Support Provided to Mitsubishi Motors

January 28, 2005

Kazuo Tsukuda, President
1. Outline of Mitsubishi Motors Revitalization Plan
Background and Key Points

Business Revitalization Plan (May 21)
- Past recalls
- Further erosion in credibility
- Concerns about delay in business recovery and financial health
- Low sales volume
- Rapid shortfall of capital

Changes in operating environment

Current situation

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

Source: Mitsubishi Motors Revitalization Plan
Plan for Sales Volume by Region

(thousand units)

New OEM
Japan
North America
Europe
North Asia
ASEAN
Others

1,337
1,437
1,476
1,524

Source: Mitsubishi Motors Revitalization Plan
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

- **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

Source: Mitsubishi Motors Revitalization Plan
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.

Source: Mitsubishi Motors Revitalization Plan
### Mitsubishi Motors Forecast

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<thead>
<tr>
<th>Revitalization Plan Outline (5)</th>
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Source: Mitsubishi Motors Revitalization Plan
Critical Goals

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

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

Source: Mitsubishi Motors Revitalization Plan
2. MHI’s Response to the MMC Revitalization Plan
Key Points Concerning the MMC Revitalization 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

   □ Generate consolidated earnings
   □ Growth in auto-related operations

- Thorough due-diligence process by external specialists
- Participation in management of MMC

A realistic plan with a high probability of success
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
- Transmissions
- Engine valves
- Turbochargers
- ETC devices
- Precision grinding tools
- Transmissions
Locations of Automotive Operations

- MEE
- KYPC
- MACC
- KYP
- Shanghai MHIT
- MMT HK
- MHIS
- MHIP
- MHI
- MENA
- MCC

Turbochargers
Car Air Conditioner
Machine tools/Engine valves
ETC devices
Results and Outlook for Automotive Operations

Orders Received

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<th>Year</th>
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<tr>
<td>‘01</td>
<td>990</td>
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<tr>
<td>‘02</td>
<td>1,080</td>
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<tr>
<td>‘03</td>
<td>1,180</td>
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Planned Growth in Orders Received (2004 business plan)

- Growth in Automotive Operations: 120%
- Growth in total MHI orders: 110%

- 2004 business plan

- Car Air Conditioner
- Valves/ Machine tools
- Turbochargers
- ETC

Growth in total MHI orders

1,200 1,300 1,400 (億円)
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