



# AUTOMOTIVE & MOBILITY GROUP

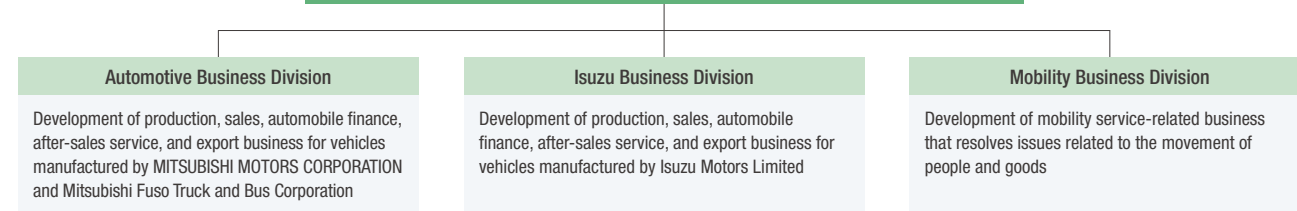
## OUR VISION

Our Group will strengthen the business platform we have built up over many years in the automotive value chain business, while also taking on challenges in the mobility service business by leveraging our expertise and know-how in this area. We aim to generate economic value, societal value, and environmental value simultaneously by addressing issues related to the transport of people and goods and using digital technology to provide automotive and mobility services that will contribute to the development of a low-carbon/decarbonized society.

**Iwao Toide**  
Executive Vice President, Group CEO,  
Automotive & Mobility Group



### Automotive & Mobility Group Organization



## Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>Decreased demand for internal combustion engine vehicles due to progress toward the achievement of a low-carbon/decarbonized society</li> <li>Slow growth in automobile demand due to the growing adoption of technologies such as CASE*1 and MaaS*2</li> <li>Upward trend in vehicle ownership and operation costs due to changes in various national tax systems and regulations as part of the transition to a low-carbon/decarbonized society</li> <li>Increase in research and development expenses and capital expenditures due to advances in AI/IoT technologies</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of a market for motorization due to growth of automobile demand and growth of the middle class in emerging countries</li> <li>Expansion of demand for vehicles with low environmental impact</li> <li>Expansion of mobility service-related business due to changes in the external environment and the role of vehicles in society</li> </ul>

\*1 Connected, Autonomous, Shared & Services, and Electric  
\*2 Mobility as a Service

### Strengths of the Automotive & Mobility Group

- Strong, long-term partnerships with MITSUBISHI MOTORS CORPORATION, Mitsubishi Fuso Truck and Bus Corporation, and Isuzu Motors Limited
- An automotive value chain business platform offering production, sales, automobile finance, after-sales service, and other capabilities developed both in the ASEAN region and on a global scale
- A wealth of knowledge and expertise based on an extensive global network

### Elements of the Midterm Corporate Strategy 2021

In anticipation of further growth centered on our key market, the ASEAN region, we will strengthen our value chain business, including areas such as production, sales, automobile finance, and after-sales service, as well as focus on expanding our downstream business areas. Furthermore, we will utilize the business infrastructure we have developed and work toward solving people- and goods-related mobility issues faster and on a larger scale through the mobility service-related business.

### Progress for the fiscal year ended March 31, 2021

- In the automotive value chain business, we launched the MITSUBISHI MOTORS CORPORATION MPV Xpander Cross in Vietnam, and introduced the new Isuzu Motors Limited D-MAX pickup truck into Australia. We used online events and digital marketing activities to improve sales.
- In downstream areas, we expanded our business domains through capital participation in fleet management, after-sales service for multiple brands, and e-commerce business in locations including ASEAN countries, India, and Russia.
- In the mobility service-related business, we have begun deploying Know-Route, an AI-based on-demand bus system, in multiple locations, and, at the same time, are selling the system to other companies. We have also established a capital and business alliance with Denno Kotsu, Inc.

## EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 Automobile-related business companies in Thailand & Indonesia*1	—	42.6	61.2	68.3	55.5	57.7
2 MITSUBISHI MOTORS CORPORATION*2	20.02	—	—	26.6	-4.9	-62.5

\*1 Excluding gains/losses related to the restructuring of automotive production and distribution business in Indonesia (fiscal year ended March 31, 2018: -2.6 billion yen; fiscal year ended March 31, 2019: -0.9 billion yen) from the above figures and the below partial breakdown.

\*2 There is a consolidated adjustment of 3.2 billion yen in the fiscal year ended March 31, 2019, 2.9 billion yen in the fiscal year ended March 31, 2020, and 9.2 billion yen in the fiscal year ended March 31, 2021 to our equity in earnings under IFRS due to amortization of assets evaluated at fair value at the time of acquisition, etc. Besides these adjustments, there is a consolidated adjustment of -34.2 billion yen in the fiscal year ended March 31, 2020 due to impairment losses on investment to MITSUBISHI MOTORS CORPORATION.

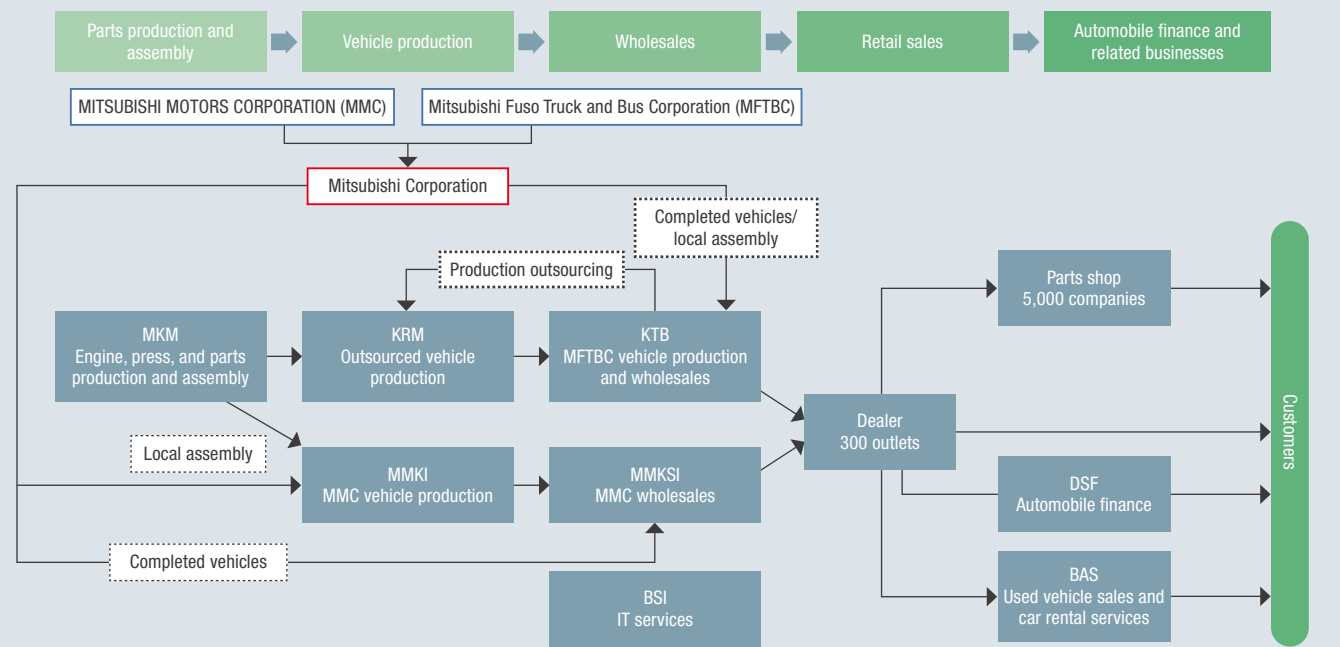
### Partial Breakdown of Automobile-Related Business in Thailand & Indonesia

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
3 PT MITSUBISHI MOTORS KRAMA YUDHA SALES INDONESIA (Indonesia)	40.00	—	2.3	2.6	0.7	1.1
4 PT. KRAMA YUDHA TIGA BERLIAN MOTORS (Indonesia)	30.00	1.1	1.9	-0.1*3	0.5	0.1
5 TRI PETCH ISUZU SALES CO., LTD. (Thailand)	88.73	23.2	26.4	32.1	28.8	36.1

\*3 Includes -0.9 billion yen in losses related to the restructuring of automotive production and distribution business in Indonesia.

## VALUE CHAIN OF THE AUTOMOTIVE BUSINESS IN INDONESIA

In Indonesia, which is a key market, we are deeply involved in the entire value chain (upstream—midstream—downstream). MC has years of experience in sales and marketing activities, which make up the central core of the value chain. This has given us a firm grasp of customer needs, and we bolster our product and branding capabilities by incorporating that feedback in our products and services.



## SOLVING LOCAL TRANSPORTATION ISSUES WITH A NEW BUSINESS MODEL: KNOW-ROUTE AND DENNO KOTSU

In 2019, Next Mobility Co., Ltd. was established as a joint venture between MC and Nishi-Nippon Railroad Co., Ltd. In addition to operating the AI-based on-demand bus system, Know-Route, Next Mobility is also developing business activities aimed at providing local public transportation solutions to transport companies and local governments throughout Japan. We have also entered into a capital and business alliance with Denno Kotsu, Inc., which is working to solve challenges in the taxi industry. Denno Kotsu is developing digital services for taxi operators, with a particular focus on cloud-based vehicle dispatch systems and call center operations. The aim of Denno Kotsu is to find solutions to the problems relating to mobility that are affecting local communities and transport companies.



Know-Route, an AI-based on-demand bus system