By incorporating these superior PHEV into SUVs that can maintain high-performance in any road-condition, we will promote them as the only model having driving performance that can take drivers anywhere without worrying about electricity shortage.

Our Electrification Technologies: Providing Value Through EV/PHEV



Enterprise

- SDGs: CO₂ reduction measures
- BCP: Source of power in emergencies

Personal

- Achieving personal SDGs
- Source of power in disasters



Vehicles delivered to Yamato Transport Co., Ltd (2011-)

Local government

- Source of power in disasters
- Power support during the transportation of vaccines

Region

- V2G: Contributing to the stabilization of electricity supply and demand
- Alternative mobility for gasoline refugees



In addition, through products equipped with our electric power technology, we intend to provide a variety of value to all users for their environmental efforts.

For example, for corporations, we believe that it will be useful in reducing CO₂ associated with business operations. We also believe that it can be used as a source of electricity in an emergency.

For municipalities, we anticipate that we will be able to provide added value, including the supply source of electricity in the event of a disaster and electricity support during the transportation of vaccines for COVID-19, which are becoming fully fledged.

For consumers, it is not only useful for achieving SDGs at the personal level. It can also be a source of electricity in the event of a disaster.

In addition, we are advancing V2X initiatives as a secondary utilization as a contribution to the community. Specifically, we are proceeding with the experiment to use EV as an adjustment resource for electricity, and we intend to further develop it as a business.

CSR

Concluded disaster agreements with 113 local governments nationwide in Japan*



*as end of April, 2021

■ High mobility during disasters:

- SUV's unique drivability allows people to go to the affected area and provide up to 10 days of power to ordinary homes

Vehicles for peripatetic COVID-19 vaccination



■ Free-lending OUTLANDER PHEV:

- Used for cooling of refrigerators for transport using the power supply function, transport of vaccines, home visits by medical teams for vaccination, etc.

In this slide, we introduce specific examples of our contributions to society through our electric power technologies.

We have already concluded disaster agreements with 113 local governments. We are currently in the process of concluding these agreements. We are aiming to conclude contracts with local governments nationwide by FY2022. In addition to operations in the event of a disaster, we are participating in local government disaster prevention drills and increasing opportunities to promote understanding of power supply functions. Power supply in the event of a disaster can supply more power and become the optimum power source by using it in conjunction with power generation by the engine.

In addition, as released on April 28, we decided to lease *OUTLANDER PHEV* to Minato Ward as a vehicle for vaccination for COVID-19. In addition, we have received inquiries from multiple local governments, and we intend to respond to them sequentially.

These efforts will be part of "DENDO Community Support Program", which we have been promoting since August 2019. We will continue to pursue the potential of mobility and create a vibrant society through the promotion of "DENDO Community Support Program".

Revival of the RALLIART brand



Other than that, we will further refine MITSUBISHI MOTORS-ness.

One part of that is that we have decided to relaunch our RALLIART brand for customers in MITSUBISHI MOTORS plans who want to add to MITSUBISHI MOTORS-ness even more. In the future, we plan to develop items as genuine accessories for a wide range of models, and we would like to take opportunity to be involved in motorsports, as well.

Product Strategy: Further Enhancement of Our Pipeline After 2022



Strengthen ASEAN lineup



Realization of MMC-ness



2022

2023

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As I mentioned at the time of last year's mid-term plan announcement, we have been accelerating development in order to further enhance our products in FY2022 onwards.

In ASEAN, starting with a next-generation *TRITON*, we will renovate our existing products and strengthen our product lineup. In addition, we will gradually launch completely new products utilizing the ASEAN platform as planned. We will do our utmost to further strengthen our brand by enhancing our lineup in each segment.

We also plan to introduce cars that embody "MITSUBISHI MOTORS-ness" in other regions as well.



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