



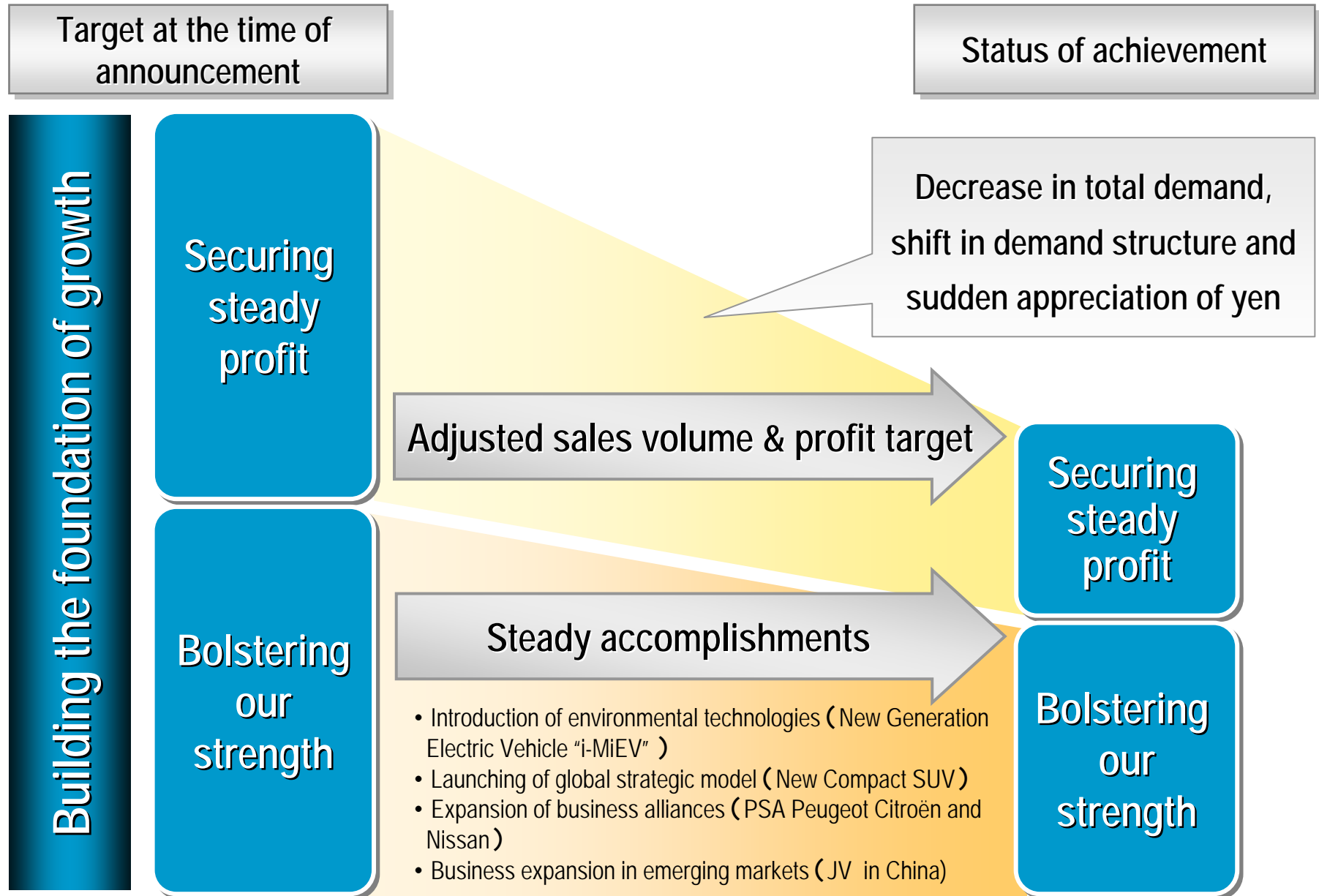
**Mitsubishi Motors Mid-term Business Plan**  
**FY 2011 – 2013**  
**“Jump 2013”**

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**Jan. 20<sup>th</sup>, 2011**

- Reviewing “Step Up 2010”
- Outlook of Business Conditions
- Positioning of the New Mid-term Business Plan(FY2011-FY2013)
- Focus of “Jump 2013”
- Sales Volume Targets
- Product Strategy
- Regional Strategy
- Global Production Structure
- Improving the Quality Level
- Reforming the Cost Structure
- Alliance Strategy
- Profit Targets
- Capital Expenditure, R&D Expenditure
- Financial Strategy
- Compliance and CSR Activities
- Environmental Initiative Program 2015

# Reviewing “Step Up 2010”



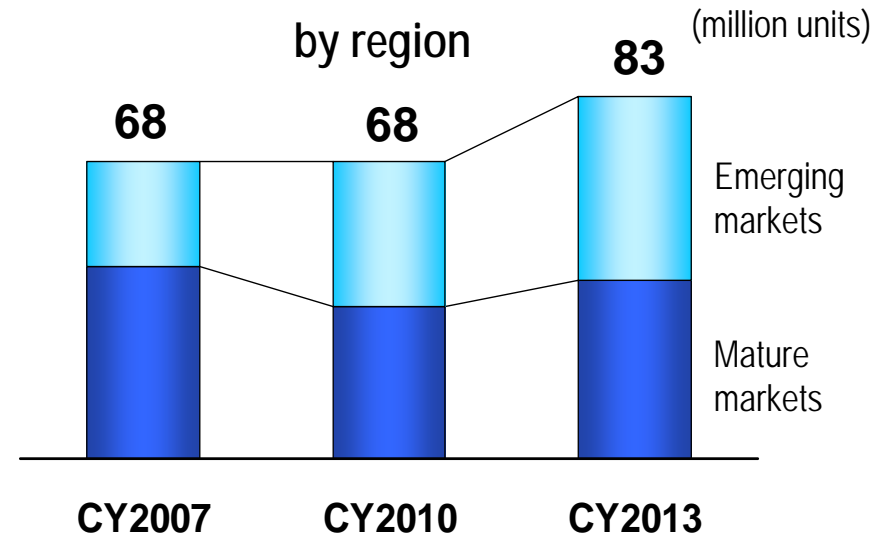
## Economic outlook

- Growing presences of China and other emerging markets
- Continuation of instable environment in mature markets
- Oil/Resource price to stay high
- Increased environmental consciousness / increased frequency of extreme weather

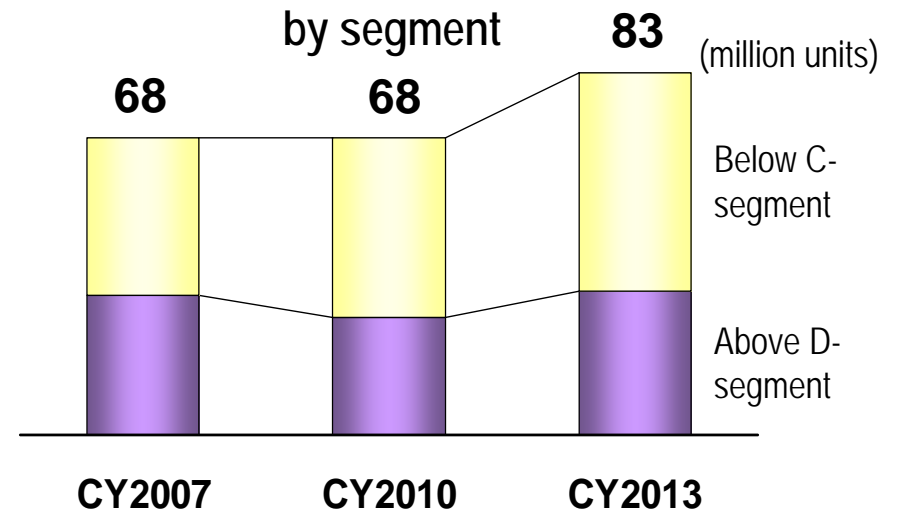
## Demand forecast

- Expansion of global demand driven by emerging markets
- Emerging market's share to grow up to 1/2 in 2013 from 1/3 in 2007
- Compact cars below C-segment to take the lead role in the market expansion

Market demand by region



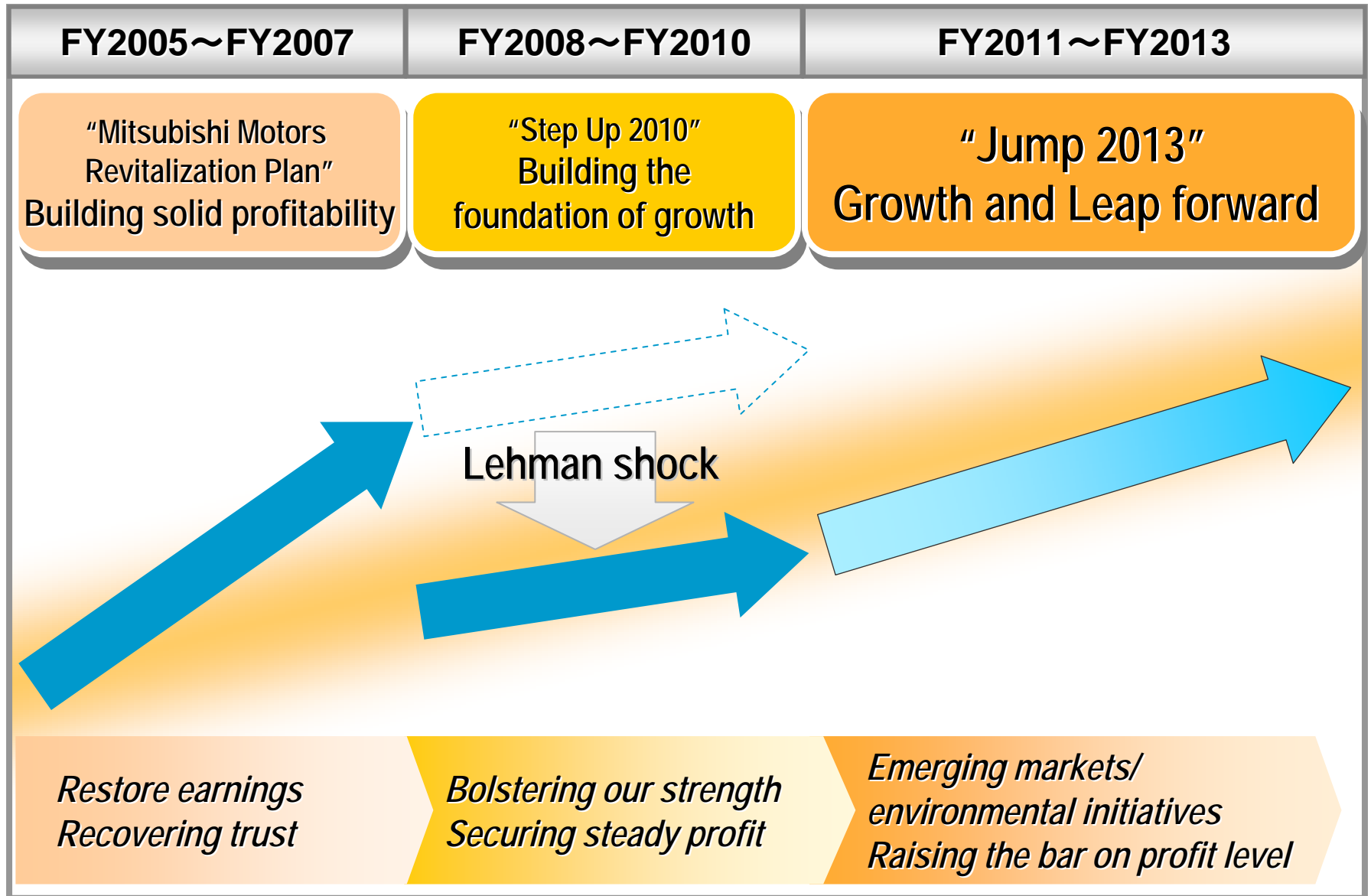
Market demand by segment



(Passenger vehicles + light commercial vehicles, ex. heavy commercial vehicles)

Source: Global Insight

# Positioning of the New Mid-term Business Plan (FY2011-FY2013)



## ● Basic Policy

**“Growth and Leap forward”**

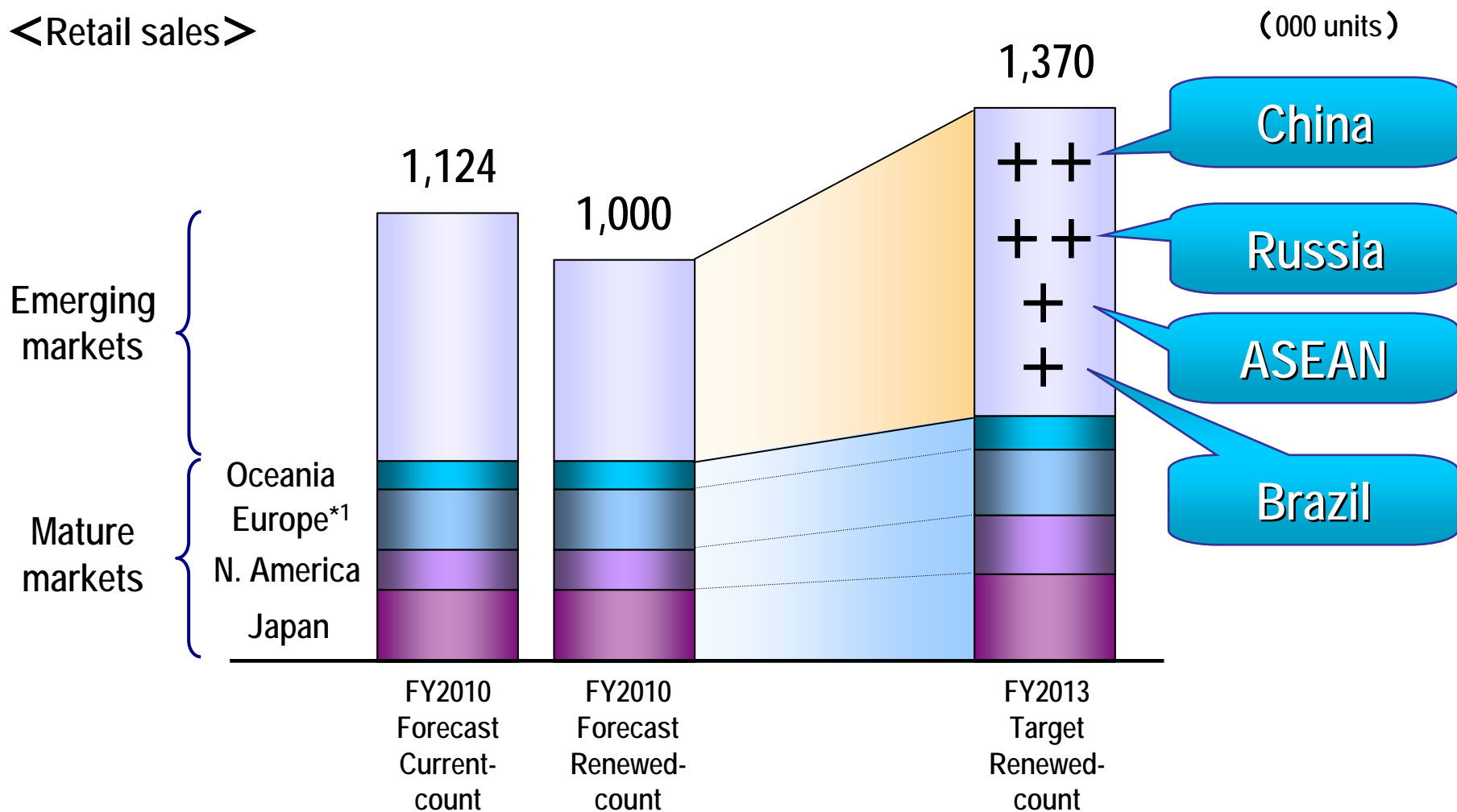
## ● Business Strategy

- Concentrate business resources in emerging markets & environmental initiatives
  - ( R&D ) Strengthening global strategic models/eco-car models
  - ( Production ) Increasing production capacity in emerging markets while adjusting it to natural demand in mature markets
  - ( Sales ) Fortifying involvement in sales business in emerging markets
- Reforming the cost structure
- Pursuing business alliance opportunities for profit increase
- Reinforcing business foundation
  - ( Financial ground, Human Resources, product quality, CSR/compliance activities )

# Sales Volume Targets

Expanding sales in emerging markets & stabilizing sales in mature markets

<Retail sales>



※1 Excluding Russia, Ukraine, Kazakhstan

※2 Change in counting method: excluding models that are not under Mitsubishi brand

## EV/PHEV Technology & “Green Technology”

Enhancing Global Strategic Models  
~ Emerging Markets as the Focal Point ~



*MITSUBISHI Concept Global Small*



## EV/PHEV\* Technologies [ Shifting to Electric Energy ]

### Expansion of EV/PHEV

- Global rollout of i-MiEV
- Expanding the EV lineup
- New introduction and expansion of PHEV
- Providing EV technologies to others

\* Electric Vehicle and Plug-in-hybrid vehicles

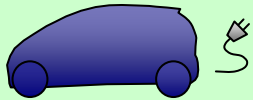
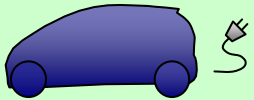
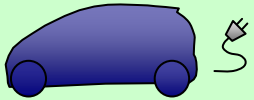
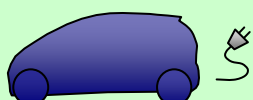
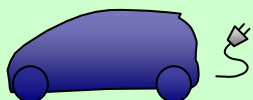
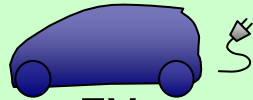
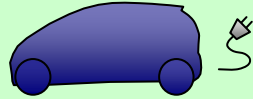
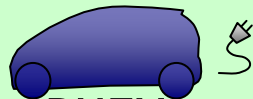
## Improving “Green Technology” [ Conserving Oil-based Energy ]

### Improving the existing technologies ( IC engine, etc )

- New introduction of Hybrid model
- Advancing gasoline/clean diesel based engine  
(Expanding idling-stop system usage, next-generation MIVEC engine, etc)
- Lightweighting the car body

## EV/PHEV Technology

Launching total of 8 electric vehicles/plug-in hybrid vehicles by FY 2015

FY2011	FY2012	FY2013	FY2014-15
 Commercial mini EV (MINICAB-MiEV)	 PHEV  PHEV	 EV  PHEV	 EV  PHEV  PHEV

## "Green Technology"

Next-generation MIVEC engine ( FY2011~ )

Hybrid vehicle ( FY2013~ )

## ● Introducing affordable & fuel efficient compact car "Global Small"

- Begin production in Thailand in FY2011
- Sequentially start export to ASEAN, Japan, US, Europe from FY2012

## ● Expanding the SUV lineup in emerging market

- Respond to wide range of demand, including the emerging markets
- Deliberate on 1 ton pick-up development/production corporation with Nissan

## ● Discontinuing region-specific model

- Cancel launch of successors for US/Europe region-specific models

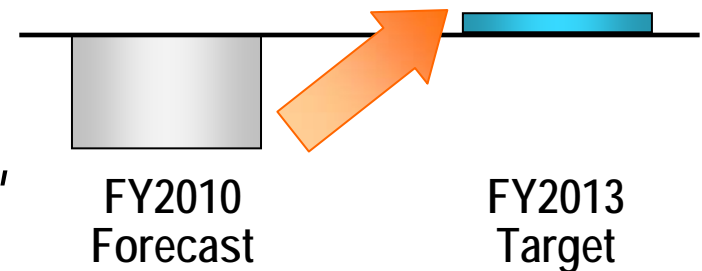
## ● Minicar: deliberating joint venture with Nissan

- Collaborate in product planning/developing of minicar

## Mature markets

## Solidify profitability

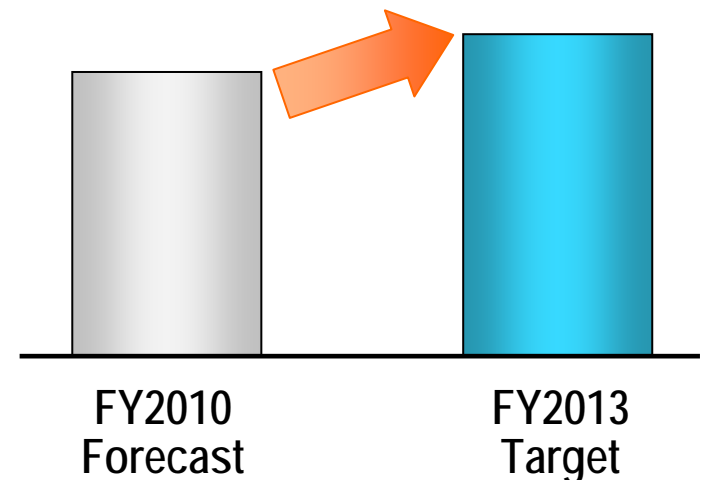
- Sales volume : increase 90,000 units ( FY2010 ⇒ FY2013 )
- Precede in environmental technology, further business efficiency



## Emerging markets

## Increase in profit

- Sales volume : increase 280,000 units ( FY2010 ⇒ FY2013 )
- Expand business by launching compact/fuel efficient/affordable models and SUV



Japan

**Building solid profitability**

( Strengthen after-sales / Deliberate minicar joint venture with Nissan )

North  
America

**Bolstering production/sales business**

( Launch new US produced model )

Europe※

**Enhancing environmental brand value**

( Accelerate expansion of eco-car models prior to CO2 regulations )

ASEAN

Launch/export of "Global Small"  
( Construct new factory in Thailand )

Russia

Local production/sales of new SUV  
( Increase local procurement to further enhance  
cost competitiveness )

China

Reinforced production/sales ability by  
establishing a new 50/50 joint venture company

Brazil

Strengthening product lineup  
Expand supply to MERCOSUR, Andean Community  
( Deliberate capital injection to local partnership )

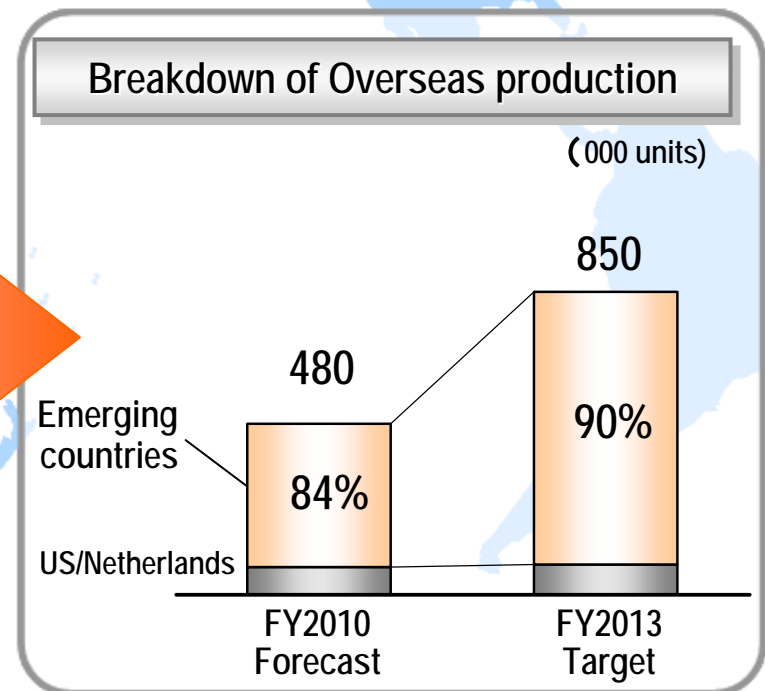
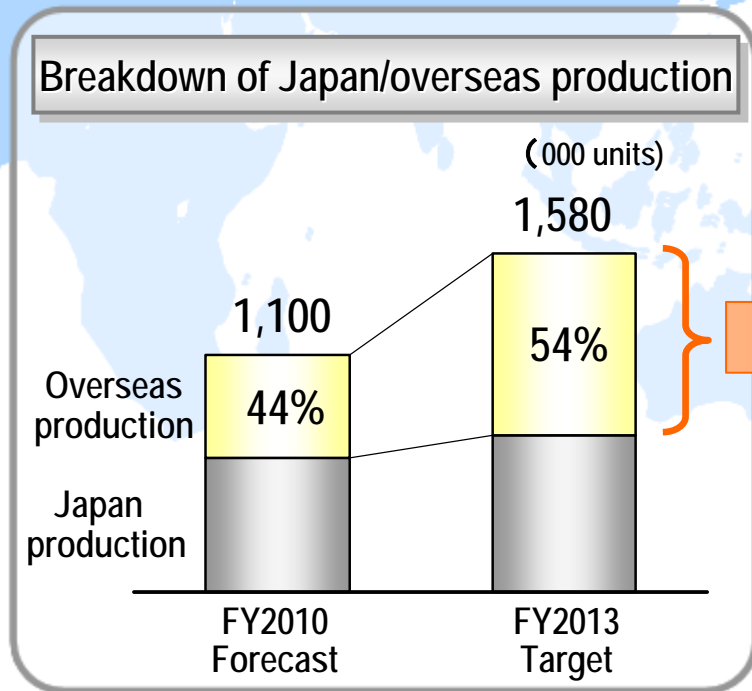
# Global Production Structure

## Developed Countries: adjusting prod. capacity

- U.S. : rollout new locally produced models
- Netherlands : cancel *Colt* successor model
- Japan : increase minicar production by collaborating in joint venture

## Emerging countries: enhancing prod. capacity

- Thailand: construct 3<sup>rd</sup> factory
- China: increase production capacity
- Brazil: increase production capacity
- Russia: full-scale SUV production



## Globally expanding Mitsubishi brand quality level

Building a structure to globally sustain the quality level, as we increase production facilities in emerging countries

### Development:

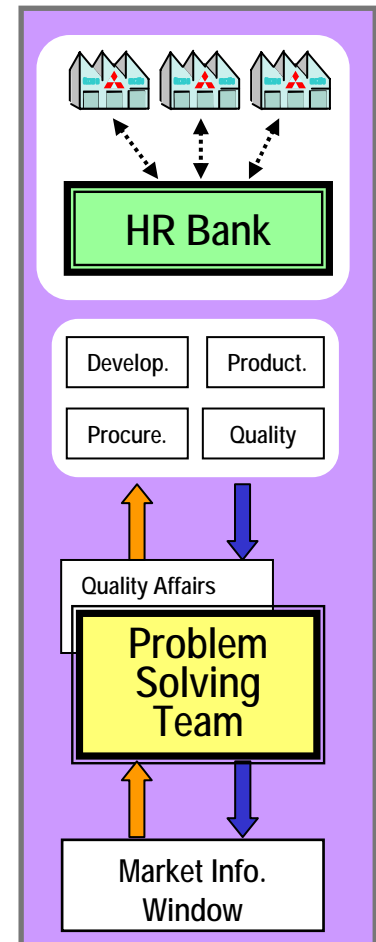
- Thorough utilization of “Dev. Quality Improvement Tools”
- Thorough assessment of global vehicle running environment, and compatibility assessment

### Production:

- Expansion of overseas factory incorporating MMC production method as well as quality control methods
- Foundation of overseas human resource bank

### Market:

- Timely correspondence to market information by creating Problem Solving Team
- Improving information collection speed & accuracy, by increasing expatriates





## Forming of "Cost Reduction Implementation Committee"

- Direct control under president
- Material cost reduction monitoring system
- Periodic follow-up

Fundamental reformation of material cost reduction

## Aiming to secure cost competitiveness at global level

~ Aim to reduce material cost by 90 billion yen level in comparison to FY2010, by FY2013 ~

Expand overseas procurement  
~Promote overseas procurement for Japanese produced models~

	FY2010 (Forecast)	FY2013 (Target)
Overseas procurement rate	18%	25%

Strengthen cost reduction activities  
~Strengthen collaborative efforts with overseas production hub~

15% decrease in C-segment platform

Promote cutbacks in #s of platforms  
~Expand scale merit for common parts~

	End of FY2010 (Forecast)	End of FY 2013 (Target)	End of FY2015 (ref.)
# of platforms:	12	9	6
(Prod. volume/platform #s)	(92,000 units)	(176,000 units)	

## Pursuing business alliances

- Supplement product/technology to better fulfill customer needs
- Improve efficiency/capacity utilization at factories
- Cost reduction in R&D expenditure, fixed expenses, facility investments, etc.

Current collaborations		FY2011~	
Models Provided	<ul style="list-style-type: none"> <li>• Nissan: commercial minicar, passenger minicar, mini SUV</li> <li>• PSA Peugeot Citroen: SUV, EV</li> </ul>	Models Provided	<ul style="list-style-type: none"> <li>• PSA Peugeot Citroën : compact SUV</li> <li>• Nissan: SUV for Middle East market</li> </ul>
Models Received	<ul style="list-style-type: none"> <li>• Nissan: small commercial car</li> <li>• Mazda: commercial car</li> </ul>	Models Received	<ul style="list-style-type: none"> <li>• Nissan: commercial car</li> <li>• Suzuki : passenger car</li> </ul>
Tech. Assist	<ul style="list-style-type: none"> <li>• Proton: assistance in passenger car development/license production</li> </ul>	EV Develop.	<ul style="list-style-type: none"> <li>• PSA Peugeot Citroën : Commercial EV to begin production around end of 2012</li> </ul>
Factory Operation	<ul style="list-style-type: none"> <li>• PSA Peugeot Citroën : vehicle production in Kaluga factory, Russia</li> </ul>	Under Deliberation	<ul style="list-style-type: none"> <li>• Nissan: formation of joint venture for minicar product planning/development, collaborating in Nissan pickup truck production in Thai factory, as well as prod/develop. of successor model. Receiving upper-class sedan model for Japanese market</li> </ul>
Green Tech.	<ul style="list-style-type: none"> <li>• Lithium ion battery venture with GS Yuasa, Mitsubishi Corp.</li> </ul>		

**Increasing profit-earning opportunities / Bolstering profitability**

# Profit Targets

(100 million yen / 000 units)

	FY2010 ( Forecast )	FY2013 ( Target )
Sales Volume (Retail)	1,000 ※	1,370
Sales	19,000	25,000
Operating Income	450	900
Operating Income Ratio	2.4%	3.6%
Net Income	150	450
Net Income Ratio	0.8%	1.8%

Assumed forex. rate

US\$ ¥85  
Euro ¥113  
Aus.\$ ¥80

US\$ ¥90  
Euro ¥110  
Aus. \$ ¥75

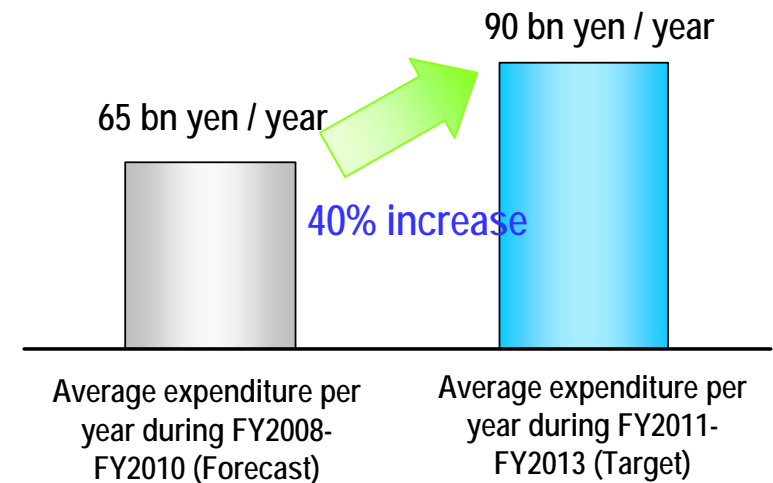
※Displayed in renewed count (current count: 1,124)

Change in counting method: excluding models that's not under Mitsubishi brand

## Focusing investment in emerging market & environmental initiatives

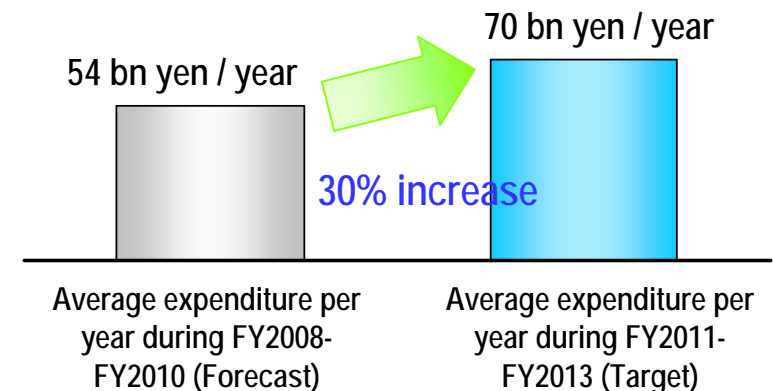
### Capital expenditure

- Respond to the growing demand in emerging market  
⇒ Production of "Global Small" in the new Thai factory
- increase development/production expenditure for "Green" cars  
⇒ expanding EV lineup
- Improve production efficiency



### R&D expenditure

- Propel development to match emerging market's needs  
⇒ compact/affordable/fuel efficient, SUV, etc.
- Focus development on environmental technology  
⇒ Developing EV/PHEV and their components
- Improve existing technology  
⇒ Fuel efficient, low CO2 engine, lightweighting the car body



## Balance sheet

While focusing on emerging markets/environment-related investments and R&Ds, also strives to improve cash flow, and promote squeezing of interest-bearing debt

(100 million yen)

	March 2010 Result	March 2011 Forecast	March 2014 Forecast
Total assets	12,587	12,600	14,520
Interest-bearing debt	3,927	3,640	3,360
(Excluding North-America ABS*)	3,584	3,440	2,800

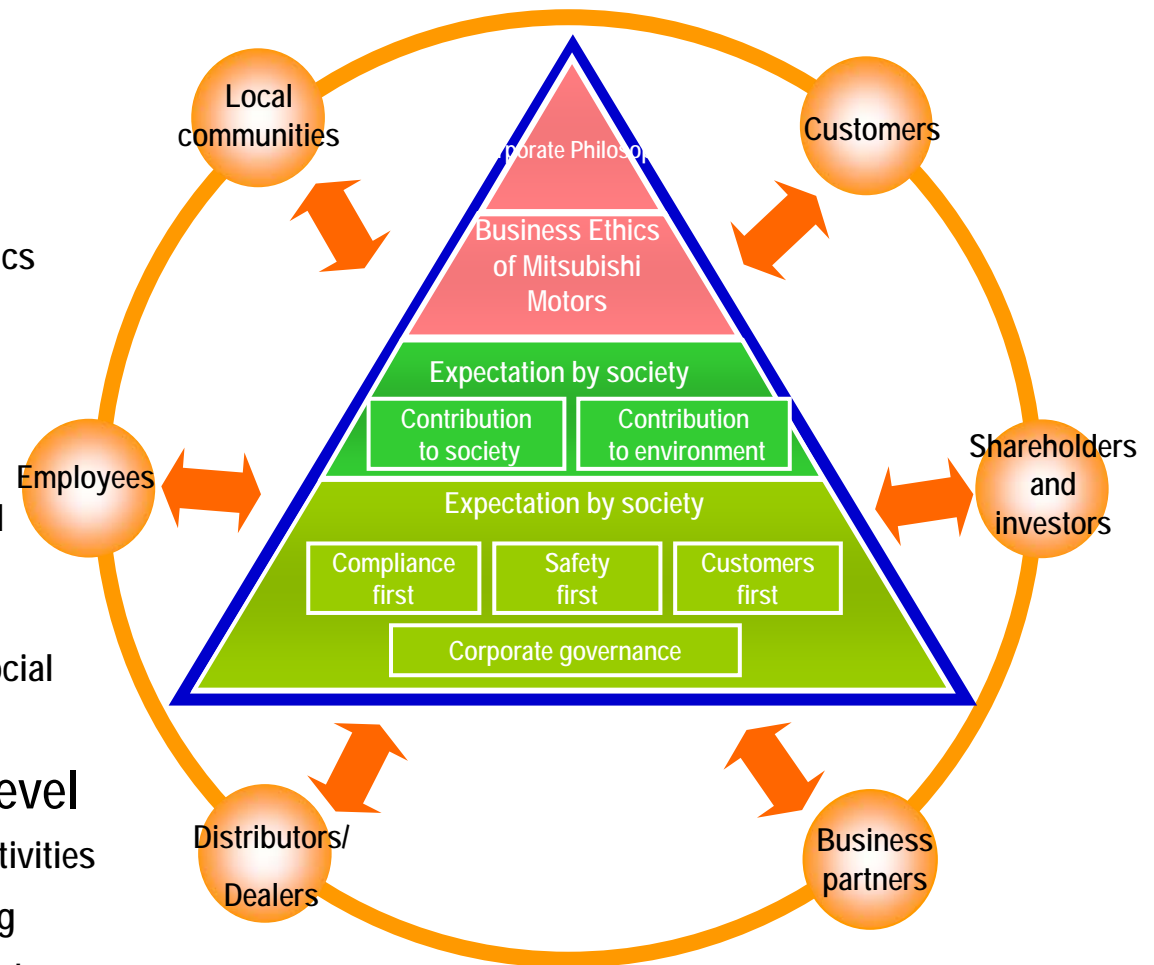
## Capital strategy

Aiming resumption of dividend payments during this Mid-term Business Plan period

\* ABS: Asset Backed Securities

## Towards a sustainable future people living in harmony with society and the earth through the cars

- Promote activities to enhance “trust of society”
  - Strengthen compliance awareness activities
  - Strengthen corporate governance
  - Continue check system by the Business Ethics Committee
- Promote activities to meet “expectation of society”
  - Realization of low-carbon, recycling-oriented society and promoting efforts to reduce environmental load
  - Development of employee participation in social contributions
- Expand the activities to global level
  - Global expansion of compliance and CSR activities
  - Overseas audit of quality assurance checking
  - Reinforced global environmental management



Concept of CSR activities

## Layout of New Mid-term Environmental Initiative Program 2015 (FY2011-FY2015)

Set up the mid point target to achieve “Environmental Vision 2020”

		FY2015 Target	FY2020 Target
Products	CO2 emissions for new products <small>*Versus 2005 global lineup average</small>	Reduce by 25%	Reduce by 50%
	Production ratio of EV and PHEV	5% and above	20% and above
Production	Per-vehicle CO2 emissions <small>*Versus 2005</small>	Reduce by 15%	Reduce by 20%

## Additional information



*MINICAB-MiEV, Commercial mini EV*



## Change

### Current definition

Count retail unit including other brands models which MMC designed and reward its royalty\*

\* Example products: former Lancer(V3) for Southeast (Fujian) Motor of China, former Pajero (Liebao) for GAC Changfeng Motor of China, and Veryca, Light commercial vehicle for CMC of Taiwan.



### Renewed definition

Count only MMC brand retail unit since FY2011

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- **Fluctuations in interest rates, exchange rates and oil prices;**
- **Changes in laws, regulations and government policies; and**
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