



Business Segment IR Meeting

Mitsubishi Corporation Machinery Group



Future of the Machinery Group

Leveraging MC's business functions and networks,
the Machinery Group will boldly tackle business
model transformation and focus on sectors and
regions expected to grow in the future.



Kazushi Okawa
Group CEO, Machinery Group



**THE
STRENGTH
OF 7**

Group Management Participants

| | |
|---|---------------------|
| EVP, Group CEO, Machinery Group | Kazushi Okawa |
| SVP, General Manager, Machinery Group CEO Office | Satoshi Nakano |
| SVP, Division COO, Industrial Machinery Business Div. | Terutora Urano |
| SVP, Division COO, Ship & Aerospace Div. | Hisashi Ishimaki |
| SVP, Division COO, Automotive Business Div. | Tatsuo Nakamura |
| SVP, Division COO, Isuzu Business Div. | Shigeru Wakabayashi |
| General Manager, Machinery Group Administration Dept. | Ichiro Sakoda |

Agenda

1. Group Overview

Business Overview by Division

2. Group Strategy/Targets

under Midterm Corporate Strategy 2018

3. Net Earnings Results and Targets/Investment Plan

4. Risks and Opportunities Surrounding the Entire Group

Appendix

Indonesia automobile demand

Thailand automobile demand

Global automobile-related business

1. - ① Business Overview (Industrial Machinery Business Div.)

Departments

Elevator & Escalator Operation & Marketing Dept.
Industrial Equipment Business Dept.
Construction Equipment & Rental Business Dept.

Business

- Sale, installation, maintenance and export of elevators and escalators
- Sale and maintenance of machining tools and agricultural machinery
- Rental of construction and other equipment and sale of mining equipment

Main Initiatives

Japan Domestic Rental Business

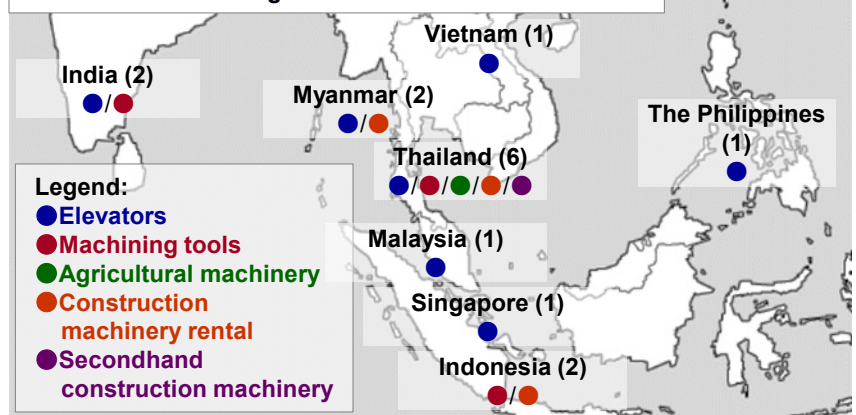
- Nikken Corporation is benefitting from growing investment in construction projects ahead of the Tokyo Olympic Games, as well as urban re-development plans under way in the surrounding metropolitan area. Boasting a balanced business portfolio, encompassing clients in both construction and non-construction fields, Nikken is actively engaged in marketing to capture these favorable trends.
- To advance the rental business model, Nikken is developing even greater sophistication and efficiency through the use of AI and IoT, which will raise utilization ratios and ultimately help customers reduce total operation costs.



Business Expansion in ASEAN and India

- To seize opportunities arising from burgeoning economic growth in ASEAN and India, we successfully launched a new operating company. Having progressed to the second stage, this initiative is now focused on raising business profitability by executing carefully thought-out management plans.

16 Subsidiaries Throughout ASEAN and India



1. - ② Business Overview (Ship & Aerospace Div.)

Departments

Ship and Offshore Dept.

Defense and Aerospace Dept.

Business

- Trading of and financing related to ships, offshore structures, marine machinery, etc.; ownership of ships and offshore structures
- Introduction and promotion of defense systems and technologies
- Processing and sale of satellite imagery data

Main Initiatives

Commercial Vessels Business

- Chartering out of owned and operated ships to Japanese and International Charterers
- Trading of new-building / secondhand ships, marine machinery, charter fixing for third party owned ships
- Arrangement of ship finance or similar transaction



Gas and Offshore Business

- Ownership and operation of LNG carriers
- Co-ownership and operation of Floating Production, Storage and Offloading (FPSO) units



Defense and Aerospace Business

- Introduction and promotion of cutting-edge defense systems and technologies from the U.S. for Japan Ministry of Defense
- Sale of satellite imagery data and the total solutions provider of remote sensing services for industrial use



1. - ③ Business Overview (Automotive Business Div.)

Departments

ASEAN & Southwest Asia Automotive Dept.
North Asia Automotive Dept.
Europe, Middle East & Africa Automotive Dept.
Americas & Australia Automotive Dept.
Automotive Retail & Mobility Service Dept.

Business

Operations related to Mitsubishi Motors Corporation (MMC) and Mitsubishi Fuso Truck and Bus Corporation (MFTBC) products

- Local production and sales in countries outside Japan
- Retail-related operations, including automobile finance in local markets
- Automotive exports (finished cars, assembly parts and spare parts) from Japan and Thailand (exports from Indonesia planned to commence in 2018)

The United Kingdom

Sale of imported cars via local sales subsidiary(CCC), and providing automobile finance.

China

In tandem with MMC and Guangzhou Automobile Group (GAC), we are engaged in the assembly and marketing of MMC cars via GAC Mitsubishi Motors (GMMC). We have also commenced automobile finance since fiscal 2018.

Having initiated local vehicle production in 2016, OUTLANDER sales were strong, with the number of vehicles sold during 2017 totaling over 120,000.

Indonesia

We have engaged in the automotive business for nearly a half century following the establishment of Krama Yudha Tiga Berlian Motors (KTB). In April 2017, we reorganized local business into Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI) to handle MMC products, and KTB to handle MFTBC products. Then, we initiated the production of Xpander, a new multi-purpose vehicle model, at a new production base of Mitsubishi Motors Krama Yudha Indonesia (MMKI). This vehicle has been enjoying solid sales since its October 2017 market entry. In short, we have established a robust value chain encompassing automotive production, marketing and automobile finance as well as secondhand vehicle sales.

Import and marketing

Production

Assembly and sales

Export transactions

Automobile finance

Others

Russia

Following investment in MMC Rus (MMCR) in 2009, we market MMC cars via this local sales affiliate while providing automobile finance. Thanks to gradual recovery in the country's automotive market, we enjoyed significant year-on-year sales growth in fiscal 2017.

Vietnam

Import, assembly and marketing of automobiles via local sales affiliate (MMV)



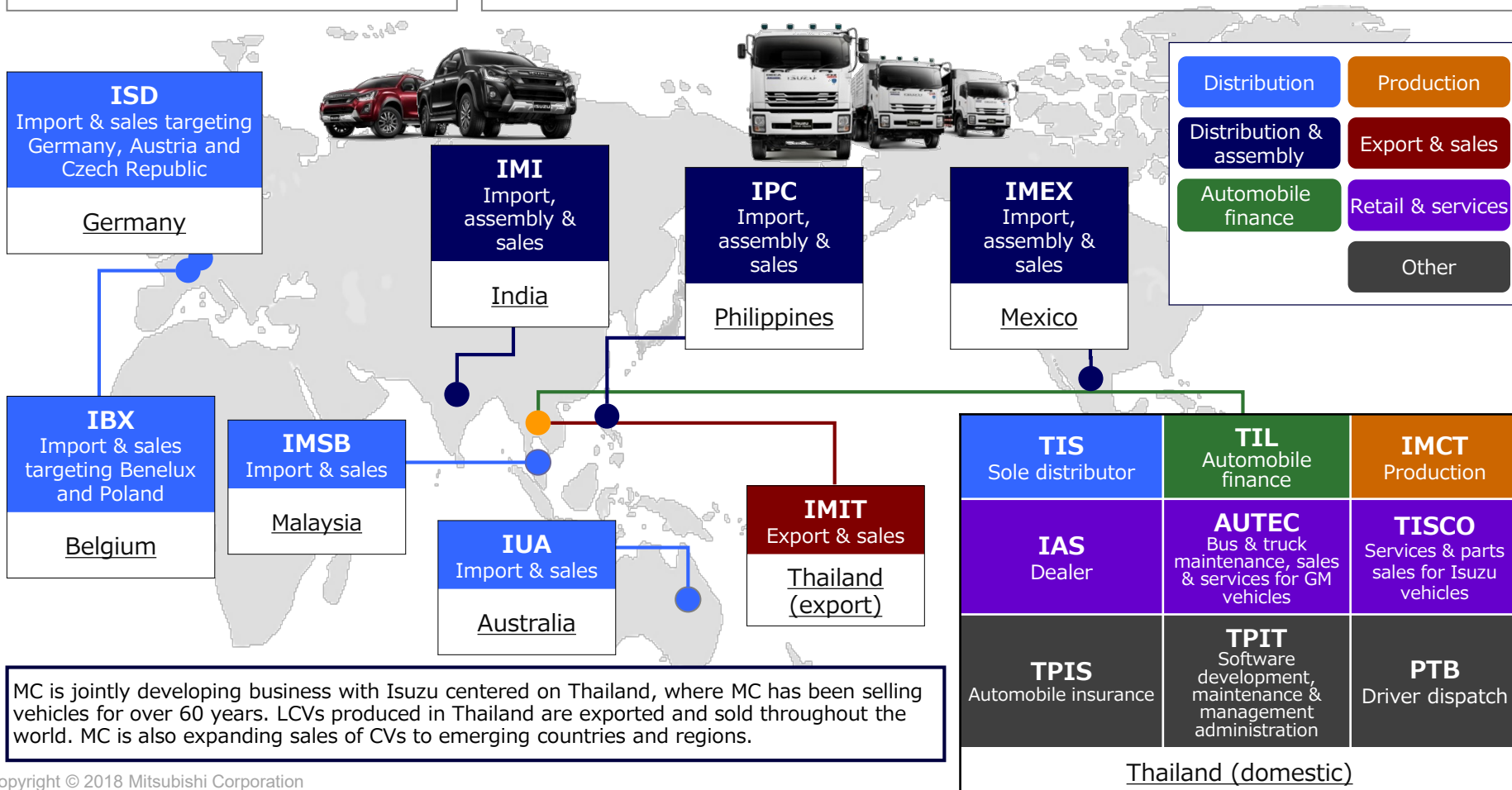
1. - ④ Business Overview (Isuzu Business Div.)

Departments

Isuzu ASEAN Dept.
Isuzu Europe, Middle East,
Americas & Oceania Dept.
Isuzu Asia Dept.

Business

- Overseas local production and sales business
- Overseas automobile finance, after-sales service and other related business
- Automobile exports (built-up vehicles, assembly and spare parts)



2 . Group Strategy/Targets under Midterm Management Strategy 2018

Pursuing further growth through solutions provided to industries/societies

**Target further growth as a strong organization
that acts proactively and flexibly**

**1. Reshuffling of
businesses/assets**

**2. Evolve business models
leveraging MC's strengths**

**3. Strengthen presence
in important regions**

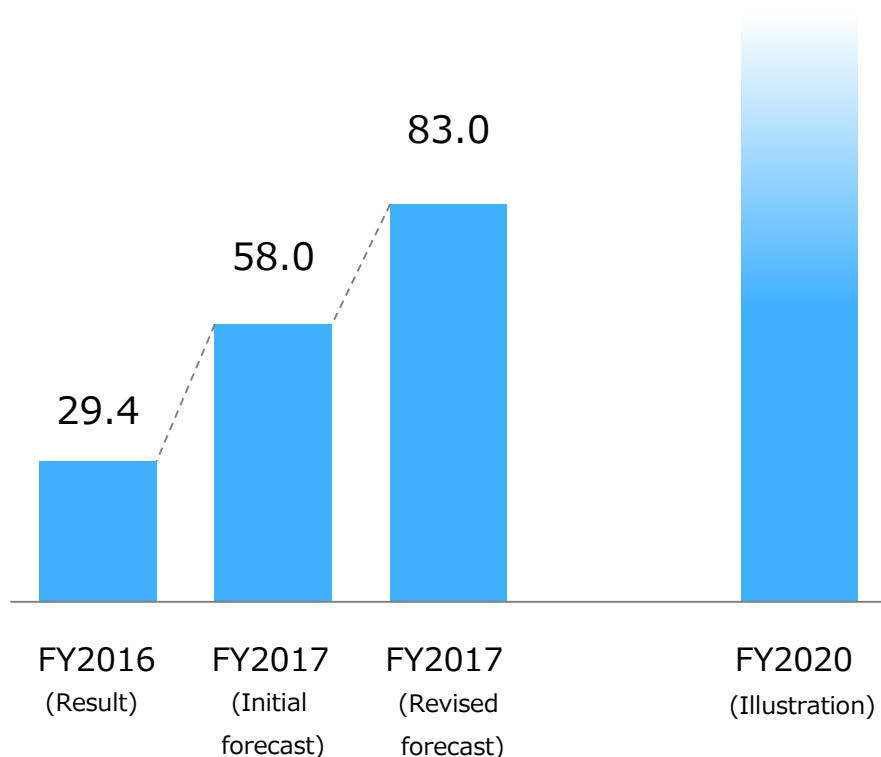
**4. Realize the Group's
target organization**

**Strengthen
consolidated
management**

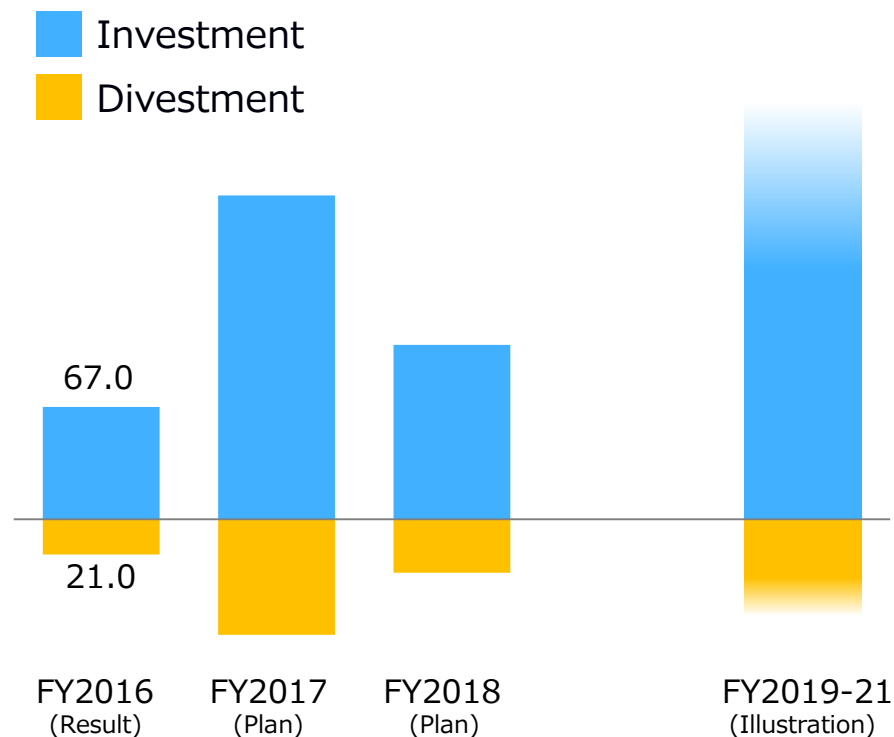
**Adjust to
changes
in the
environment**

3. Net Earnings Results and Targets/Investment Plan

Net earnings (billion yen)



Investment plan (billion yen)



4 . Risk and Opportunities Surrounding the Entire Group

External Environment

- Factors affecting our future growth
 - Slowing pace of growth in emerging economies
 - Changing user needs, such as a shift from car ownership to car sharing
 - Rapidly evolving operating environment due to the adoption of EVs and autonomous driving systems
- Factors requiring close monitoring
 - Possibility of sudden economic disruptions and geopolitical risks
 - Changing sources of value across the value chain
 - A radical shift in competitive conditions due to the adoption of AI, IoT and other technologies

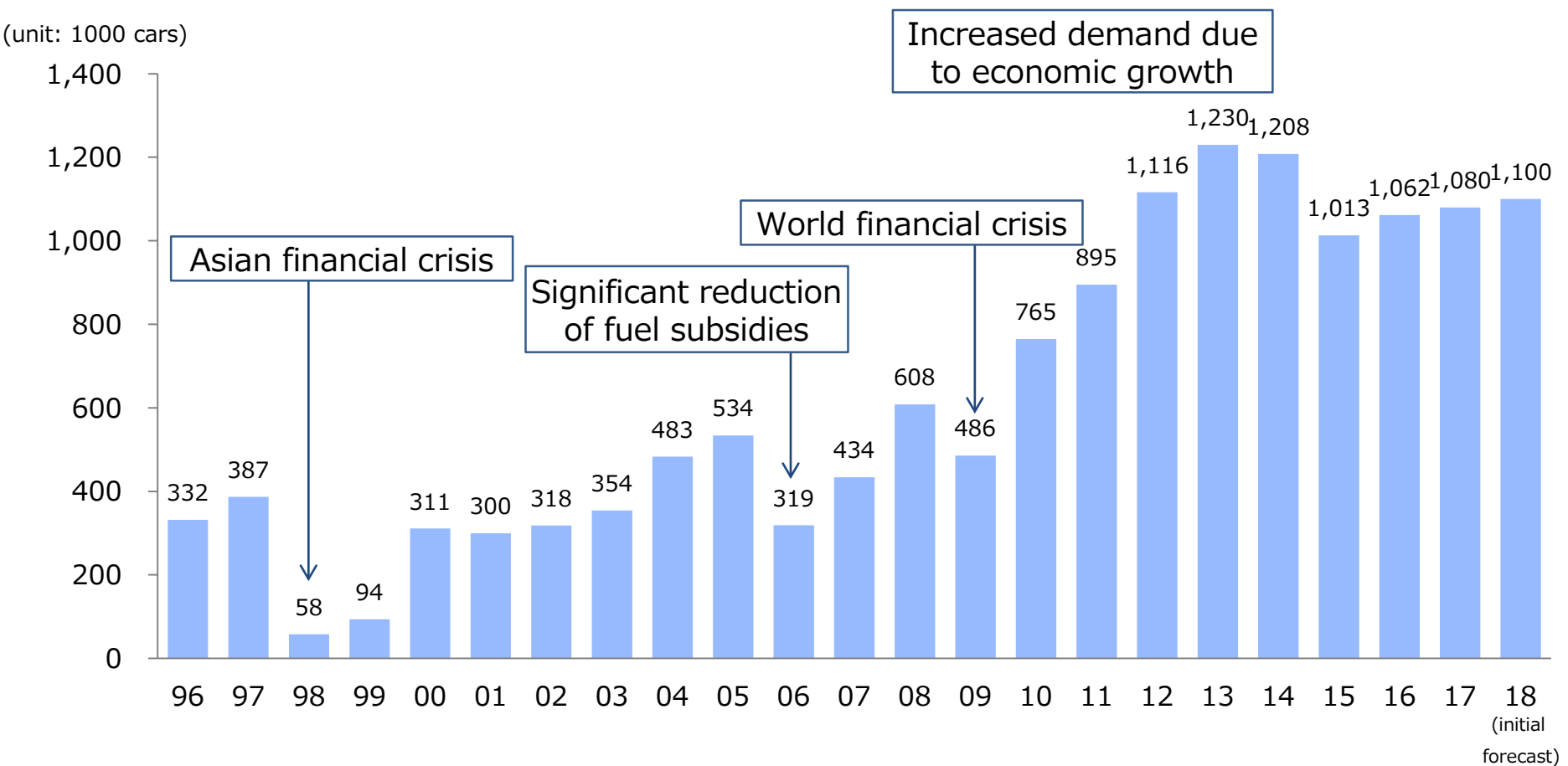
Internal Environment

- Shift toward “managing businesses”
 - Assign a broad range of key frontline missions to employees in earlier career stages to accelerate our initiatives to nurture management professionals
 - Steadfastly abide by our policy of allocating management resources with an eye to business lifecycles
- Stay on top of changes in the business environment
 - Advance our measures aimed at boosting organizational and individual strength over the medium to long term
 - Enhance our corporate functions on a consolidated basis

Appendix

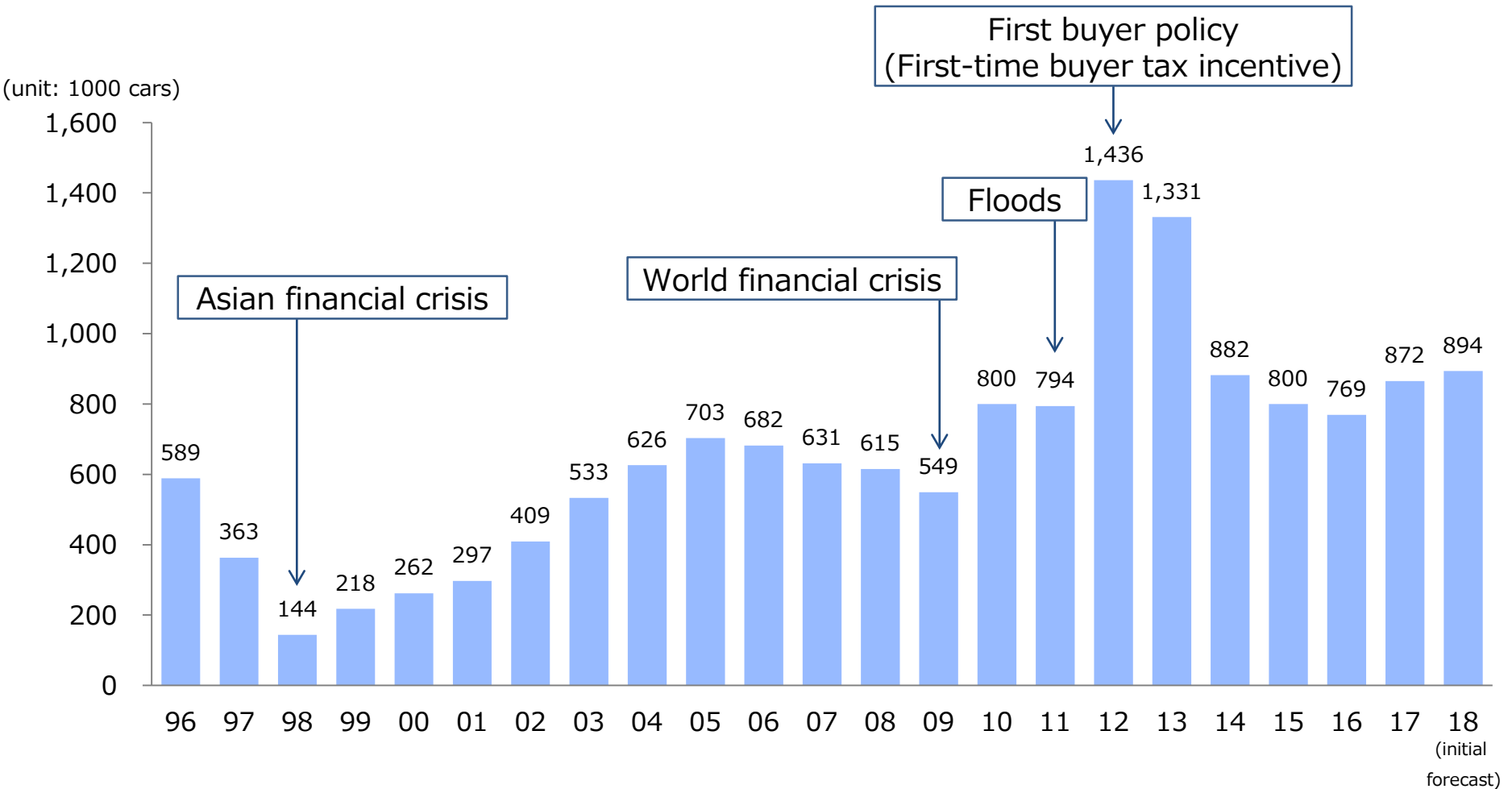
(Reference) Indonesia Automobile Demand

Initial forecast for 2018: 1.1 mil. cars (Association of Indonesian Automotive Industries)

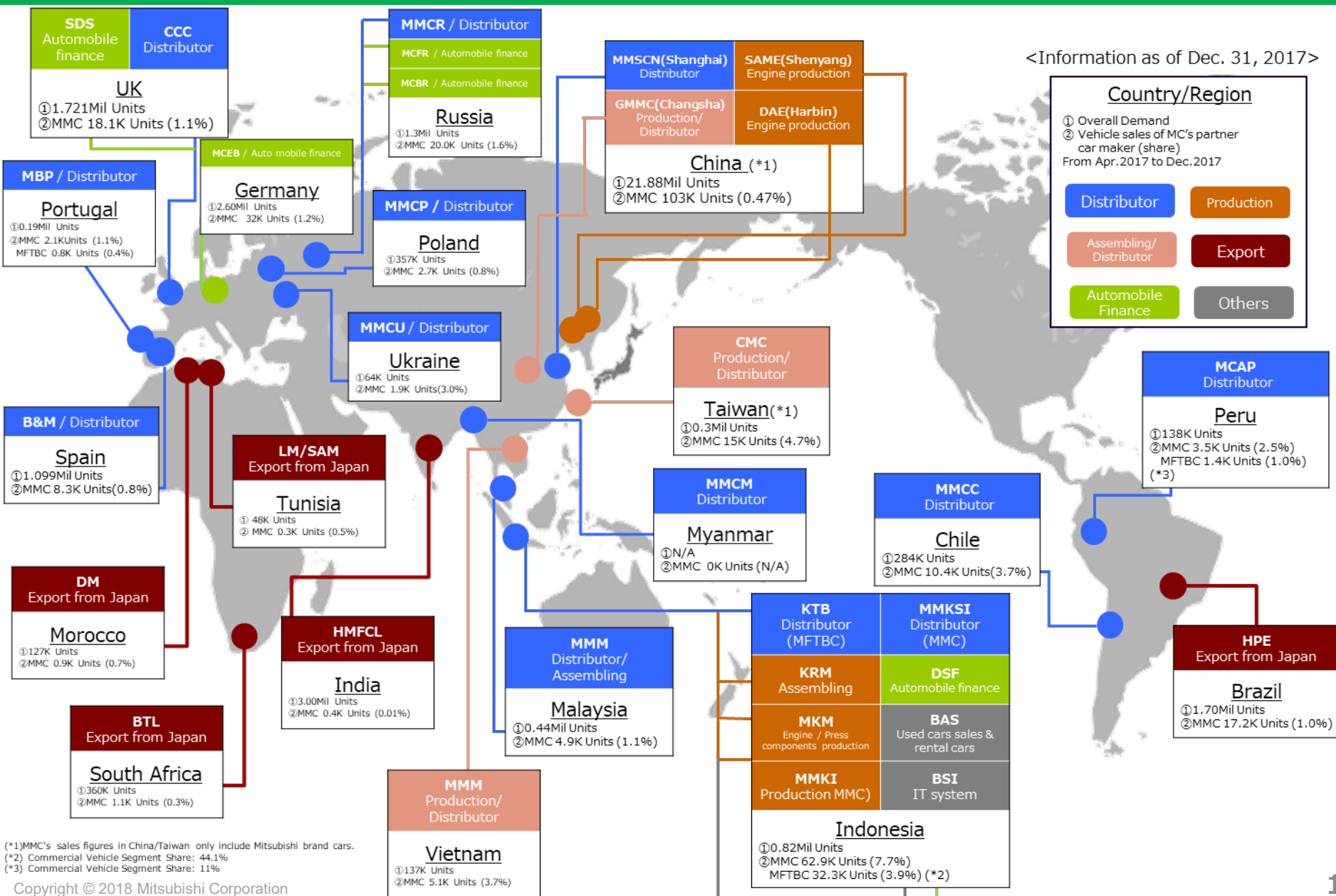


(Reference) Thailand Automobile Demand

Initial forecast for 2018: 894,000 cars



Global Automobile-Related Business (MMC·MFTBC-Related) Machinery Group



Global Automobile-Related Business (Isuzu-Related) Machinery Group

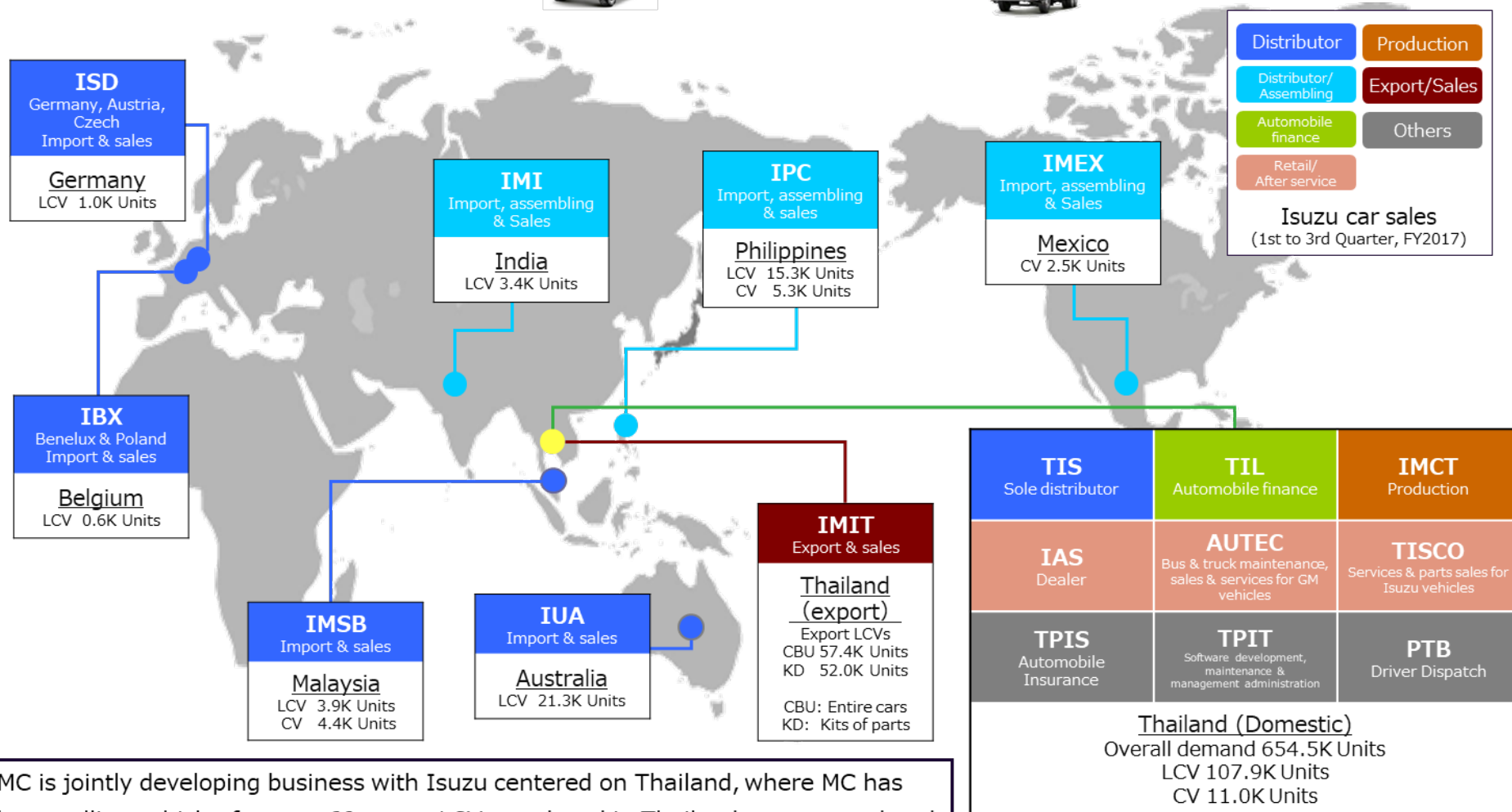
LCV: Light Commercial Vehicle



CV: Commercial Vehicle



<Information as of Dec. 31, 2017>



MC is jointly developing business with Isuzu centered on Thailand, where MC has been selling vehicles for over 60 years. LCVs produced in Thailand are exported and sold throughout the world. MC is also expanding sales of CVs to emerging countries and regions.