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INTERVIEW

Exceptional sales for Mitsubishi Motors in 2018

Interview with Mr. Bernd Hoch, Managing Director of Mitsubishi Motors Switzerland

Despite a general contraction in car sales in Switzerland in 2018 (-4.6%), Mitsubishi Motors enjoyed an incredible growth (+47.8%). We met Mr. Bernd Hoch, Managing Director at Mitsubishi Motors Switzerland to discuss this solid result and the company's plan for the coming year. Taking the opportunity of the Geneva International Motor Show (GIMS: March 7-17), we also asked about the latest trends in the car industry.

Could you please briefly introduce Mitsubishi Motors?

Mitsubishi has a very long story. The company was created in 1870. Originally it was a shipping company but quickly turned into the largest Japanese conglomerate thanks to vision of its founder Mr. Yataro Iwasaki.

After World War 2, the Allies forced Mitsubishi to split into several smaller companies that kept informal bonds and shared the brand and trademarks. The four main companies of what became the Mitsubishi Group are: MUFG Bank, Mitsubishi Corporation (trade), Mitsubishi Electric, and Mitsubishi Heavy Industries.

Mitsubishi Motors Corporation (MMC) was formed in 1970 from the Mitsubishi Heavy Industries'



Mr. Bernd Hoch, Managing Director

automotive division, but Mitsubishi's involvement in car industry is much older. In 1917, Mitsubishi created the first Japanese series-car, and 20 years later produced the first Japanese 4x4. As you can see, the DNA of MM started very early.

Since the beginning, our business has been based on three principles: Corporate Responsibility to Society, Integrity and Fairness, and Global Understanding through Business. This is still true today and means a lot to us.

What were the main steps for Mitsubishi Motors in Switzerland?

MMC entered the Swiss market in 1977. The same year MMC expanded to Europe. We progressively increased the number of available models over the years and became one of the most important 4WD providers in the country. In 2006, we had a joint venture with Emil Frey, a group with which we share a long-term vision in business. In 2011, we moved our Headquarters to Härkingen. We are proud of our distributors' network. Some of them have been working with us since day one and it is the third generation to work with us.

MMC is a global company and does not develop cars for one market in particular. The MMC cars you find in Switzerland are the same you would find in Japan or in the US. Only the equipment varies, depending on people's preferences. We want to provide high technology and design at a reasonable price.

The European market (including Switzerland) represents 20% of Mitsubishi sales worldwide.

In your experience, what are the specificities of the Swiss market?

I would say that Switzerland is a mature and competent market.

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Exceptional sales for Mitsubishi Motors in 2018

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会見

INTERVIEW

It is a highly competitive market where most people are equipped with cars. Increasing your market share means you take it from a competitor.

Swiss people like their cars to be well equipped. The purchasing power is high and we have a specific line up for this market; just comparing with neighbor countries, the average level of equipment is much higher here. This said, people are ready to pay more, but it has to be fair. It is also a market with an incredibly high share of 4WD cars. They represent nearly 50%, which is unique in the world.

Generally speaking, the Swiss market is very open to new technology. It is true for cars, but also for computers and smartphones. This is why companies like to test new products in the Swiss market.

Despite the market slowdown in 2018, Mitsubishi sales increased by nearly 50%. How do you explain this exceptional result?

Except maybe for a bit of luck, I would say that our new strategy worked and that thanks to the MMC engineers, we suffered no delay (I will come to this later).

Sometimes we hear that Mitsubishi Motors is all about: SUV, 4WD and PHEV. This is a bit of an oversimplification, but not completely wrong either. We are not present on all segments, but we want to be better than average in the segment we are in. This is possible because we are agile and flexible.

Therefore, in 2017, we started a



The new ASX a compact SUV fitted for both urban and extra-urban areas

strategy based on three pillars: Top seller, Pick-Up and Outlander PHEV.

We wanted to increase our sales for our top sellers for which we advertised and had full production capacity. It worked very well.

We also focused on pick-up. It is a niche market, but very important for SMEs and Mitsubishi Motors enjoys a very good reputation in this category. We started at 5% of market share in 2017, are currently at 8% and will be at 10% soon.

Finally, we changed our strategy regarding our flagship. For years, when people thought about Mitsubishi, they immediately had the Pajero in mind. We still pretty much like the Pajero, but wanted to focus people's attention on the Outlander PHEV (more about this on page 4).

In addition to our new strategy, I must say that the MMC engineers did a great job. Since September 2018, every car has to be homologated with the new [WLTP](#) test procedure (replacing former NEDC, to better inform on actual consump-

tion and emissions). Our engineers anticipated it well in advance and we suffered no delay in delivery because of it. Other brands sometimes had to delay until WLTP certification was done.

Which are Mitsubishi's most popular cars in Switzerland?

Our best sellers are the Space Star, the Eclipse Cross and the Outlander PHEV. The Outlander is the bestselling rechargeable hybrid in Europe and Switzerland. Those three cars represent 65% of our sales. As said, our pick-up is also doing very well, but it is a niche market.

What cars does Mitsubishi Motors highlight in 2019?

The new ASX we present this year at the GIMS as a world premiere will be available this autumn. We will then have a very complete line up of SUVs. Starting with the compact ASX, then the mid-size Eclipse Cross and finally the Outlander,

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Exceptional sales for Mitsubishi Motors in 2018

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clients will have their needs covered by an exhaustive choice between 4m30 and 4m70.

We will continue to highlight the latest version of the Outlander PHEV we introduced at the end of 2017.

We don't expect to have the same increase of sales for 2019. As said, the production of our new model will start this autumn. The positive effect is more likely to be seen in 2020.

What are the latest trends and technologies?

We have observed a shift of people's preferences from diesel to gasoline. It dropped from 40% of market share to 30% within two years. It is a lot, for such a short period. Nevertheless, diesel remains a good option depending on the vehicle. Diesel and gasoline will continue to be improved.

Electrification will continue and accelerate. It can be hybrid (rechargeable or not) and full electric cars. It is a very dynamic market and I believe electrified vehicles will represent 20% of the market within 5-6 years. One of the keys

will be the infrastructure to accommodate them, with enough recharging stations.

Digitalization will also continue. Today, more and more cars are connected.

I am not sure that autonomous vehicles will be the new standard in the coming years. It will probably take more time and, in the end, consumers will decide. What seems clear is that driving-assistance systems will increase because they improve the security.

会見

INTERVIEW

EPA and success stories at the menu of the Zurich event

The joint event in Zurich was a great success.

This year a special panel answered the questions of the audience regarding the recent entry into force of the Japanese-EU Economic Partnership Agreement (EPA) and how it will affect Swiss and Japanese companies in their business with each other. The panel agreed on the fact that the JP-EU EPA has a broader coverage, but the JP-CH one already includes the most important points for both countries.

Companies also shared their experience regarding the Japanese market. Credit Suisse and ICT Factory highlighted the importance and potential of the ICT Japanese industry.

Mr. Rodriguez from Fischer Connectors talked about their well-performing subsidiary in Japan.



From the left to the right: Mr. Dominique Ursprung (SJCC), H.E. Ambassador Markus Schlagenhof (SECO), Mr. Simeon L. Probst, (PwC), Mr. Hiro Hinoue (JETRO Brussels) and Mr. Luis Portero (European Commission)

Thanks to his experience, he could answer the questions of the audience from a very practical point of view, helping other companies with their business in Japan. It is always a privilege for JETRO to support

companies like Fischer Connectors. Amongst other things, JETRO can provide information about the Japanese market and help you to identify the right local partner for your project.

活動

ACTIVITY

革新

INNOVATION

PHEV: A win-win solution

PHEV stands for Plug-in Hybrid Electric Vehicle. Hybrid cars combine both a combustion engine (gasoline or diesel) and an electric propulsion system. With a rechargeable hybrid car, it is possible to have a larger battery and therefore to increase the autonomy of the car with only electric propulsion.

“We like to describe our Outlander PHEV as a Swiss Knife”, said Mr Hoch during our interview. “People can use electric propulsion for daily use and enjoy the range of a conventional car for the weekend or holidays”, he added.

The Outlander PHEV has 54km range in electric mode only and 800km with both the electric and

the combustion engines. The combination of both engines allows the car to benefit from the power of an electric car, keeping very low emission (40g/km for the Outlander).

Additionally, by using a smaller battery, it is easier to recharge with a simple domestic electric plug and

it limits the weight of the car. For people that have the possibility to recharge the car at home or in the office, PHEV is a very suitable option. If not, non-rechargeable hybrids can be an alternative, but the range in full electric mode will be significantly limited.



The Outlander PHEV, the best selling PHEV in Europe

Agenda: Geneva International Motor Show until March 17th

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AGENDA

Regarding automotive, Switzerland is a neutral market and every car manufacturer is treated fairly. This is also why the [Geneva International Motor Show](#) (GIMS) is appreciated by the industry. For MMC, the GIMS is the most important event in Europe.

This is why MMC decided to pre-

sent their completely new compact SUV - the ASX - in Geneva. MMC will also present its new L200, as well as the Engelberg Tourer, a concept car labeled with the name of a Swiss mountain. It certainly shows the importance of Switzerland for MMC.

At the GIMS, people could be lucky

and meet Mitsubishi Motors' CEO, Mr. Osamu Masuko, and Mr. Tsunehiro Kunimoto (chief designer) who came especially from Japan.

Hall 4: Mitsubishi Motors, Nissan,

Toyota, Lexus, Suzuki and Isuzu

Hall 5: Honda and Mazda

Hall 2: Subaru

JETRO is a government-related organization that works to promote mutual trade and investment between Japan and the rest of the world. Originally established in 1958 to promote Japanese exports abroad, JETRO's core focus in the 21st century has shifted toward promoting foreign direct investment into Japan and helping small to medium size Japanese firms maximize their global export potential.

The JETRO Switzerland Newsletter can also be viewed and/or downloaded online:
<http://www.jetro.go.jp/switzerland/newsletter>

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