



**MITSUBISHI
MOTORS**

**FY2020-2022
Mid-Term Business Plan
"Small but Beautiful"**

July 27, 2020

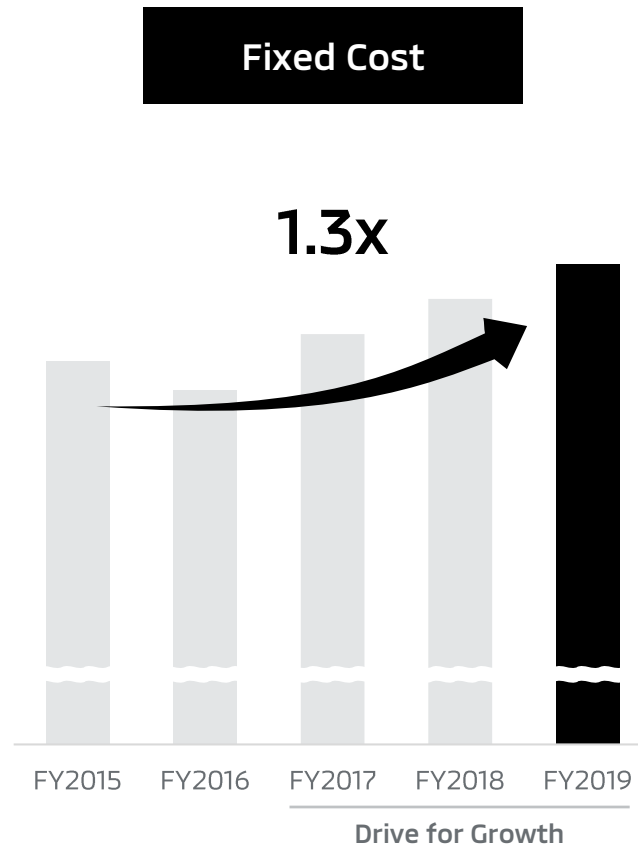
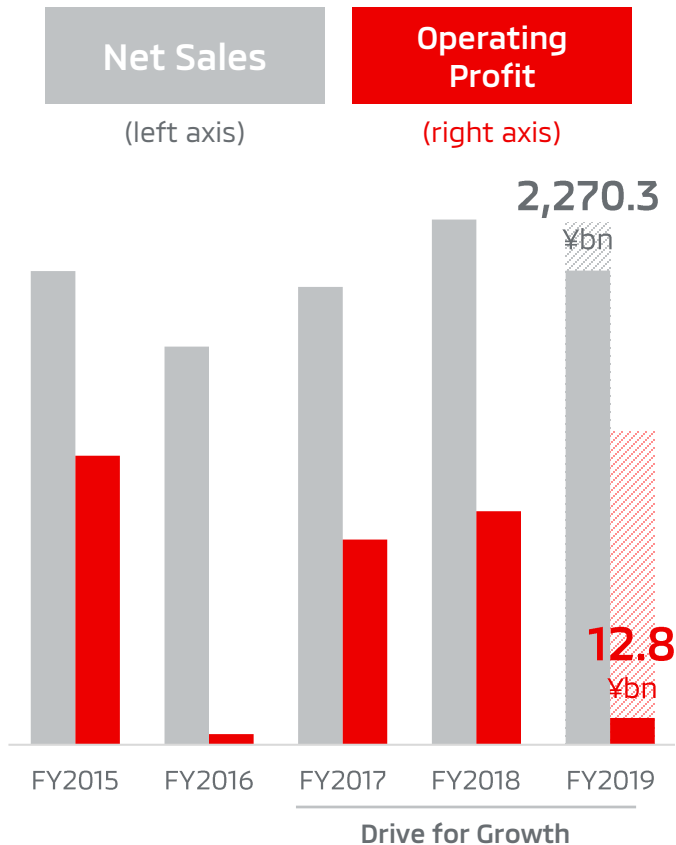
To Secure Profit Through Contributing to Society

- Conducting business with an emphasis on contributing to all stakeholders and society
- Selection and concentration in line with our strengths and earnings area

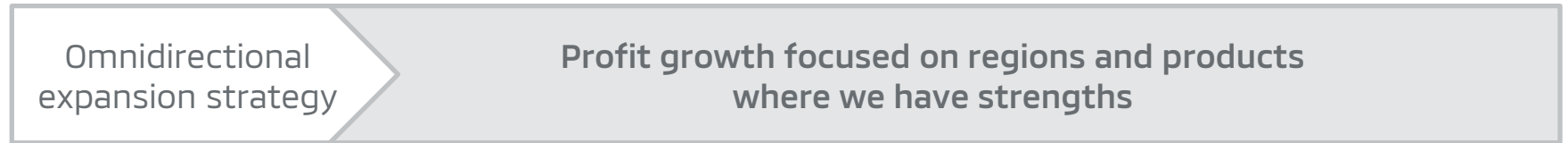
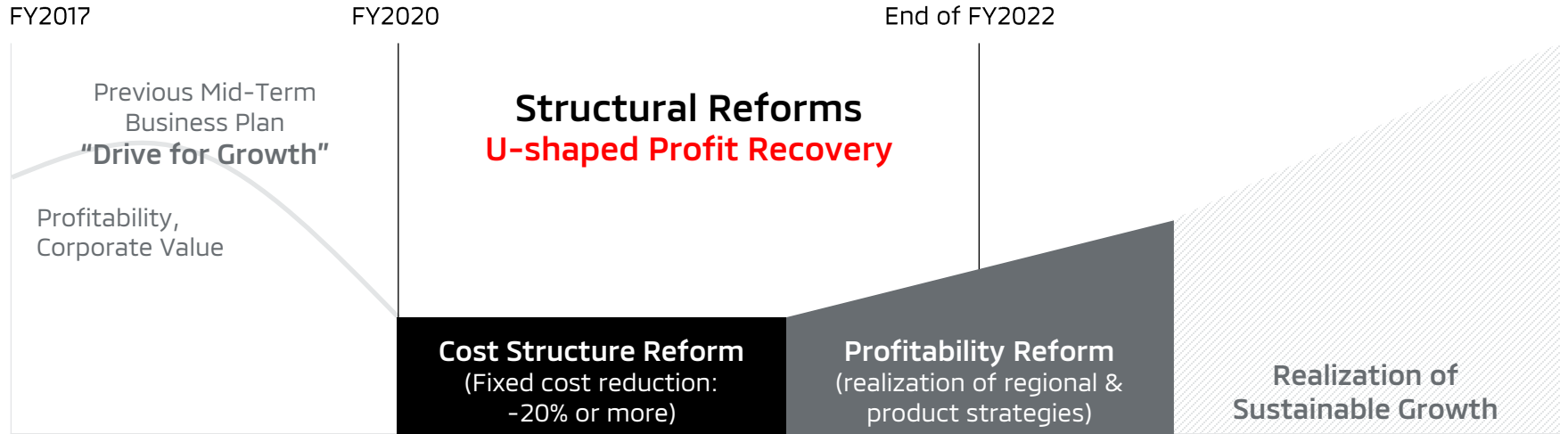
Focusing Points of Mid-Term Business Plan

- Carrying out structural reforms
- Growth based on ASEAN
- Strengthening environmental technologies
- Providing our reliability through 4WD and off-road performance

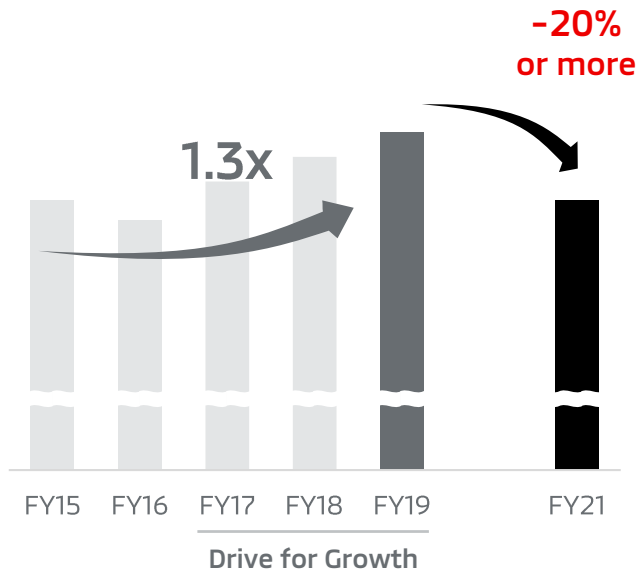
Review of Previous Mid-Term Business Plan "Drive for Growth"



Positioning Structural Reforms



Fixed Cost Reduction



Indirect labor cost

- Headcount rationalization (reallocation, restraint on new hiring and voluntary retirement plan, etc.)
- Compensation system review: -15% reduction

Marketing expenses

- Strategic review
- Cost effectiveness improvement

Depreciation

- Investment Optimization
- Impairment loss accounting based on the future plan

R&D cost

- Total cost reduction through selection and concentration
- Freezing of the introduction of new products in Europe

Restructuring of production bases

- Integration of production lines: Pajero Mfg. cease

General and administrative expenses

- Restraining costs according to the state of business restructuring
- Reducing office space through work style reforms

TOTAL:

>20% or more

Initiative items

Regional Strategy

Product & Technological Strategy

Production

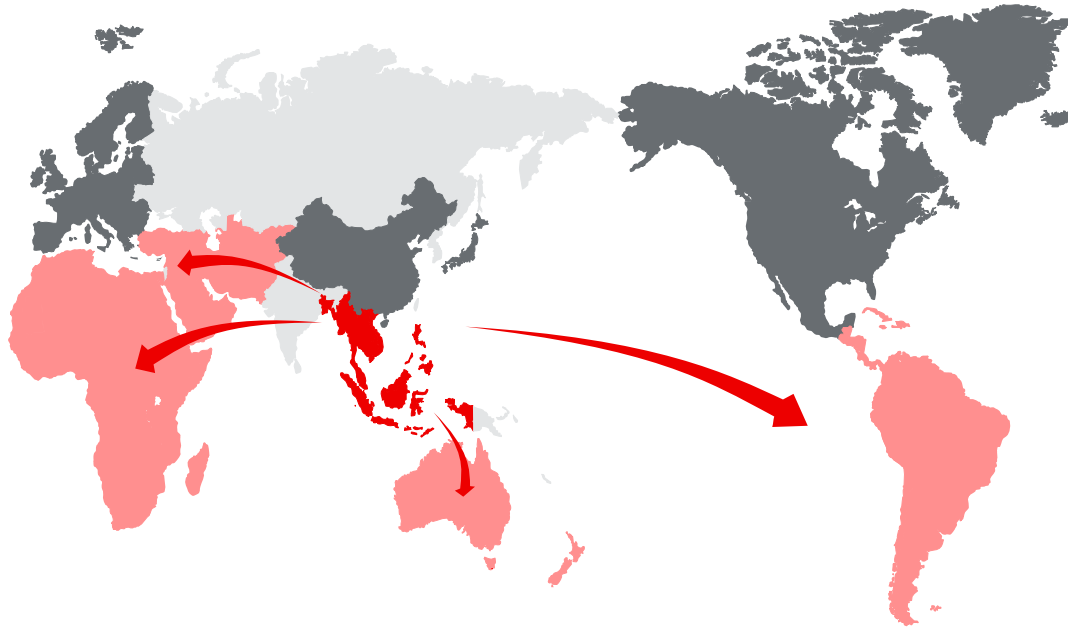
Stronger Partnerships

Fixed Cost Reduction

Policy

- ➔ Shift to a business structure centered on ASEAN and improve Operating Profit by downsizing low-profit businesses
- ➔ Strengthen environmental technologies centered on PHEV and utilize advanced technologies from the Alliance

Reduce fixed cost by -20% or more over the 2 years by consolidating investments into core regions and products



Growth Driver

■ ASEAN:

Concentrate resources to core business area

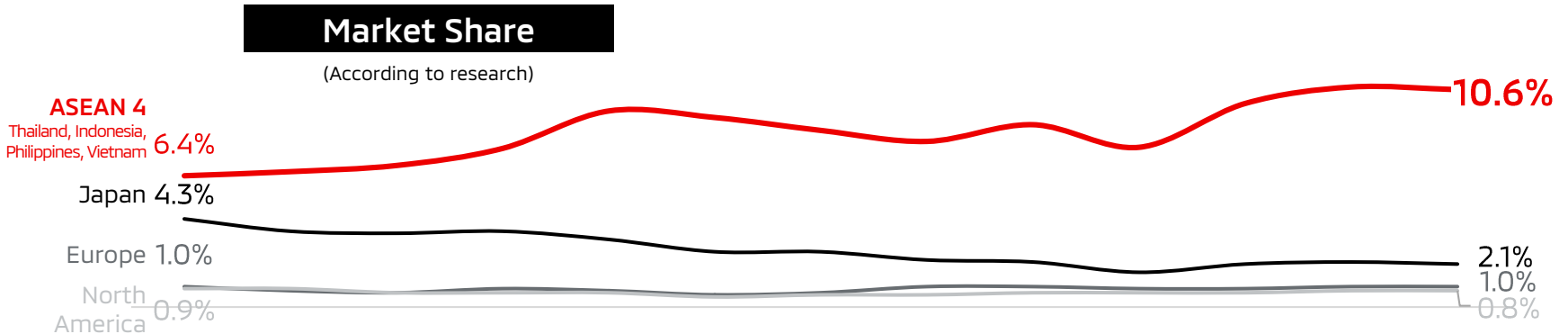
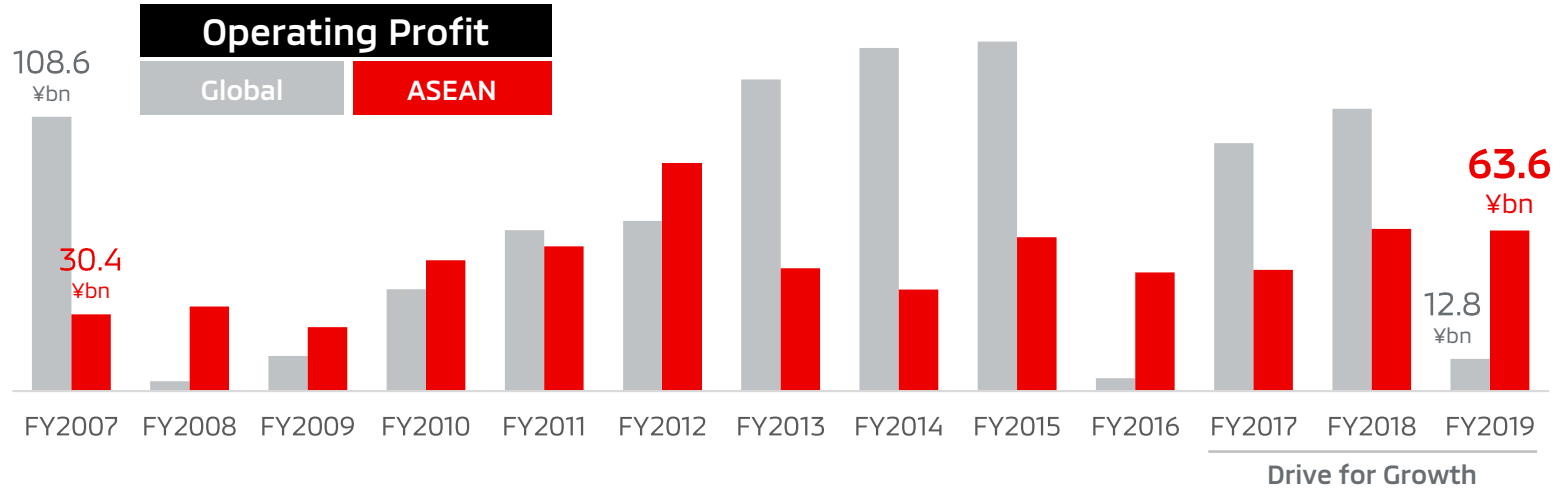
■ Oceania, South Asia, South America, Middle East/Africa:

Second pillar of business development by maximizing the use of products for ASEAN

Profitability Improvement

- **China:** Becoming a Growth Driver through collaboration with partners
- **Japan:** Restructuring production and sales network
- **North America:** Reducing fixed costs
- **Europe:** Freezing the introduction of new products

Regional Strategy: From Global To Regions Centered on ASEAN



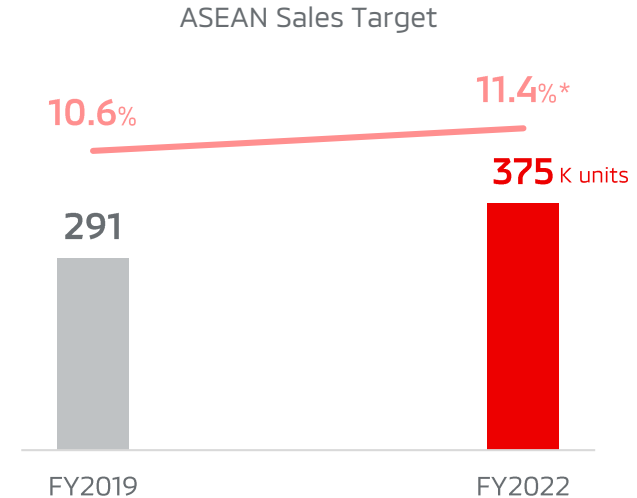
Production

Establish a mutually complementary structure by strengthening production operations



Sales

Aim to expand quality-based sales



*According to research. Market share: ASEAN 4 (Thailand, Indonesia, Philippines and Vietnam)

Regional Strategy: ASEAN Business



Thailand

- **Dealer deployment:**
Store replacement and new development in Bangkok and rural open area
- **Start production & sales of *OUTLANDER PHEV***

Indonesia

- ***XPANDER*: Long selling**
- **Strengthen dealer network and sales quality**

Philippines

- **Start producing and exporting light commercial vehicles to ASEAN**

Vietnam

- ***XPANDER*: to maintain a high market share**
- **Add local production model (*XPANDER*) and start preparations for new plants**

Regional Strategy: Reorganization of Japan Business

Sales

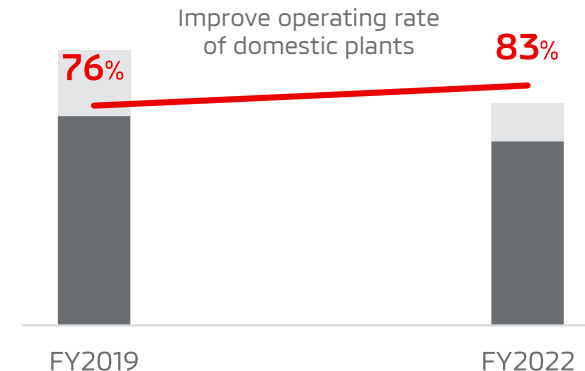
Achieve stable profitability by thoroughly reducing fixed costs and improving profitability

- **Captive dealers:**
 - close/consolidate unprofitable stores
- **Independent dealers:**
 - Strengthen partnerships with leading dealers
- **Improving profitability:**
 - Strengthen sales of eco-friendly vehicles and improved branding power centered on PHEV
 - Introduce a new sales incentive system incorporating the principle of competition and review margin scheme
 - Strengthen the sharing and subscription business

Production

Integrate production lines based on regional strategies

- **Production cease of Pajero Manufacturing Co., Ltd.:**
Transferring production to Okazaki Plant for improvement of operation rate and productivity



Product Strategy: Phase I - Compliance with Environmental Regulations



FY2020 - 2022

Enhance lineup of environment-friendly vehicles (PHEV/EV models)
by fusing proprietary technologies with alliance/partner technologies

FY2020

FY2021

FY2022

SUV PHEV
ECLIPSE CROSS
PHEV

SUV
New *OUTLANDER*

All-new EV
for Chinese Market

SUV PHEV
New *OUTLANDER*
PHEV

Kei-car EV



Current *ECLIPSE CROSS*



Joint development
with GAC



Further refining our
PHEV technologies



Joint study with
Nissan

Product Strategy: Phase II – Clarification of ASEAN Focus



After FY2022
Strengthen ASEAN lineup

FY2022

PICKUP TRUCK
New *TRITON*



FY2023-

MPV HEV
XPANDER HEV



Current *XPANDER*

MPV
New *XPANDER*



PPV/SUV
New *PAJERO SPORT*



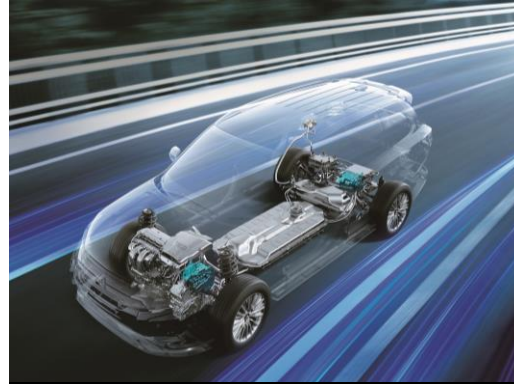
All-new models



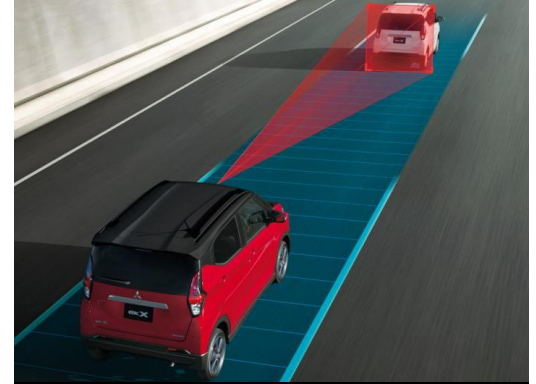
Technologic Strategy: Realization of Increasing Profitability



**Next Generation Diesel/
Improvement of frame
model performance**



**Promotion of
electrification focusing on
next-generation PHEV/HEV**



**Adoption of new alliance
technologies
(autonomous driving and EV, etc.)**

- ➔ Further refine our technological strengths by selecting and focusing on development fields centered on ASEAN
- ➔ Provide vehicles equipped with the world's most advanced technology through the utilization of the alliance

Utilization of the Alliance: Nissan and Renault



**Further
Expansion Of
OEM business**



**More
collaboration
in manufacturing**



**Kei-car business:
Joint development
/production, EV tech**



**Commercial
Vehicle OEM from
Renault (July 2020 -)**

ASEAN

Japan

Australia

NISSAN

RENAULT

Deepening collaboration in autonomous driving, connected and EV
Studying mutually complemented production of powertrains and
platforms

Strengthen Collaboration with Mitsubishi Corp. and GAC Group



ASEAN

Mitsubishi Corp.

- Enhance profitability in existing countries by strengthening collaboration of production and sales
- Strengthen production operations in Vietnam, Malaysia and Myanmar

China

GAC/Mitsubishi Corp.

- Compliance with environmental regulations in collaboration with GAC
- Promote joint development, starting with the introduction of new EVs
- Strengthen local development by establishing new R&D centers, etc.



Emerging Regions (Africa, South Asia, others)

Mitsubishi Corp.

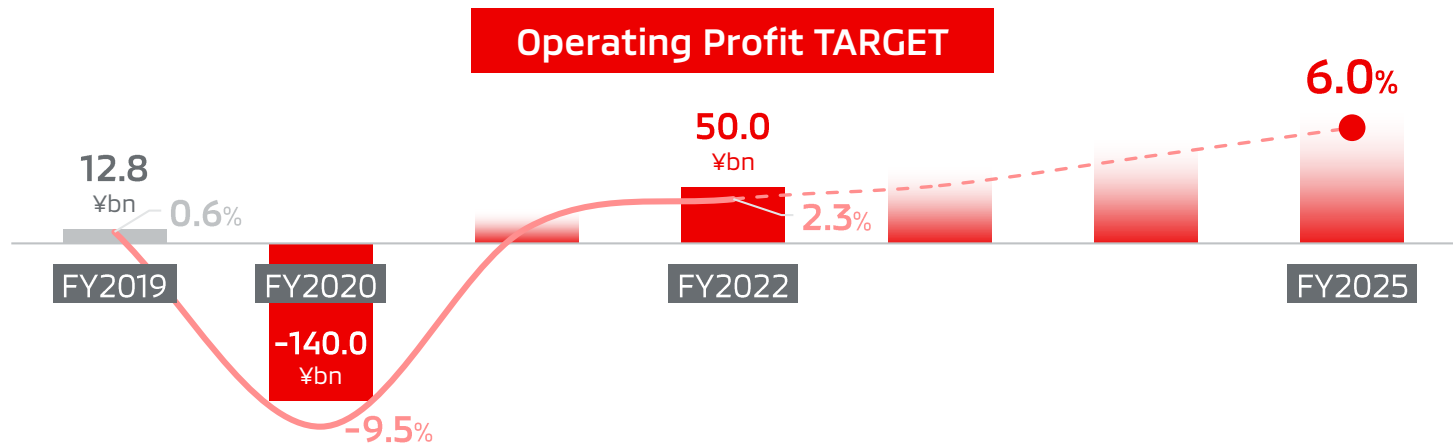
- Further strengthen collaboration

South America

Mitsubishi Corp.

- Expand sales of core-models (ASEAN products) in Peru/Chile
- Strengthen pickup truck fleet for mining businesses

Management KPI



112.7	845	1,054 K units	Sales Volume (Retail)
-82.8	-249.0	31.0 Billion yen	Free Cash Flow*1
130.9	114.0	99.0 Billion yen	R&D Expense*2
103.9	100.0	100.0 Billion yen	CAPEX
74.8	65.5	80.0 Billion yen	Depreciation

*1: Automobiles & Eliminations *2: include Depreciation



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