

Financial Results for FY2005



Mitsubishi Motors Corporation

April 27, 2006

Summary of FY2005 Results & FY2006 Forecasts



Hiizu Ichikawa

**Managing Director
(In Charge of Finance Group Headquarters)**

FY2005 Results Summary [vs. Nov 10, 2005 Forecast]

(000 units/100 million yen)

	FY05 Nov 10 Fcast ①	FY05 Actual ②	② - ①	FY04 Actual
Sales	22,200 (20,300)	21,201	-999	21,226
Operating Income	-140 (-140)	+68	+208	- 1,285
Ordinary Income	-400 (-400)	-178	+222	- 1,792
Net Income	-640 (-640)	-922	-282	- 4,748
Unit Volume (Retail)	1,370 (1,360)	1,344	-26	1,313

Note: Figures in brackets are from the Jan 28, 2005 Mitsubishi Motors Revitalization Plan; unit volume excludes OEM volume

FY2005 Regional Unit Volume [vs. Nov 10, 2005 Forecast, Retail Base]

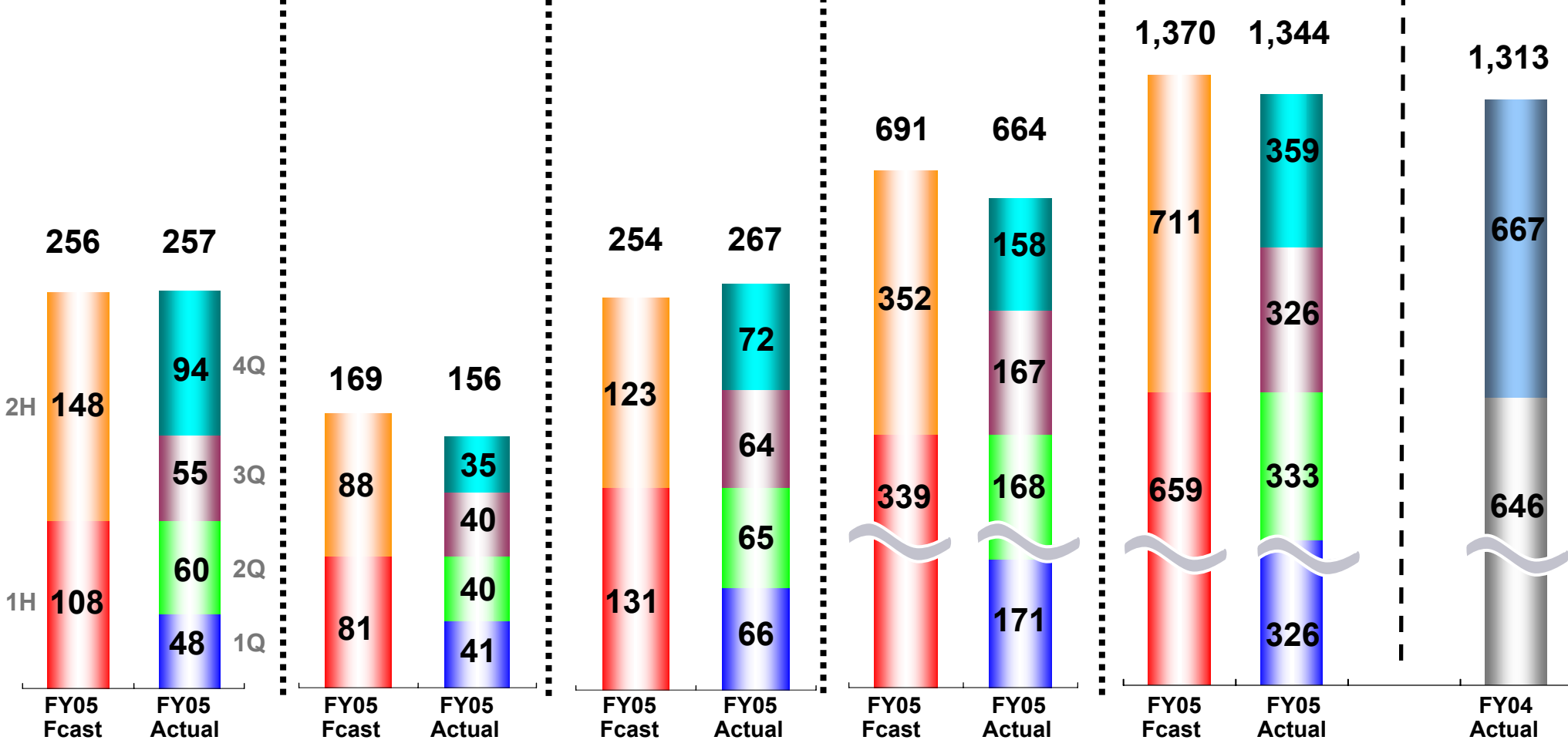


(000 units)

Japan	North America	Europe	Asia & RoW	Total
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FY05 Actual vs. Nov 10 Forecast

+1	-13	+13	-27	-26
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FY2005 Operating Income [vs. Nov 10, 2005 Forecast]

(100 million yen)

	FY05 Nov 10 Fcast ①	FY05 Actual ②	② - ①
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Sales

22,200

21,201

-999

- ▶ Vol./Mix -87
- ▶ FX +131
- ▶ Sales Exp. +42
- ▶ Warranty +79
- ▶ Cost Reduc. + 43

Operating Income

-140

+68

+208

Ordinary Income

-400

-178

+222

Net Income

-640

-922

-282

FY2005 Non operating & Extraordinary Income [vs. Nov 10, 2005 Forecast]

(100 million yen)

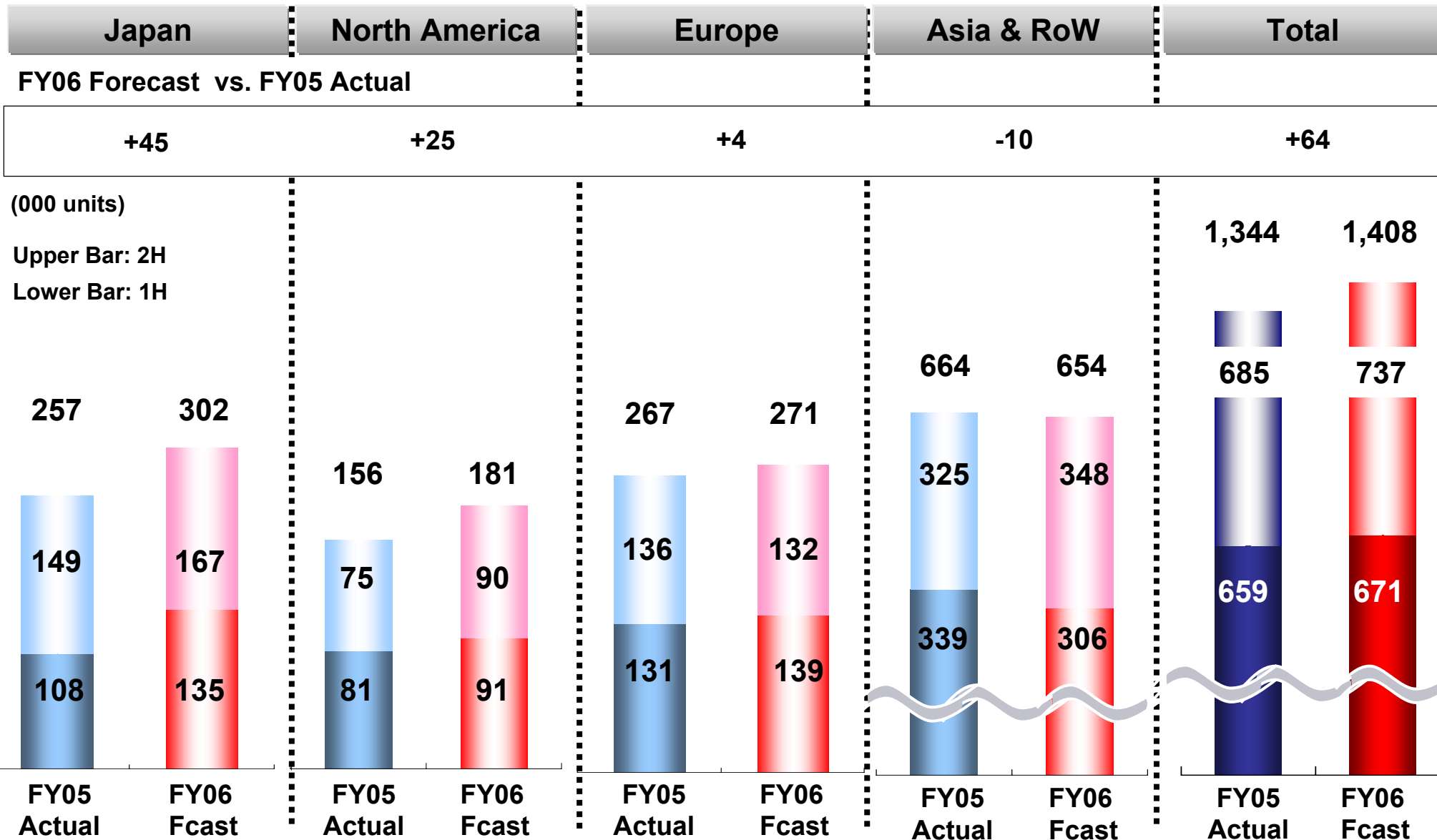
	FY05 Nov 10 Fcast ①	FY05 Actual ②	② - ①
Operating Income	-140	+68	+208
Non-operating Income	-260	-246	+14
Ordinary Income	-400	-178	+222
Extraordinary Income & Tax	-240	-744	-504
		<ul style="list-style-type: none"> ▶ Asset Impair. Charges -451 ▶ Restruc. Charges -199 ▶ Other -94 	
Net Income	-640	-922	-282

FY2005 Balance Sheet

(100 million yen)

	FY04 (Mar 2005)	FY05 (Mar 2006)	Change
Assets	15,893	15,576	-317
Interest Bearing Debt	4,760	4,478	-282
Shareholders' Equity	3,248	2,687	-561

FY2006 Regional Unit Volume [Retail]



(000 units/100 million yen)

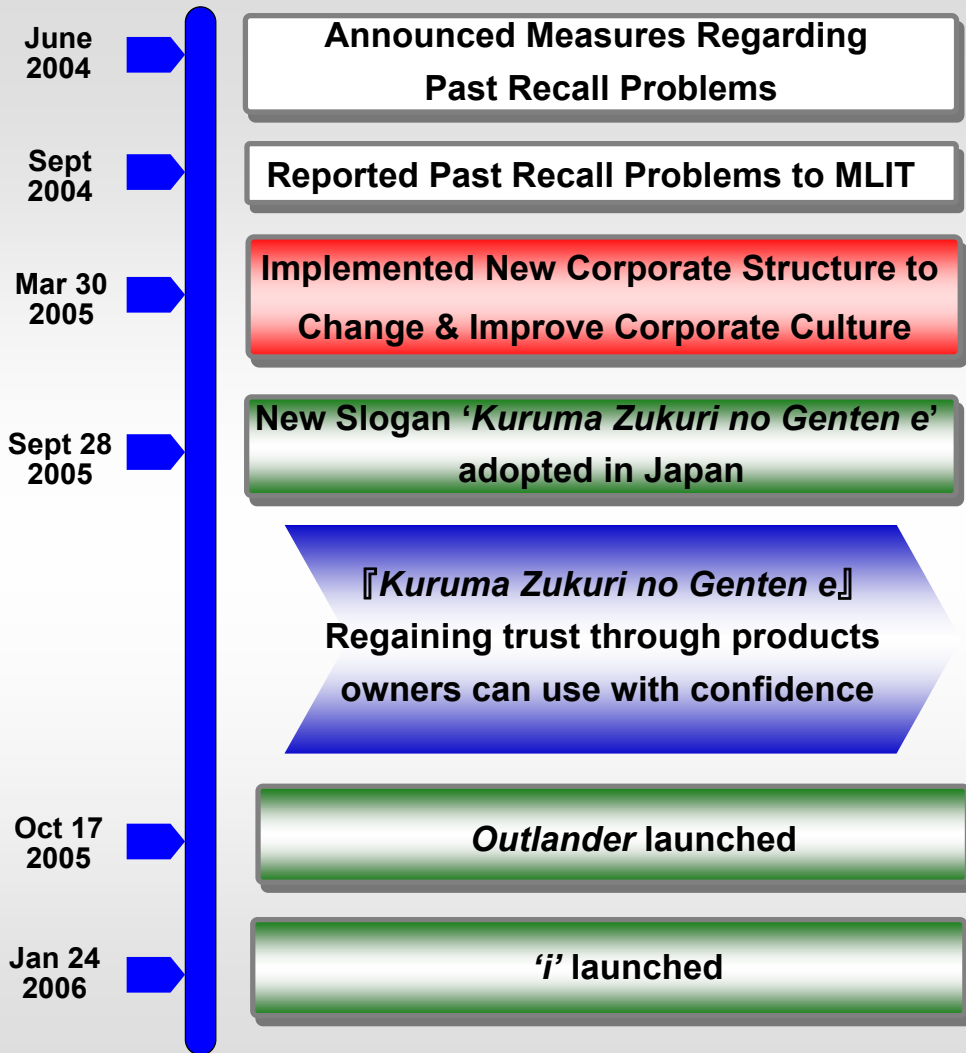
	FY05 Actual ①	FY06 Forecast ②	② - ①	FY06 Revitalization Plan Forecast
Sales	21,201	22,300	+1,099	21,600
Operating Income	+68	+430	+362	+ 430
Ordinary Income	-178	+210	+388	+ 210
Net Income	-922	+80	+1,002	+ 80
Unit Volume (Retail)	1,344	1,408	+64	1,408

FY2006 Business Plan & Progress of the Mitsubishi Motors Revitalization Plan



Osamu Masuko

President



Improvement Initiatives

- 【Compliance First】**
 - Education about recall & quality problems for all staff members
 - Continuous measures to ensure thorough penetration of compliance company wide

- 【Safety First】**
 - Restructured processes to prevent reoccurrence of past recall problems
 - Improve standards and response time for recall related decisions
 - Strengthen quality assurance operations

- 【Customers First】**
 - Improve customer service and technological knowledge at sales companies' service operations
 - Strengthen partnerships with sales companies

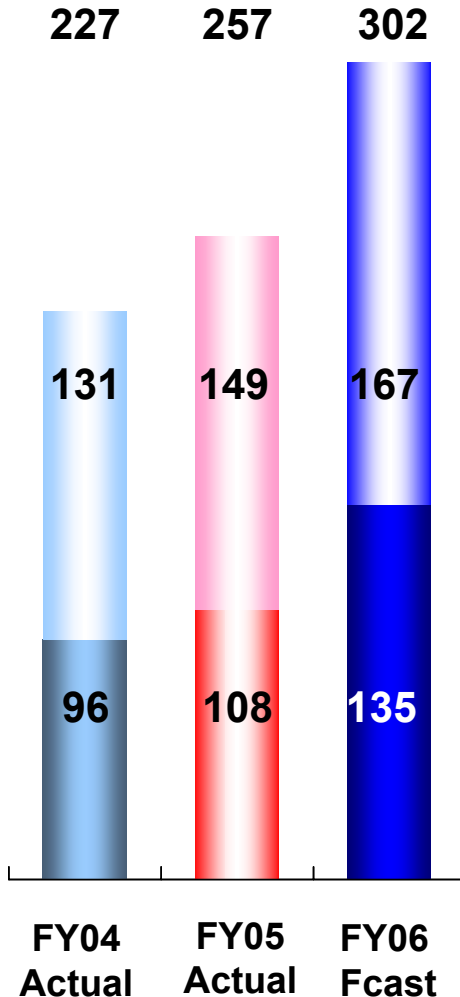
Outside check from the Business Ethics Committee: Guidance, Advice

Notes: MLIT - Ministry of Land, Infrastructure, and Transport; 'Kuruma Zukuri no Genten e' - English translation: Pursuing the Origins of Car Engineering

(000 units)

Upper Bar: 2H

Lower Bar: 1H



Continued Strength in Outlander & i + 3 New Models to Meet Target

~ Continuous reinforcement of sales companies ~

New models and special editions

- ✧ 1st Half: Special edition models of Outlander, i; eK Wagon
- ✧ 2nd Half: Pajero, Delica

Strengthening sales ability through stronger partnerships with sales companies

- ✧ Sales techniques training
- ✧ Promoting collaboration between sales and service units of sales companies
- ✧ Raising standards for used car sales business
- ✧ Customer service campaign ('Quick, Clear, Friendly' proclamation)

Restructuring sales networks

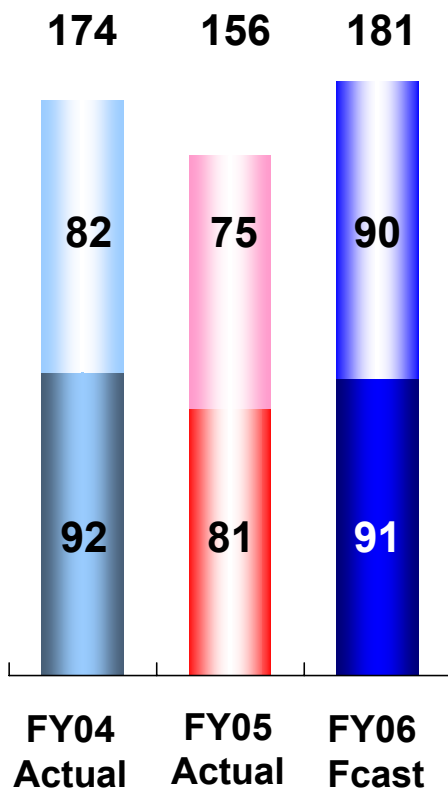
- ✧ Remodeling dealer stores
- ✧ Consolidating sales and parts sales subsidiaries

To the Front Lines - Strengthening dealer support for closer partnerships

(000 units)

Upper Bar: 2H

Lower Bar: 1H



■ Continued sales rationalization

■ Training to strengthen dealer's sales ability

- ✧ Strengthen dealer sales and management support
- ✧ Improve sales and service through better training

■ Consistent communication message

- ✧ Aggressively promote Mitsubishi's 25th anniversary campaign
- ✧ Aggressively increase media exposure in key markets

■ Effective financial services operations

■ Increase production at Illinois plant

- ✧ Improve efficiency through thorough cost reductions by US/Japan team
- ✧ Increase utilization through exports to the Mid East & Russia (July ~)



- Win customers and increase sales with new products
 - ✧ Eclipse Spyder (April 2006~)
 - ✧ Outlander (November 2006~)
 - ✧ Lancer (March 2007~)
 - ✧ Special Edition Models (April 2006~March 2007)

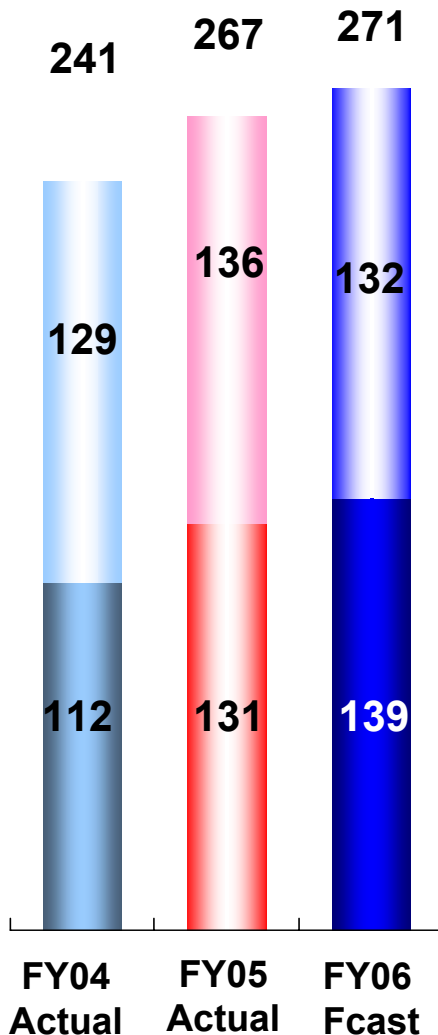
『ECLIPSE SPYDER』



『OUTLANDER』



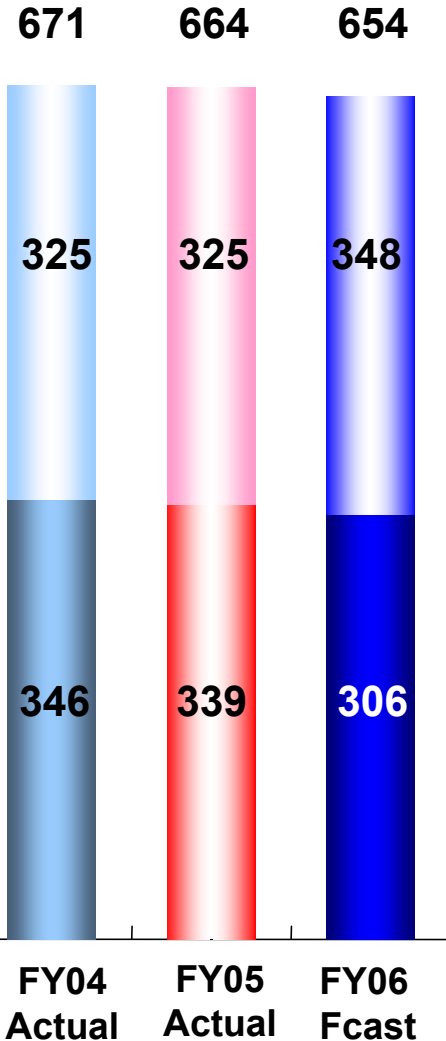
(000 units)
Upper Bar: 2H
Lower Bar: 1H



Aggressive Introduction of New Models

- **A full year of new models**
 - ✧ 1 ton Pickup Truck (L200) (April 2006~)
 - ✧ Colt Convertible (Colt CZC)(May 2006~)
 - ✧ Galant (September 2006~) <Russia & Ukraine>
 - ✧ Pajero (October 2006~)
 - ✧ Outlander (January 2007~)
- **Expand sales of existing models**
 - ✧ Colt, Lancer, Grandis
- **Continued strength in Germany & the UK**
- **Robust growth in emerging markets (Russia & the Ukraine)**
 - ✧ Introduction of the Galant full-size sedan

(000 units)
Upper Bar: 2H
Lower Bar: 1H



Stable Profitability

~ Lay the foundation for growth in the Chinese market ~

China

- ✧ Investment in South East Motors (25% stake)
- ✧ Increased sales of Mitsubishi brand vehicles
(FY05: 18% → FY06: 66%)
<Mitsubishi brand vehicles as a percentage of MMC's total volume in China>

Thailand

- ✧ Expanded export of the Triton

Latin America, the Mid East, and Africa

- ✧ Continue sales expansion by introducing new
1 ton Pickup Truck

Australia

- ✧ Higher sales via 3 new models (imports)
- ✧ Increased local production through new grades of the 380

■ Product Strategy

Fewer region specific models
and more global models

■ Domestic Facilities

Response to full capacity
at the Mizushima factory

■ Overseas Facilities

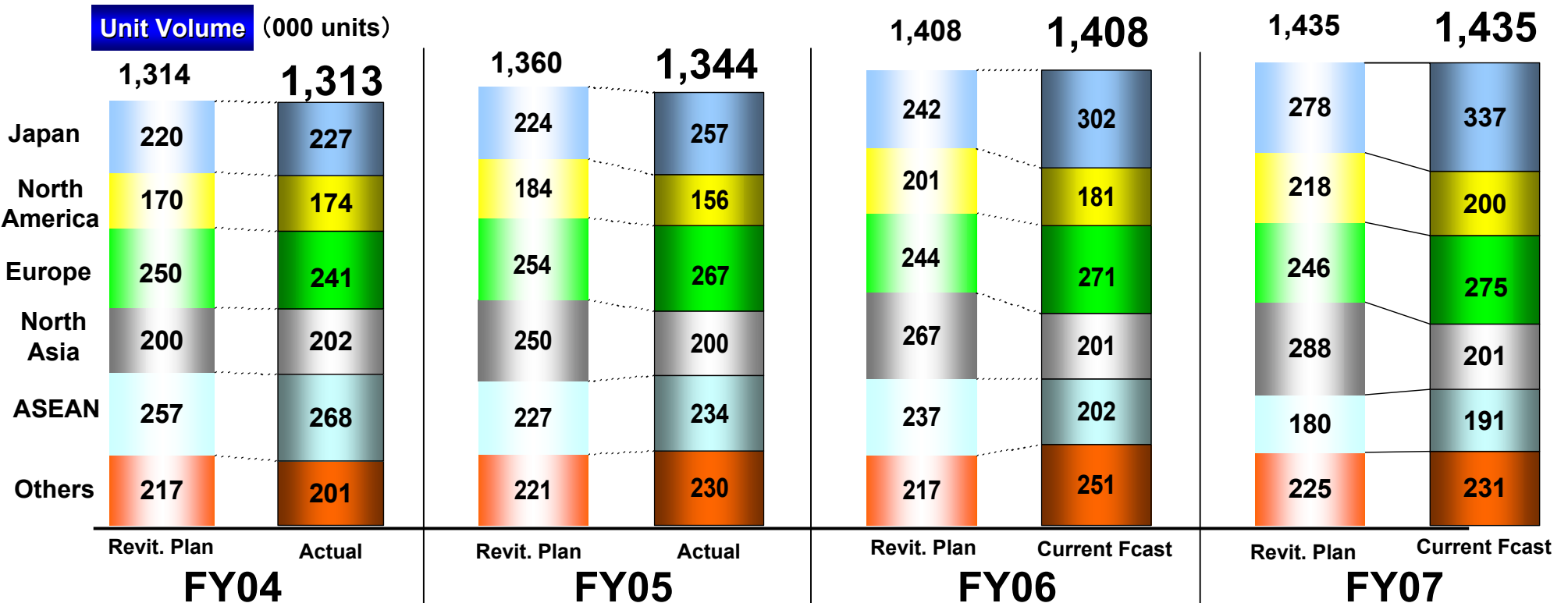
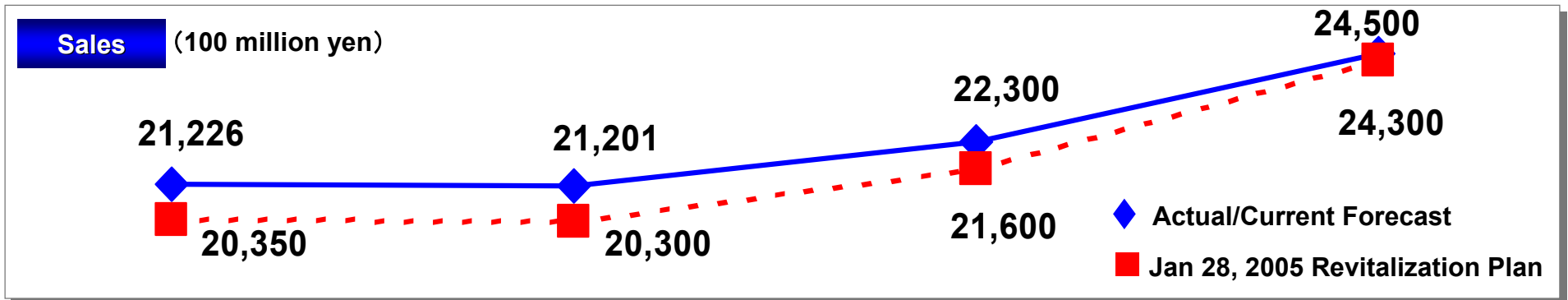
Aligning production scale
with sales levels

- 
- Okazaki factory: Partial relocation of production from the Mizushima factory
 - Reduce platforms, concentrate production aligned with product cycles

Progress of the Revitalization Plan

New Forecasts for Sales and Unit Volume: FY 2006 & 2007

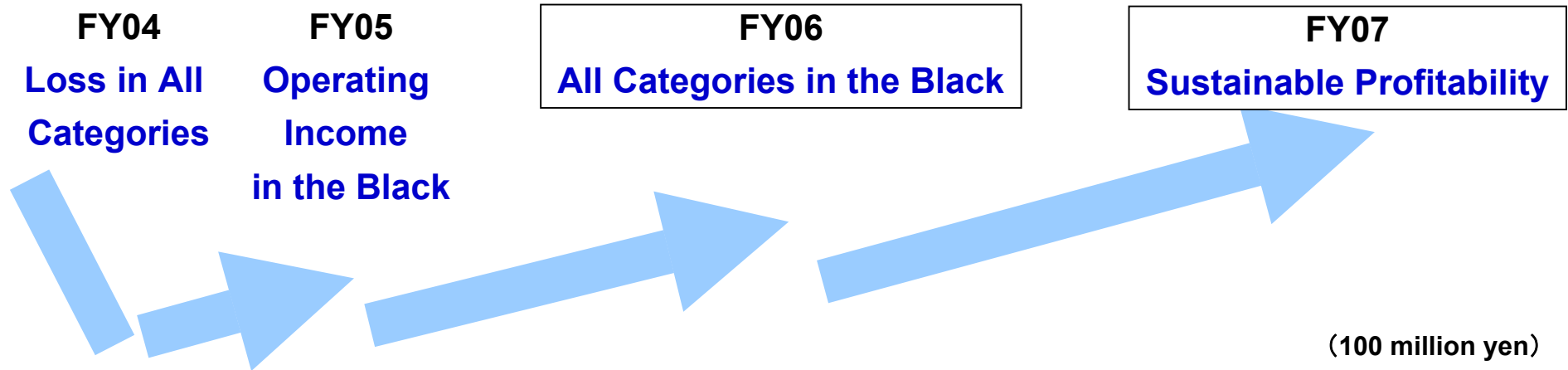
Stable and Steady Growth



Progress of the Revitalization Plan

Earnings Forecasts: FY 2006 & 2007

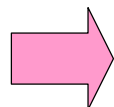
No Change from the Revitalization Plan (FY2007: Sustainable Profitability)



(100 million yen)

	FY2006	FY2007
Operating income	+430	+740
Ordinary Income	+210	+530
Net Income	+80	+410

■ FY2005



Positive Operating Income

➤ Efforts to Regain Trust

✧ Compliance First / Safety First / Customers First

➤ Business Improvement

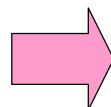
✧ Unit volume : Highly competitive US and Australian markets were offset by strength in Japan and Europe: reached 98 % of target.

✧ Sales : Declined mainly due to decreased OEM supply overseas.

✧ Operating income : Above target and in the black

✧ Net income : Below target due to additional asset impairment charges taken in the US and Australia

■ FY2006



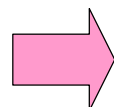
The True Establishment of Revitalization

➤ Unit volume/Sales : Growth from new model offensive in major regions

➤ Earnings : All categories in the black

➤ Utilization of the Okazaki factory

■ FY2007



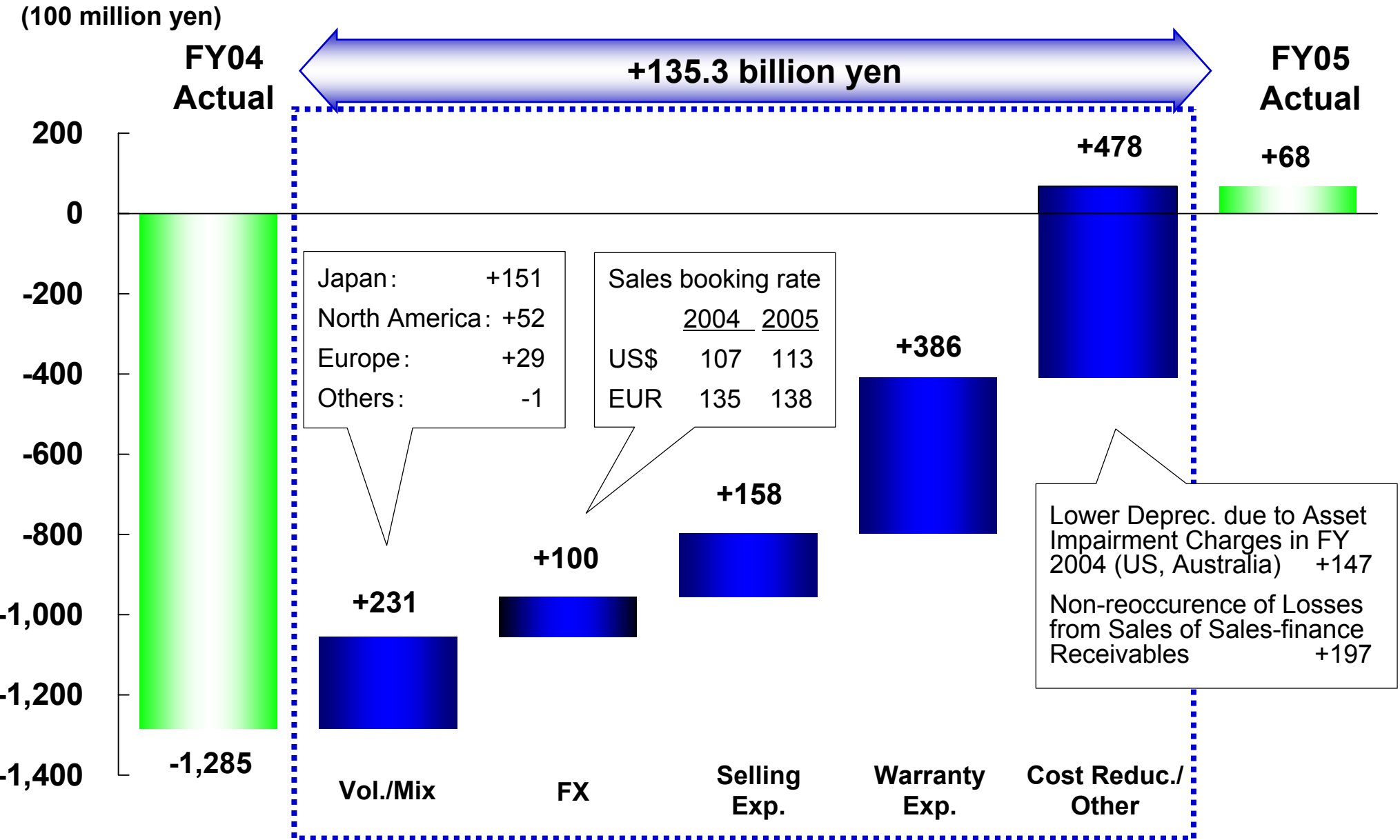
No Change from the Revitalization Plan

(Sustainable Profitability)

Additional Information



FY2005 Analysis of Operating Income [vs. FY2004 Actual]



FY2005: Regional Summary [vs. FY2004 Actual & Nov 10, 2005 Forecast]

(100 million yen)

	FY04 Actual ①	FY05 Nov 10 Fcast ②	FY05 Actual ③	③-①	③-②
Sales	21,226	22,200	21,201	-25	-999
- Japan	4,129	5,300	5,041	+912	-259
- North America	4,414	4,300	4,157	-257	-143
- Europe	6,678	6,200	5,862	-816	-338
- Asia & RoW	6,005	6,400	6,141	+136	-259
Operating Income	-1,285	-140	68	+1,353	+208
- Japan	-970	-620	-553	+417	+67
- North America	-1,038	-220	-72	+966	+148
- Europe	72	100	244	+172	+144
- Asia & RoW	651	600	449	-202	-151

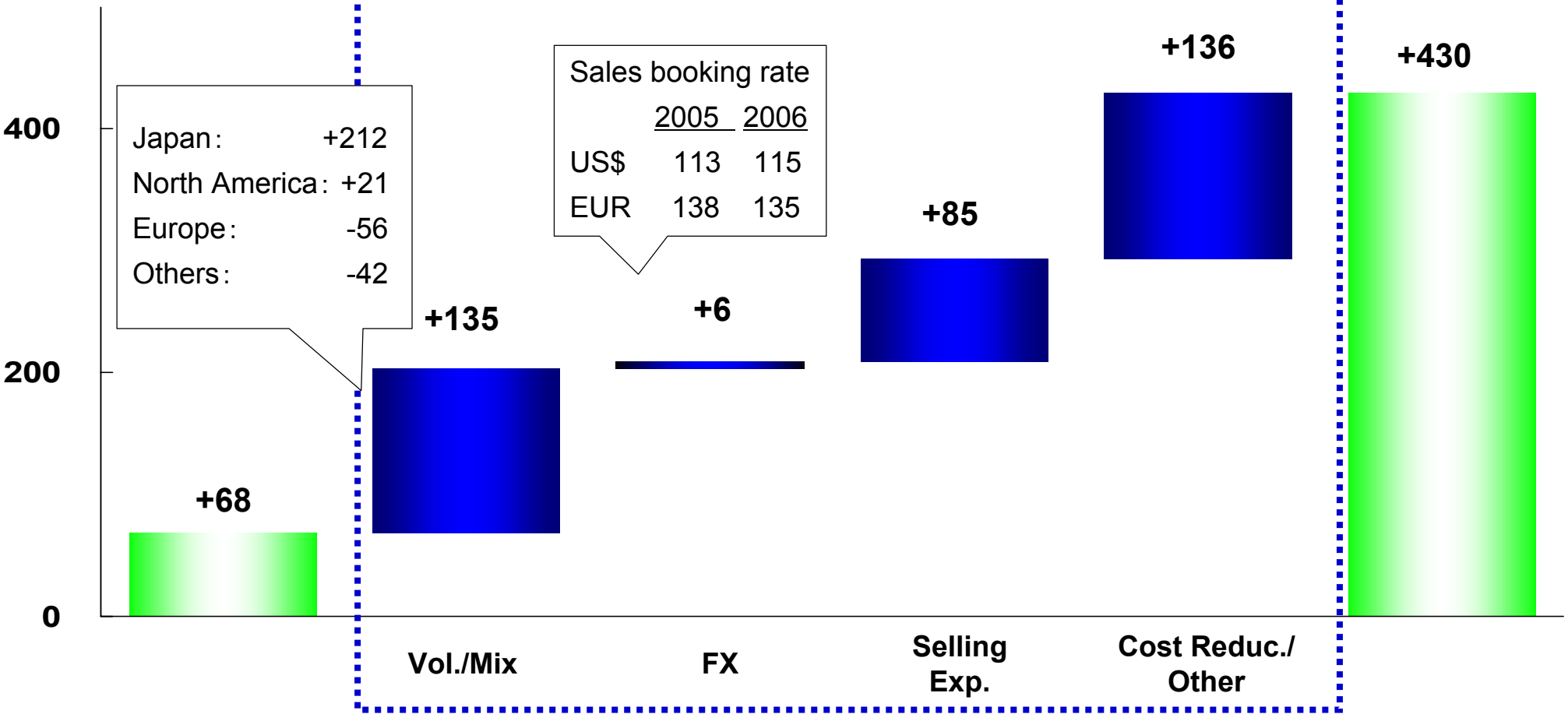
FY2006 Forecast: Analysis of Operating Income [vs. FY2005 Actual]

(100 million yen)

FY05 Actual

+36.2 billion yen

FY06 Forecast



FY2006: Regional Forecast [vs. FY2005 Actual & Jan 28, 2005 Forecast]

(100 million yen)

	FY05	FY06	FY06		
	Actual ①	Jan 28 Fcast ②	Apr 27 Fcast ③	③-①	③-②
Sales	21,201	21,600	22,300	+1,099	+700
- Japan	5,041	5,000	5,700	+659	+700
- North America	4,157	4,900	4,500	+343	-400
- Europe	5,862	5,200	6,000	+138	+800
- Asia & RoW	6,141	6,500	6,100	-41	-400
Operating Income	68	430	430	+362	±0
- Japan	-553	-400	-240	+313	+160
- North America	-72	80	-110	-38	-190
- Europe	244	-80	260	+16	+340
- Asia & RoW	449	830	520	+71	-310

FY2005 & 2006 Results Summary [1st & 2nd Half]

(000 units/100 million yen)

	FY05/1H Actual	FY05/2H Actual	FY06/1H Forecast	FY06/2H Forecast
Sales	9,913	11,288	10,200	12,100
Operating Income	-198	+266	-90	520
Ordinary Income	-336	+158	-190	400
Net Income	-638	-284	-280	360
Unit volume (Retail)	659	685	671	737

Note: Unit volume excludes OEM volume.

All statements herein, other than historical facts, contain forward-looking statements and are based on our current forecasts, expectations, targets, plans, and evaluations. Any forecasted value is calculated or obtained based on certain assumptions. Forward-looking statements involve inherent risks and uncertainties. A number of significant factors could therefore cause actual results to differ from those contained in any forward-looking statement. Significant risk factors include:

- feasibility of each target and initiative as laid out in this presentation;
- fluctuations in interest rates, exchange rates, oil prices, etc.;
- changes in laws, regulations and government policies;
- regional and/or global socioeconomic changes

Potential risks and uncertainties are not limited to the above and MMC is not under any obligation to update the information in this presentation to reflect any developments or events in the future.