

**MITSUBISHI MOTORS CORPORATION**

Securities Code: 7211

# **BUSINESS REPORT**

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**Report on the First Half of FY2019,  
the Year Ending March 31, 2020**

(April 1, 2019 to September 30, 2019)



**MITSUBISHI  
MOTORS**

Drive your Ambition

## CEO Message



**Aiming for a healthy growth trajectory through selection and concentration to realize the “Small but Beautiful” vision.**

**Takao Kato**

Member of the Board,  
Representative Executive Officer, CEO

In the first half of fiscal 2019, the business environment encompassing MITSUBISHI MOTORS CORPORATION (hereafter “MMC”) became increasingly severe as the impact of uncertainty over global politics and economics led to slumping demand in the world’s automobile markets in addition to further unforeseen appreciation of the yen’s value. In that environment, we strictly selected investments and further cut costs, but were unable to absorb the decrease in sales volume or impact of currency translation. As a result, we saw a significant reduction in revenue and profits compared to the same period in the previous fiscal year.

We will continue striving to cut various costs in addition to prioritizing sales regions and reviewing key models to facilitate the implementation of the next mid-term business plan from FY2020 aimed at improving profitability and achieving sustainable growth. But we have decided to revise the FY2019 full-year forecast in consideration of the extreme difficulty in projecting the outlook of the global economy. On the other hand, we will maintain the annual dividend as initially forecast at ¥20 per share (consisting of interim and year-end dividends of ¥10 per share).

For MMC to realize its vision of being a “Small but Beautiful” company, we will devote our limited management resources toward regions and model developments where we have an advantage and redirect our strategies to pivot towards improving profitability.

# Financial Overview

## Review of FY2019 First Half

Net sales in the first half of fiscal 2019 declined 4% year on year to ¥1,128.0 billion. Operating profit decreased to ¥10.2 billion from ¥56.9 billion, and the operating profit margin was 0.9%. Net income attributable to owners of the parent (hereafter “net income”) was ¥2.6 billion.

Global economic momentum has slowed since the annual plan was formulated and the downturn in automobile demand continues in key markets around the world. In this environment, MMC focused on ASEAN markets, and in the first half of fiscal 2019 global sales volume (retail) resulted in 592,000 units, a slight decline year on year.

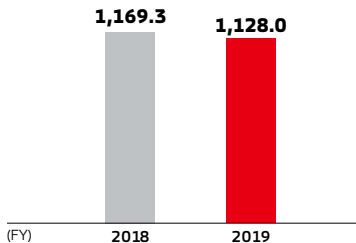
In the key ASEAN region, Thailand and the Philippines performed basically as planned, while sales in Vietnam remained strong, continuing on from the previous fiscal year. Indonesia performed weaker than expected due to the impact of sluggish economic growth and other factors. As a result,

overall sales volume in the ASEAN region was about the same as the previous year.

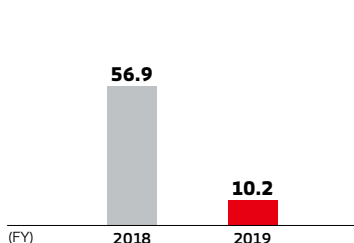
In the domestic market, growth was higher than unforeseen the overall average on the back of new model sales. In Australia and New Zealand, sales volume decreased year on year due to the effects of economic slowdown that caused a downturn in overall demand and increasingly fierce price competition.

In other regions, MMC secured sales volume equivalent to the previous fiscal year, with effects showing in China from new model introductions and in Europe from strategic sales expansion. In North America, on the other hand, the overall market remained about the same as the previous fiscal year with the support of demand created by low-interest auto loans, but fierce competition in the segments in which MMC sells resulted in a decrease in sales year on year.

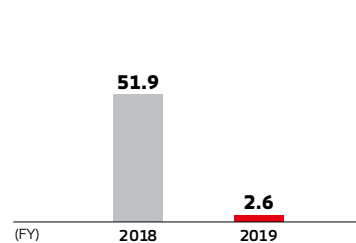
◆ Net Sales (First Half)  
(Billion yen)



◆ Operating Profit (First Half)  
(Billion yen)



◆ Net Income (First Half)  
(Billion yen)



## Outlook for FY2019 (Ending March 31, 2020)

MMC has revised its full-year forecast for fiscal 2019 as shown on the right due to falling automobile demand caused by a global economic slowdown and revision of exchange rate assumptions.

MMC will continue to exert all efforts to achieve its new targets using the key ASEAN region as a driver amid continuation of the harsh macro environment encompassing the entire automobile industry.

## Full-Year Forecast (April to March)

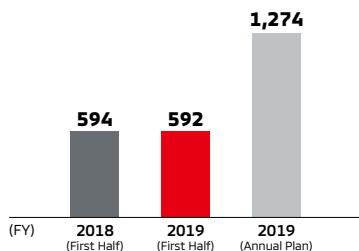
(Billion yen)	FY2018 (Actual)	FY2019 (Forecast)	Changes from the previous forecast
Net Sales	2,514.6	<b>2,450.0</b>	-130.0
Operating Profit (Operating Margin)	111.8 (4.4%)	<b>30.0</b> <b>(1.2%)</b>	-60.0
Ordinary Profit	119.9	<b>20.0</b>	-80.0
Net Income	132.9	<b>5.0</b>	-60.0

The information contained in this material is based on a variety of assumptions, and offers no promise or warranty of the achievability of planned figures or measures contained herein.

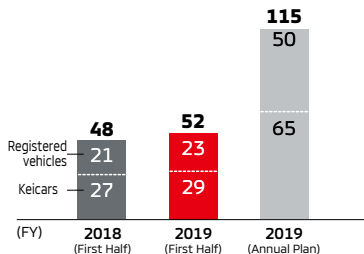
## Sales Volume (Retail)

(Thousand units)

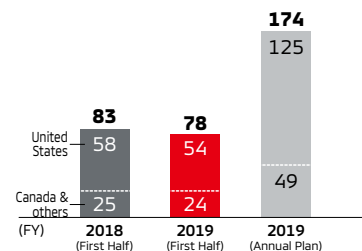
### ◆ Total



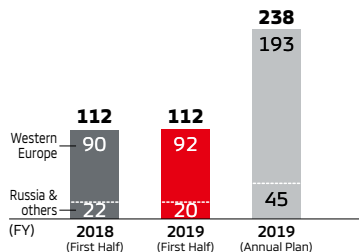
### ◆ Japan



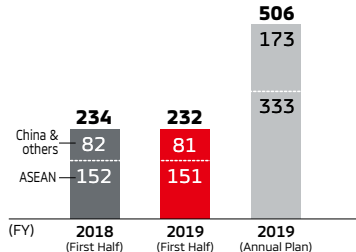
### ◆ North America



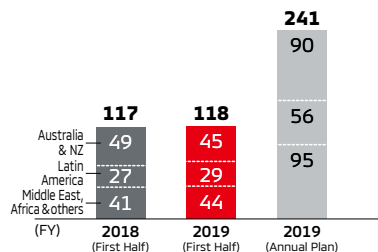
### ◆ Europe



### ◆ Asia\*



### ◆ Other Regions



\* 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.

# Information

2019

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## ***OUTLANDER PHEV* Hits 200,000 Global Sales Milestone**

The *OUTLANDER PHEV*, launched in Japan in 2013 and sold in more than 50 countries around the world, is the world's best-selling plug-in hybrid vehicle and has also been Europe's best-selling\* plug-in hybrid vehicle continuously over the past four years.

\* Source: JATO Dynamics Limited



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## ***ECLIPSE CROSS* Clean Diesel Engine Version Launched in Japan**

The new diesel version of the *ECLIPSE CROSS* comes equipped with an 8-speed sport mode A/T, which provides strong and smooth acceleration, as well as four-wheel control technology that allows for both a safe and enjoyable driving experience.

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## **MMC and Mitsubishi Corporation Invest in GOJEK, Indonesia's Leading Mobility Service Company**

MMC has invested in GOJEK, a major Indonesian mobility service company, in an effort to revamp the value chain in the important market of the Southeast Asian region. MMC, Mitsubishi Corporation and GOJEK have signed a memorandum of understanding for a partnership to discuss joint projects.

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## ***PAJERO SPORT* Makes World Debut in Thailand**

The mid-sized SUV *PAJERO SPORT*, one of MMC's global strategic models, went on sale in Thailand with future plans to roll out sales in about 90 countries around the world, including the Philippines and Australia. *PAJERO SPORT* was redesigned under the theme of "Elevate your Journey." It features a more powerful, yet refined exterior, and a higher-quality and more comfortable interior with advanced functions.



## **Partnering with Local Governments throughout Japan to Quickly Provide Electric Vehicles after Disasters**

MMC has decided to move ahead with the DENDO Community Support Program, which aims to create a system to quickly provide MMC electric vehicles to local governments in disaster-affected areas. MMC aims to enter into disaster cooperation agreements with local governments throughout Japan by fiscal 2022.

2019

## MI-TECH CONCEPT Buggy-Type Electrified SUV Concept Car and SUPER HEIGHT K-WAGON CONCEPT Keicar Make World Premiere at Tokyo Motor Show 2019

The MI-TECH CONCEPT embodies the MMC brand statement “Drive your Ambition” with a lightweight, compact, new PHEV drivetrain, a four-motor electric 4WD system, and advanced driver assist and preventive safety technologies—all packed into a small-sized electrified SUV.

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The SUPER HEIGHT K-WAGON CONCEPT is a next-generation super height Kei wagon that caters to drivers who want to go more places and longer distances. Offering the wide-open passenger space of a super height Kei wagon, it delivers the performance and functionality required in that vehicle category but with a design that expresses the unique flavor of MMC’s SUVs. MMC announced that it is the second wave of the next-generation Kei cars, and plans to release it by the end of this fiscal year.



### Report on FY2019 Event for Shareholders

MMC provided factory tours at its subsidiary Pajero Manufacturing Co., Ltd. over three days in September and October 2019 to 236 shareholders selected by lottery from numerous applicants.

Following a Pajero Manufacturing executive’s overview describing the company, participants visited the press, welding and assembly plants, dined at the employee cafeteria and engaged in a number of experiences not easily arranged. The event was highly rated by participants.

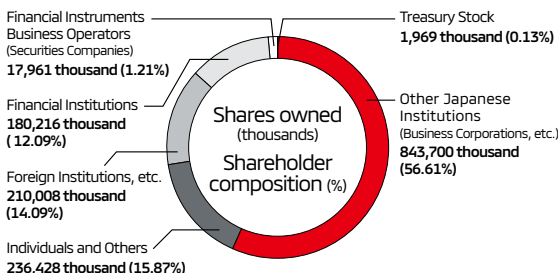
We will continue to conduct events such as these to help our shareholders deepen understanding of our business and production activities.

## Investor Information (as of September 30, 2019)

Total Number of Issuable Shares	1,575,000,000 shares
Total Number of Issued Shares	1,490,282,496 shares
Number of Shareholders	256,810

## Distribution of Shares by Shareholder

(as of September 30, 2019)



## Major Shareholders (as of September 30, 2019)

Name of shareholder	Number of shares (Thousands of shares)	Ratio of shareholding (%)
NISSAN MOTOR CO., LTD.	506,620	34.03
Mitsubishi Corporation	298,012	20.02
The Master Trust Bank of Japan, Ltd. (Trust account)	38,904	2.61
Japan Trustee Services Bank, Ltd. (Trust account)	31,395	2.10
Mitsubishi Heavy Industries, Ltd.	21,572	1.44
Japan Trustee Services Bank, Ltd. (Trust account 9)	19,107	1.28
MUFG Bank, Ltd.	14,877	0.99
Japan Trustee Services Bank, Ltd. (Trust account 5)	14,827	0.99
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	13,769	0.92
JP MORGAN CHASE BANK 385632	11,473	0.77

(Note) The above ratios of shareholding have been calculated excluding treasury stock (1,969,401 shares).

## Corporate Profile (as of September 30, 2019)

Company Name	MITSUBISHI MOTORS CORPORATION
Head Office	1-21, Shibaura 3-chome, Minato-ku, Tokyo 108-8410, Japan Phone: +81-3-3456-1111
Established	April 22, 1970
Number of Employees	Consolidated: 31,755 Non-consolidated: 14,655
Capital	¥284,382 million

## Directors (as of September 30, 2019)

Chairman of the Board	Osamu Masuko
Member of the Board	Takao Kato
Member of the Board	Kozo Shiraji
Outside Director	Shunichi Miyanaga
Outside Director	Ken Kobayashi
Outside Director	Hitoshi Kawaguchi
Outside Director	Hiroshi Karube
Outside Director	Setsuko Egami
Outside Director	Main Kohda
Outside Director	Yaeko Takeoka
Outside Director	Yoshitsugu Oba
Outside Director	Kenichiro Sasae
Outside Director	Kiyoshi Sono
Outside Director	Hideyuki Sakamoto
Outside Director	Mitsuko Miyagawa

## Executive Officers (as of September 30, 2019)

Representative Executive Officer	Osamu Masuko
Representative Executive Officer, CEO	Takao Kato
Representative Executive Officer, COO	Ashwani Gupta
Representative Executive Officer, Executive Vice President, CFO	Koji Ikeya
Representative Executive Officer, Executive Vice President	Takeshi Ando
Executive Officer, Senior Vice President	Hitoshi Inada
Executive Officer, Senior Vice President	Noboru Tsuji
Executive Officer, Senior Vice President	Hiroshi Nagaoka
Executive Officer, Senior Vice President	Yukihiro Hattori
Executive Officer, Senior Vice President	Guillaume Cartier
Executive Officer, Senior Vice President	Yoichiro Yatabe
Executive Officer, Corporate Vice President	Kazuaki Iwamoto

## Stock Procedure Information

Fiscal Year	From April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders	June of each year
Record Date Determining Voting Rights at Ordinary General Meeting of Shareholders	March 31
Record Date Determining Shareholders to Receive Year-End Dividend	March 31
Record Date Determining Shareholders to Receive Interim Dividend	September 30
Other Record Date	If other record date is required to be set, it will be decided by resolution of the Board of Directors and informed in advance through a public notice.
Method of Public Notice	Public notices are published electronically. In case the method of electronic public notice is not available due to any troubles or unavoidable circumstances, such a notice will be given by Nihon Keizai Shimbun published in Tokyo. [MMC's Website Address for Public Notices] (Japanese only) <a href="https://www.mitsubishi-motors.com/jp/investors/stockinfo/koukoku.html">https://www.mitsubishi-motors.com/jp/investors/stockinfo/koukoku.html</a>
Number of Shares per Unit	100 shares
Securities Code	7211
Administrator of Shareholder Registry Managing Agency for Special Accounts	Mitsubishi UFJ Trust and Banking Corporation
Handling Office	Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division 1-4-5, Marunouchi, Chiyoda-ku, Tokyo, Japan
Postal Address Telephone Contact	Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division Shin-TOKYO Post Office post office box No.29 Phone: 0120-232-711 (toll-free in Japan)

## Direct Dividend Payment System

Completing procedures to deposit dividends into a savings account at a financial institution, such as a bank, will enable safe and assured receipt of dividends deposited in an account designated by the shareholder on the day that dividend payments commence. Shareholders receiving their dividends through a dividend voucher should consider this opportunity.

## Shares and the Social Security and Tax Number System

The social security and tax number assigned by the Japanese government is required in stock procedures for tax-related purposes. Please inform your brokerage of your number as soon as possible.

### For inquiries about the above procedures or other stock-related procedures

1. If you have an account in a securities company or other institution:  
Please contact that securities company or institution you deal with.
2. If your shares are registered in "special accounts":  
Please contact Mitsubishi UFJ Trust and Banking Corporation (Phone: 0120-232-711 (toll-free in Japan)).