

Support Provided to Mitsubishi Motors

January 28, 2005



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1 . Outline of Mitsubishi Motors Revitalization Plan

Background and Key Points

Business Revitalization Plan (May 21)

Changes in operating environment

Past recalls

Further erosion in credibility

Concerns about delay in business recovery and financial health

Current situation

Low sales volume

Rapid shortfall of capital

Need for additional actions

Key points concerning this plan

1. Customer First – Restore the public’s trust

2. Business Strategy

• Sales plan incorporating downside risk

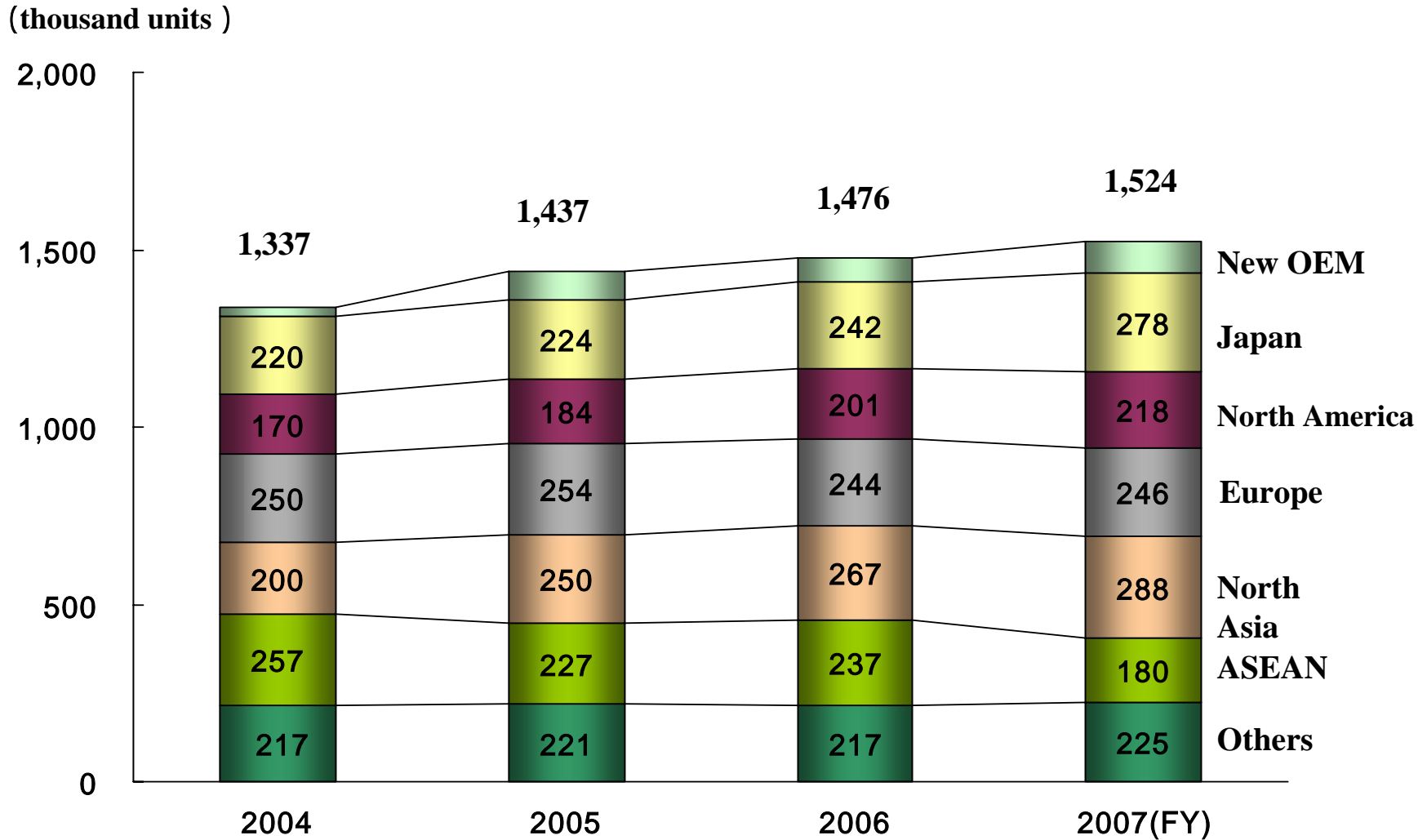
• Rapidly form tie-ups with other auto companies

• Eliminate excess production and sales capacity (Japan, U.S., others) to achieve the proper scale

3. Reinforcement of Capital and Financing

4. Strengthen Management’s Effectiveness

Plan for Sales Volume by Region



Business Strategy

Product strategy Aggressive plan for launching new models

- Even more efficient roll-out of vehicle types
- Plan for introducing new vehicles (global models and regional models)
- Plan for vehicle line-up in Japan



New category
SUV

New category
minicar



Strategy for tie-ups Aggressively form strategic business alliances

- Increase OEM supply of minicars to Nissan (36,000 annually)
- OEM supply of cars to Peugeot Citroen Group (contract to be signed in early February)

- ## Regional strategy
- Japan: Establish consistently profitable framework that includes local sales companies
Streamline network of sales subsidiaries
 - North America: Establish profitable operating framework
Eliminate excess production capacity
Collaborate with Merrill Lynch in sales financing

Strengthen Capital and Sources of Funds

Increase in capital ¥270.0 billion from three companies
<Pct. of total MMC shares outstanding following increase>

Mitsubishi Heavy Industries	¥50 billion (15%) *
Mitsubishi Corporation	¥70 billion (14%)
Bank of Tokyo Mitsubishi	¥150 billion (5%)



**These three companies will provide strong support for
the revitalization of Mitsubishi Motors**

*MHI's investment ratio of 15% following the ¥50 billion purchase of stock includes Mitsubishi Motors shares held prior to this purchase.

Mitsubishi Motors Forecast

(100 million yen)	FY03 (actual)	FY04 (est.)	FY05 (est.)	FY06 (est.)	FY07 (est.)
Net sales	25,194	20,350	20,280	21,590	24,270
Operating income	969	1,320	140	430	740
(operating margin)	-3.8%	-6.5%	-0.7%	2.0%	3.0%
Ordinary income	1,103	1,970	400	210	530
Net income	2,154	4,720	640	80	410

Critical Goals

**Return to profitability in FY06
(Net income of ¥8 billion)**

**Establish framework for
consistent profitability in FY07
(Net income of ¥41 billion)**

2. MHI's Response to the MMC Revitalization Plan

Key Points Concerning the MMC Revitalization Plan

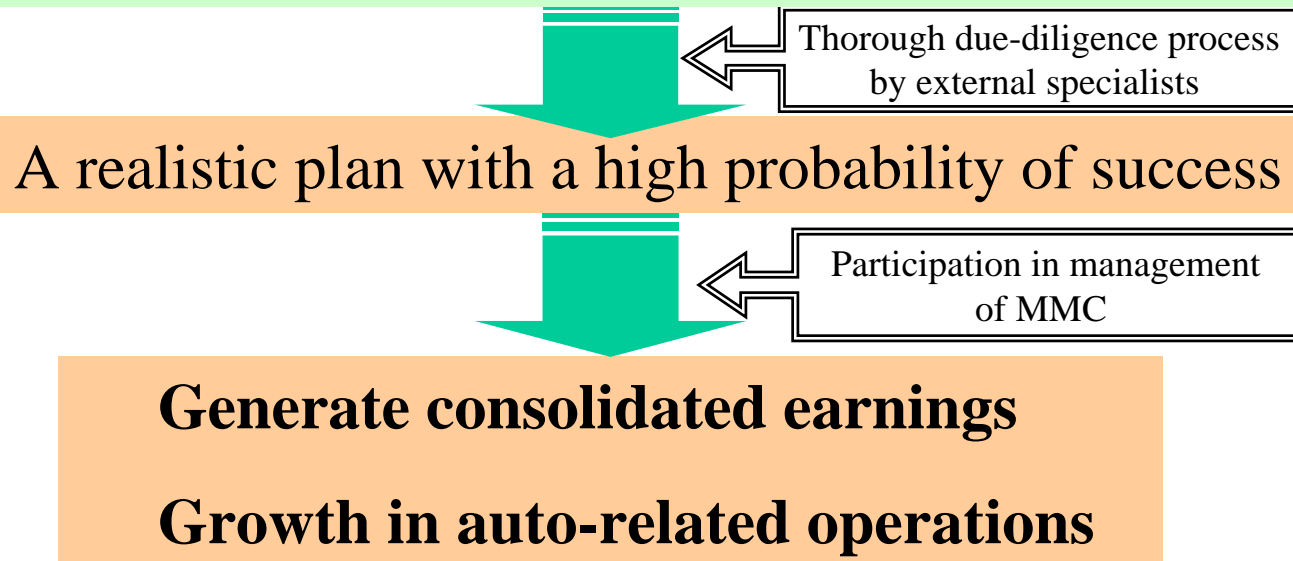
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MHI's Auto-Related Operations

Machining center



Car Air
Conditioner



Automotive machine tools



Gear machine tools



Large machine tools



Dies for plastic components

Cylinder blocks ·
Transmission Cases

Die processing for bodies
and other large components

Transmissions

(Image)

Engine valves



Turbochargers



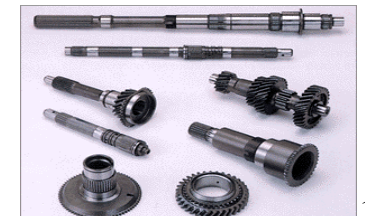
ETC devices



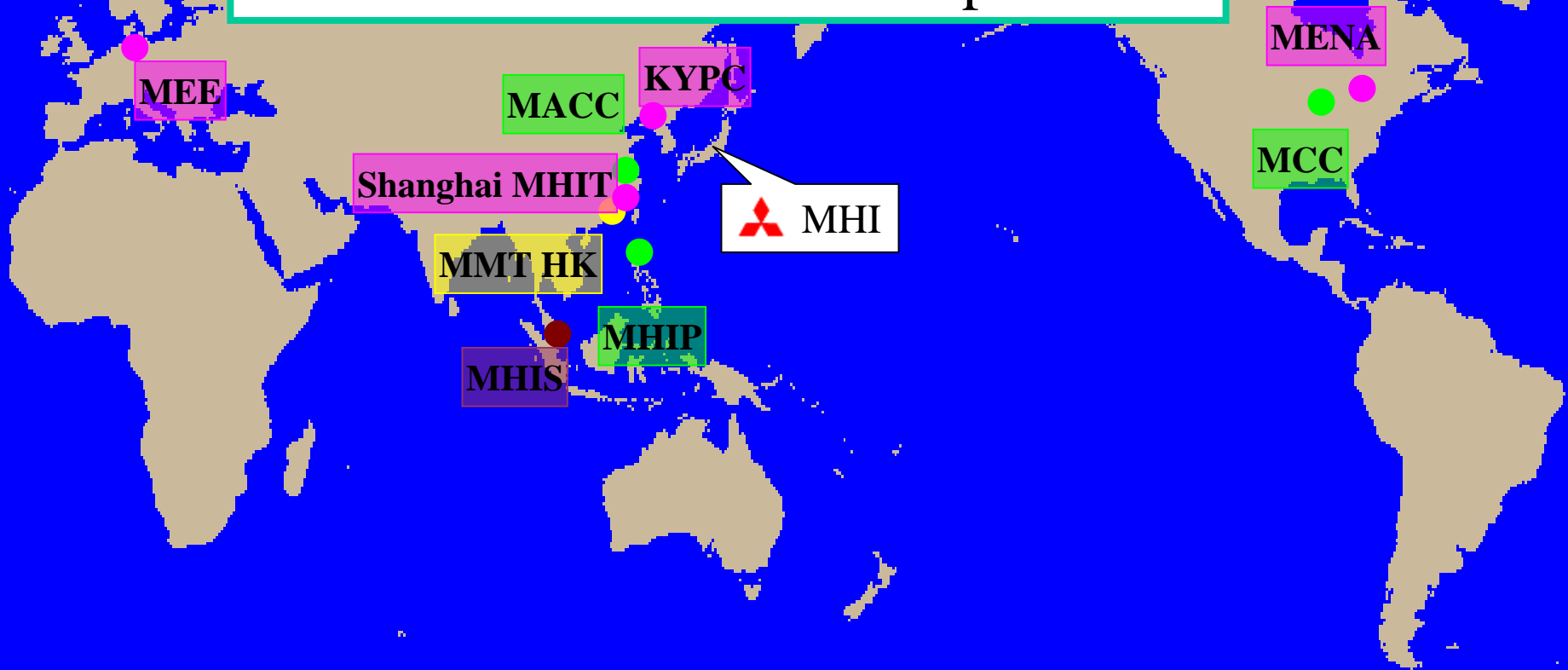
Precision
grinding tools



Transmissions



Locations of Automotive Operations



Turbochargers



Car Air Conditioner



Machine tools/Engine valves



ETC devices

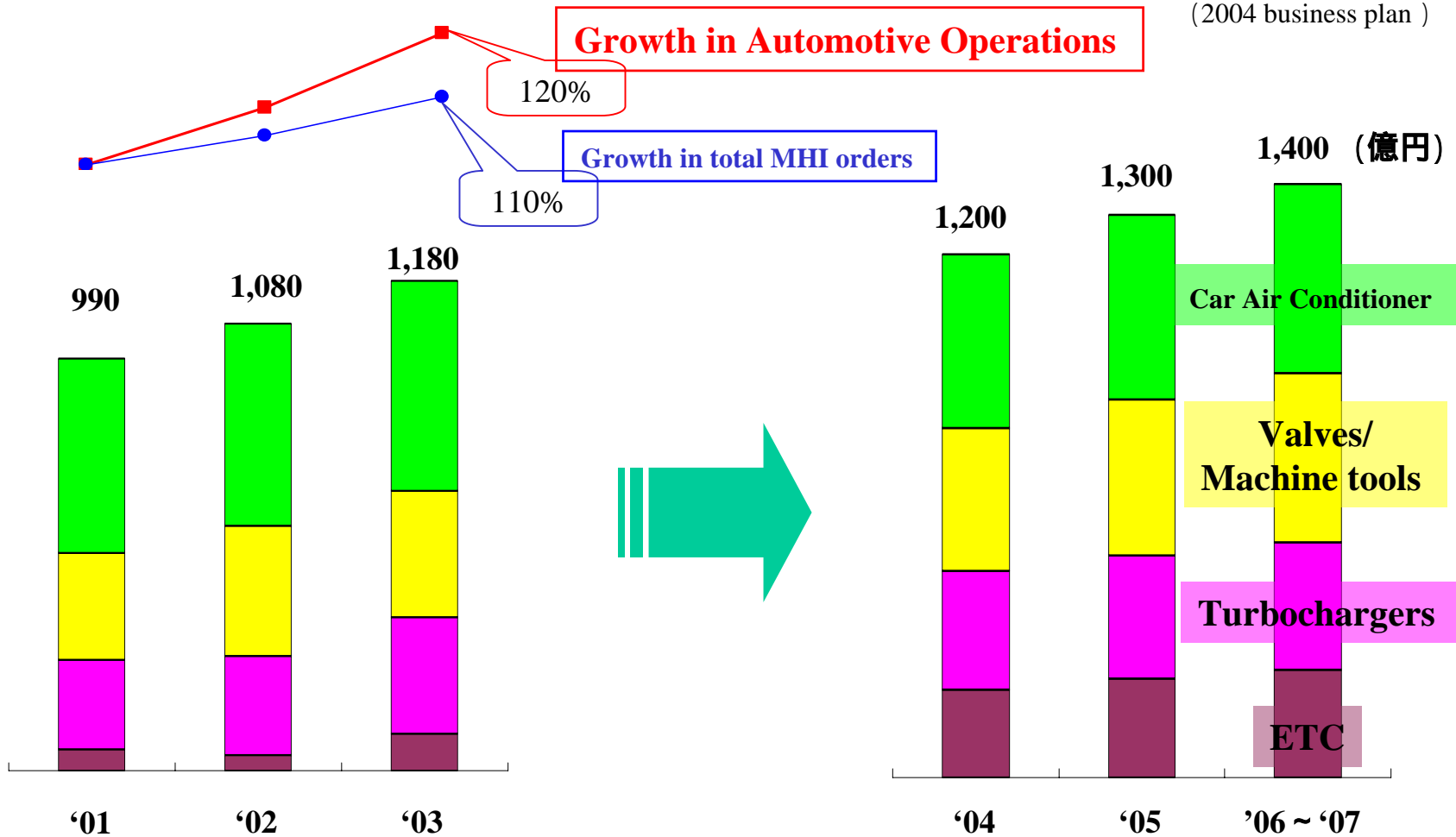


Results and Outlook for Automotive Operations

Orders Received

Planned Growth in Orders Received

(2004 business plan)



Participation in Management of MMC

Highly accurate monitoring of information concerning market and technological trends in the automotive industry

Combine with collective strengths of MHI

Expand automotive operations

Generate consolidated earnings