

MMC's Russian Project



OUTLANDER



November 12, 2010
Mitsubishi Motors Corporation

#4 Russia/Japan Investment Forum



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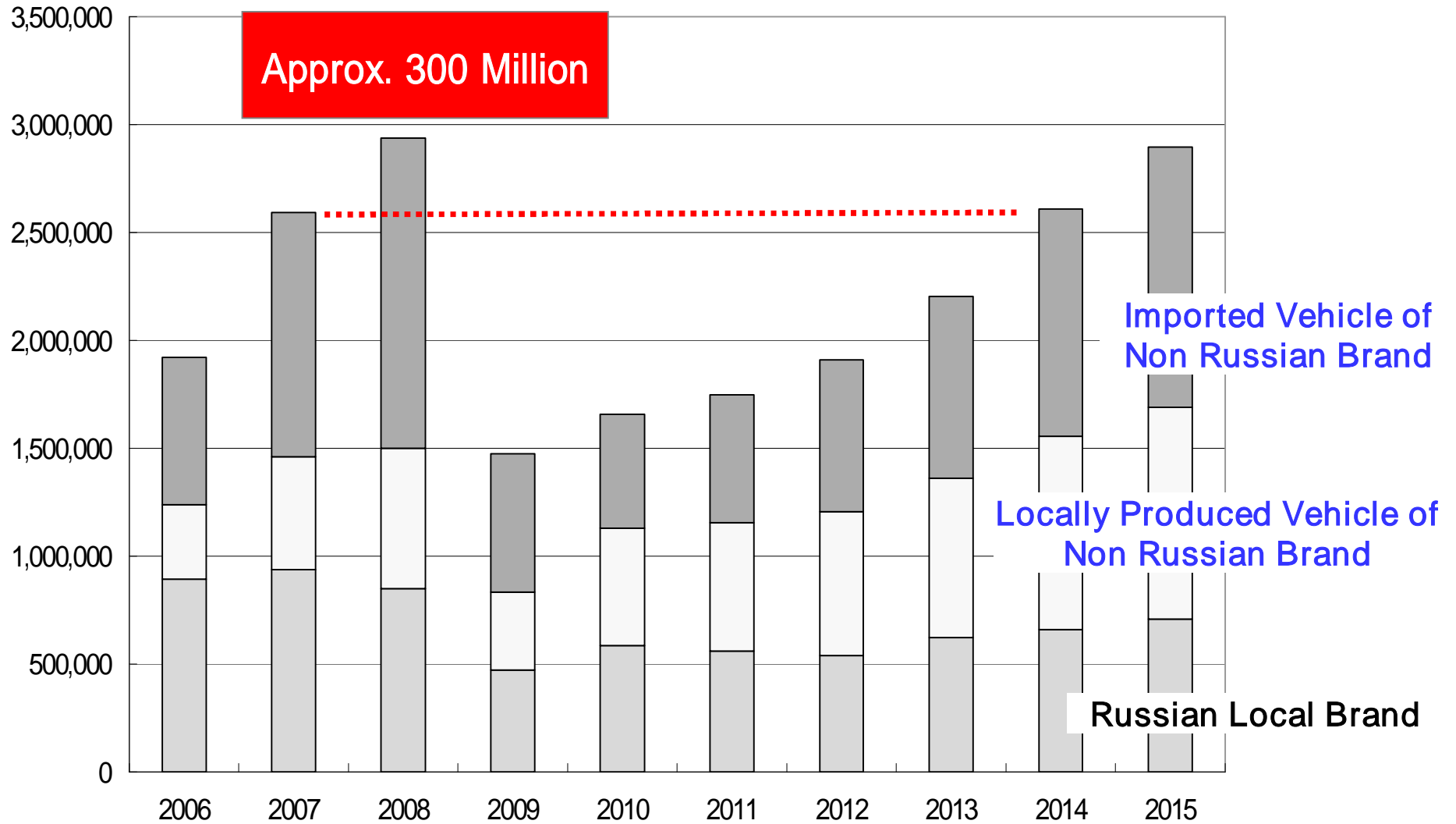
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* PSA Peugeot Citroën

1-(1) Actual & Forecast of Demand in Russian Automobile Market



sourced from Global Insight



1-(2) Sales Volume of MMC's Vehicle in Russia by Model



- The volume of Lancer has been highest in the MMC's vehicle sold in Russia, due to the four times prize winner of Russian Car of the Year (in 05, 06, 08 and 09CY).
- MMC introduced the new ASX compact SUV and the locally produced mid-size SUV Outlander to Russian market this year.

Model Name	CY2006		CY2007		CY2008		CY2009	
	Actual Vol.	mix	Actual Vol.	mix	Actual Vol.	mix	Actual Vol.	mix
Lancer	44,145	64%	48,907	49%	57,008	51%	13,451	33%
Outlander	5,277	8%	20,158	20%	20,965	19%	9,983	25%
Pajero	2,920	4%	7,800	8%	8,528	8%	2,526	6%
Pajero Sports	4,080	6%	5,855	6%	5,643	5%	3,086	8%
L200	2,028	3%	6,077	6%	7,691	7%	3,222	8%
Lancer Sports back		0%		0%	2,341	2%	2,758	7%
Colt	5,394	8%	4,131	4%	2,903	3%	166	0%
Galant	1,037	2%	3,220	3%	2,577	2%	4,783	12%
Lancer Wagon	3,046	4%	3,253	3%	3,026	3%	17	0%
Grandis	992	1%	1,211	1%	885	1%	186	0%
Total	68,919	100%	100,612	100%	111,567	100%	40,178	100%

2. History of MMC's/PSA's Joint Venture in Russia



December 2007	MMC RUS (MMC's Russian local affiliateed Company) Establishment (*1)
May 2008	Joint Venture Agreement signed between MMC and PSA
June 2008	Ground breaking ceremony in Kaluga Plant
January 2009	PCMA Rus Establishment
April 2010	SKD(*3) launching ceremony in PCMA Rus for starting SKD production of PSA's 5-door vehicle
September 2010	SKD launching ceremony in PCMA Rus for starting SKD production of MMC's SUV (*4)

*1: The name of this company was changed to "MMR" (Mitsubishi Motors RUS LLC)

*2 MED: Ministry of Economic Development and Trade of Russian Federation

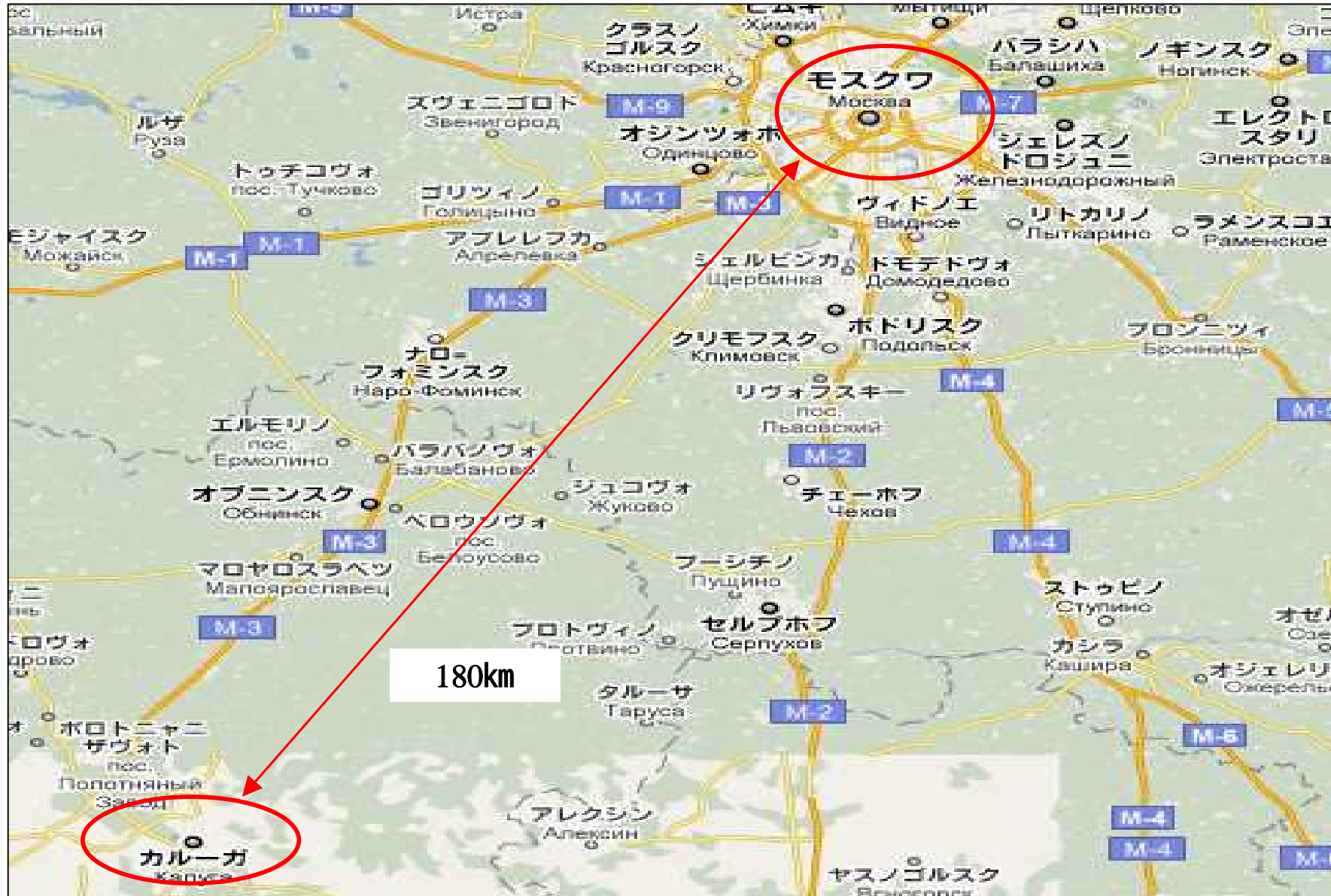
*3: Semi Knock Down : Assembling vehicles from several bigger components and parts

*4: Sports Utility Vehicle

3-(1) Location of Kaluga in which PCMA Rus's Plant is located



[The location of Kaluga comparing with Moscow]



3-(2) Company Profile of PCMA-Rus



Company Name: PCMA Rus

Establishment: January 11, 2009

Location: Site of Rosva, Kaluga Region
(20km from Kaluga city)

Investment: 470 Mil Euro

Equity Participant: PSA (70%), MMC (30%)

Number of Employees: 367 (as of October 1, 2010) 3,000 in CKD(*) phase

Top Management: General Director : Didier Aleton (from PSA)

Deputy General Director : Masayuki Imada (from MMC)

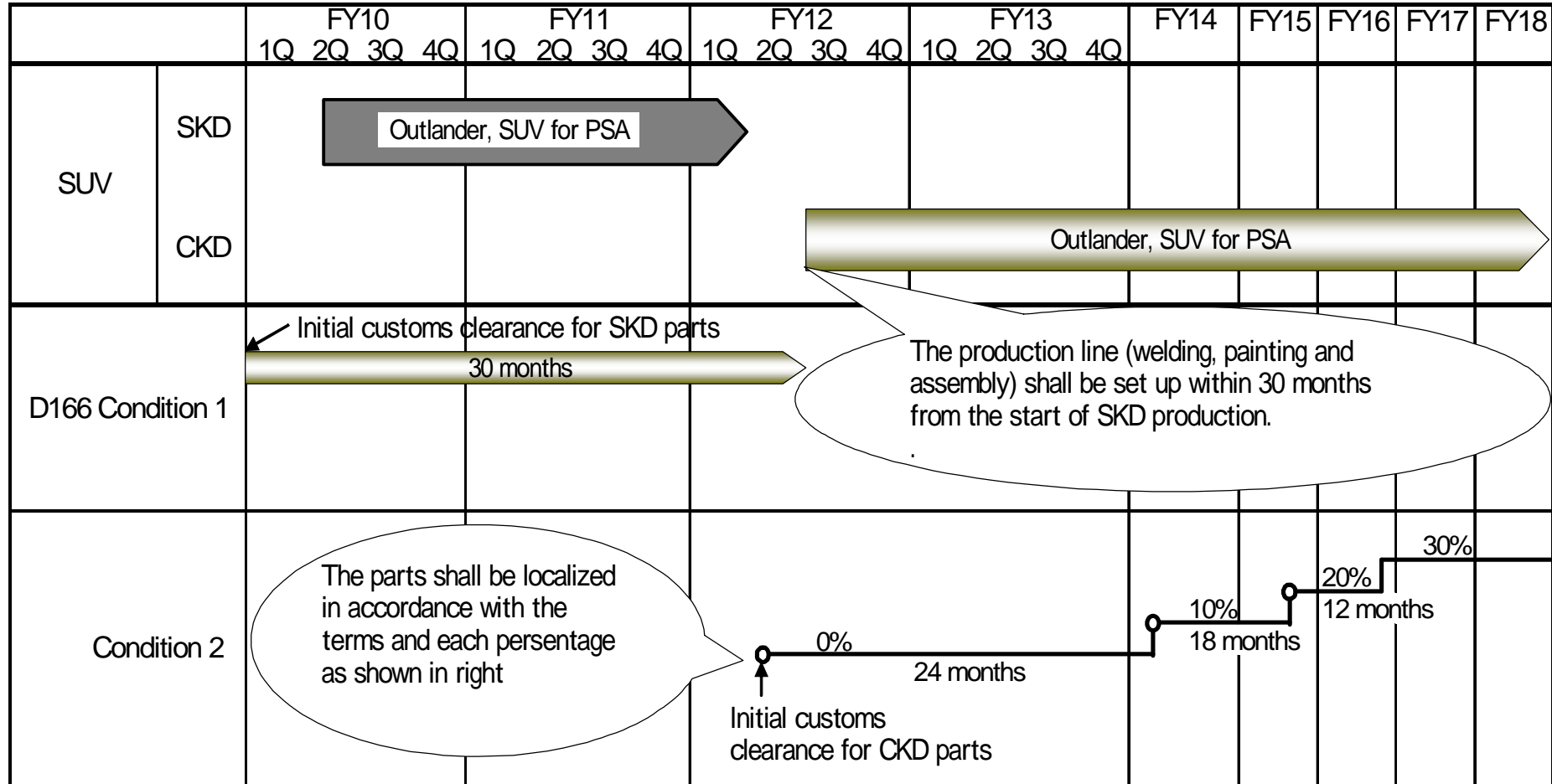
*) Complete Knock Down : Manufacturing vehicles by welding, painting and assembling smaller parts than SKD.

Land: 145 ha (1,750m x 850m)
30 ha (for supplier's park)

Building: 10,368 m² (for SKD)
125,000 m² (for CKD under construction)

Production Capacity: 125,000 vehicles per year
(CKD phase)

3-(3) Outline of SUV Production in line with Decree 166* conditions



* Russian Government Decree of 29 March 2005 No.166 “on Changes to the Russian Federation Customs Tariff as Regards Auto Components Imported for “Industrial Assembly””

4. MMC's Parts Localization Policy and Activities



1. MMC's parts localization policy

- To achieve the cost merit by reducing parts cost and logistic cost.
- To hedge risk for currency exchange rate fluctuation on CKD parts

2. Investigation of Russian Local supplier

MMC with PCMA Rus is jointly investigating the suppliers in Russia. which has a certain level of QCD (Quality, Cost and Delivery).

3. Current status and further view for parts localization by MMC

(1) Current status

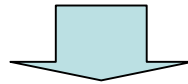
MMC thinks there are potential local suppliers with positive effort to improve its competitiveness by its parts supply to car manufacturer.

(2) Future view

- 1) Continuous investigation of potential localized parts and suppliers with PCMA Rus and/or ROTOBO etc.
- 2) Strong support from Russian Government to Russian parts suppliers is expected.

5. Conclusion

1. Proceeding with parts localization activities aggressively in Russia.
2. Improving competitiveness by the reduction of cost.



- To contribute the growth of Russian industry via local production and parts localization to be proceeded together with Russian partners.
- To supply vehicles with low cost / high quality & performance to Russian market and customers.