



FISCAL YEAR MARCH 2014 FINANCIAL RESULTS



Mazda CX-5



Mazda Atenza



New Mazda Axela

Mazda Motor Corporation
April 25, 2014

PRESENTATION OUTLINE

- **Highlights**
- **Fiscal Year March 2014 Results**
- **Fiscal Year March 2015 Forecast**
- **Structural Reform Plan Update**
- **Summary**





HIGHLIGHTS

HIGHLIGHTS (1) - FY MARCH 2014 RESULTS

- Revenue was ¥2,692.2 billion. Operating profit was ¥182.1 billion. Net income was ¥135.7 billion
- Global sales volume was 1,331,000 units
- SKYACTIV models contributed to increased sales, improved profitability and enhanced brand value
- Following the success of CX-5 and Mazda6/Atenza, global launches of new Mazda3/Axela are going well
- Mexico Plant was launched on schedule
- A year-end dividend of ¥1 per share is planned

HIGHLIGHTS (2) - FY MARCH 2015 FORECAST

- Forecast revenue of ¥2,900 billion, operating profit of ¥210 billion and net income of ¥160 billion
- Projected global sales of 1.42 million units, up 7% year on year
 - Volume growth due to full-scale operation of Mexico Plant and full-year contribution of new Mazda3/Axela
- Accelerate Structural Reform Plan initiatives
 - Expand line-up of SKYACTIV models
 - Deliver cost improvements on new models through Monotsukuri Innovation
 - Ensure establishment of a global production footprint
- A year-end dividend of ¥2* per share is planned

* ¥10 after consolidation of shares



FISCAL YEAR MARCH 2014 RESULTS

FY MARCH 2014 FINANCIAL METRICS

(Billion yen)	Full Year				(Memo)
	FY March	FY March	Change from		FY March 2014
	2013	2014	Prior Year		February Plan
			Amount	YOY(%)	
Revenue	2,205.3	2,692.2	486.9	22%	2,680.0
Operating profit	53.9	182.1	128.2	238%	180.0
Ordinary profit	33.1	140.7	107.6	325%	132.0
Profit before tax	39.1	97.4	58.3	149%	123.0
Net income	34.3	135.7	101.4	296%	110.0
Operating ROS	2.4%	6.8%	4.4pts		6.7%
EPS (Yen)	11.5	45.4	33.9		36.8
Exchange Rates (Yen)					
US Dollar	83	100	17		99
Euro	107	134	27		133

GLOBAL SALES VOLUME

(000)	Full Year		Change from		(Memo)
	FY March 2013	FY March 2014	Prior Year		FY March 2014 February Plan
Global Sales Volume			Volume	YOY(%)	
Japan	216	244	28	13%	238
North America	372	391	19	5%	402
Europe	172	207	35	21%	200
China	175	196	21	12%	200
Other Markets	300	293	(7)	(2)%	285
Total	1,235	1,331	96	8%	1,325
<Breakdown>					
USA	273	284	11	4%	290
Australia	104	104	0	0%	106
ASEAN	101	74	(27)	(26)%	75

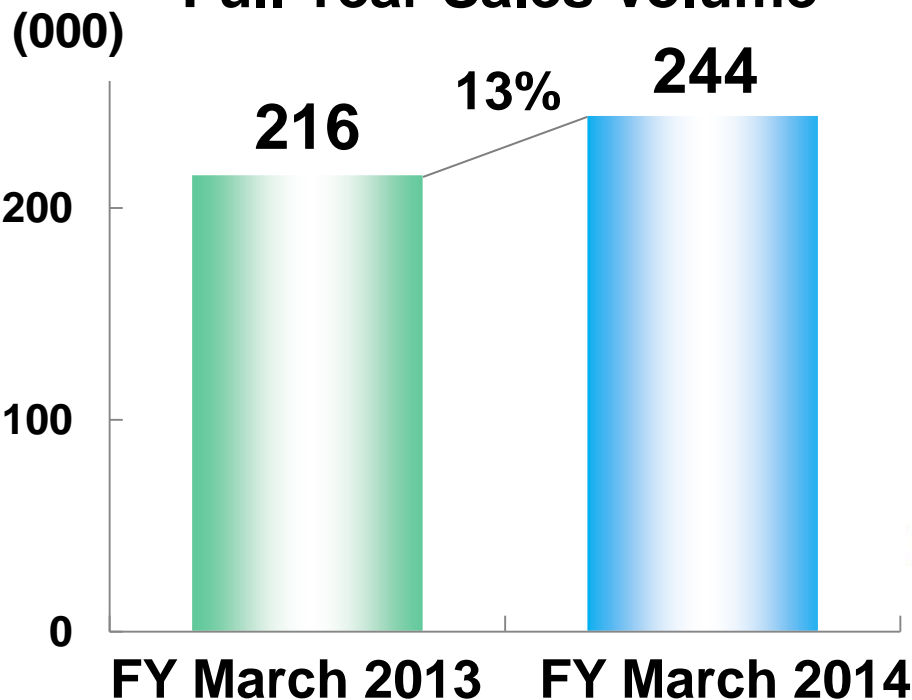
GLOBAL SALES RESULTS

- Sales of CX-5 and Mazda6/Atenza remained strong
- With the exception of a few markets, growth increased significantly year on year
- Global launches of new Mazda3/Axela are going well
- Sales Method Innovation contributed to:
 - Promotion of sales at the right price, minimized incentives
 - Reduction of fleet sales, volume growth through retail sales
 - Maintaining high residual value
 - Optimization of inventory levels
- Sales mix of SKYACTIV models increased to 51%

JAPAN



Full Year Sales Volume

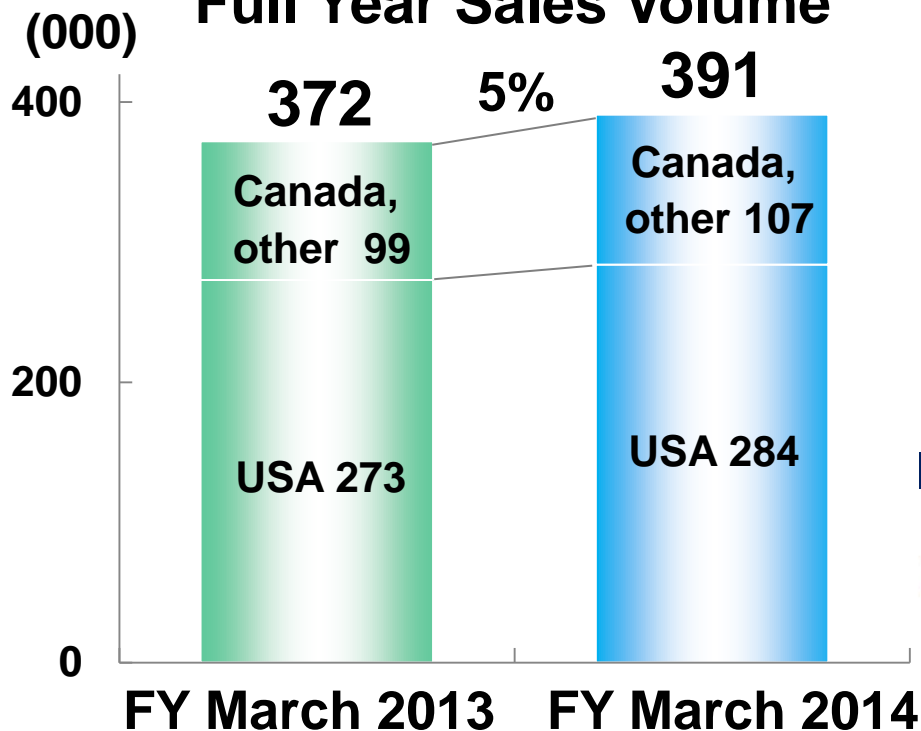


- Sales increased 13% year on year to 244,000 units
- Share was up 0.1 point versus the prior year at 4.3%
- Sales were led by SKYACTIV models
 - Orders for New Axela far exceeded expectations
 - CX-5 was the best-selling SUV in Japan for the second consecutive year
 - Atenza and SKYACTIV-equipped minivans continued to sell well

NORTH AMERICA



Full Year Sales Volume

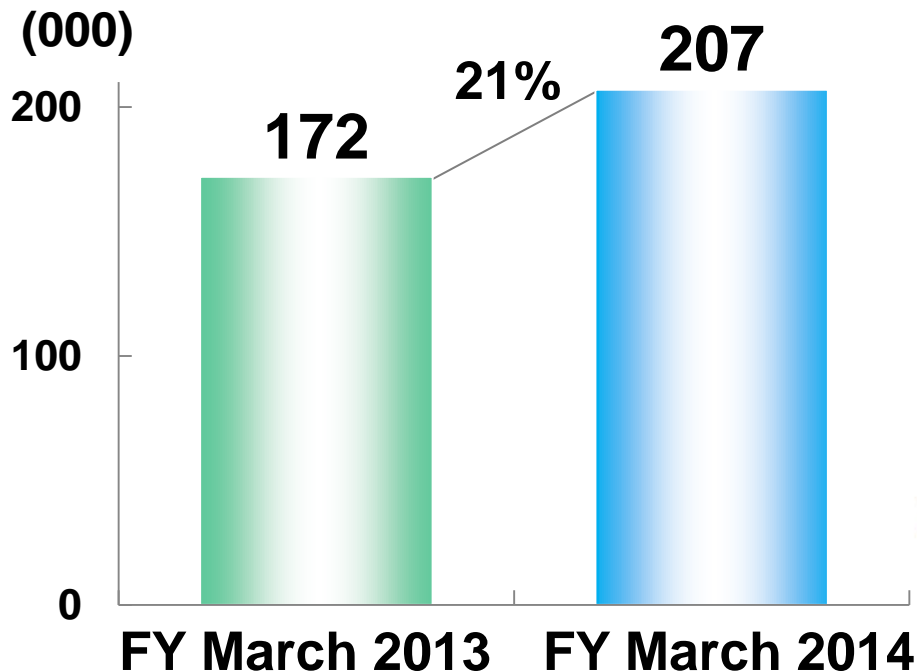


- Sales grew 5% year on year to 391,000 units
- USA: 284,000 units, up 4% year on year. Non-fleet sales rose 12%
 - CX-5 and Mazda6 continued to contribute to sales growth
 - Non-fleet sales of New Mazda3 increased year on year while incentives were suppressed
- Record-high sales in Mexico

EUROPE



Full Year Sales Volume

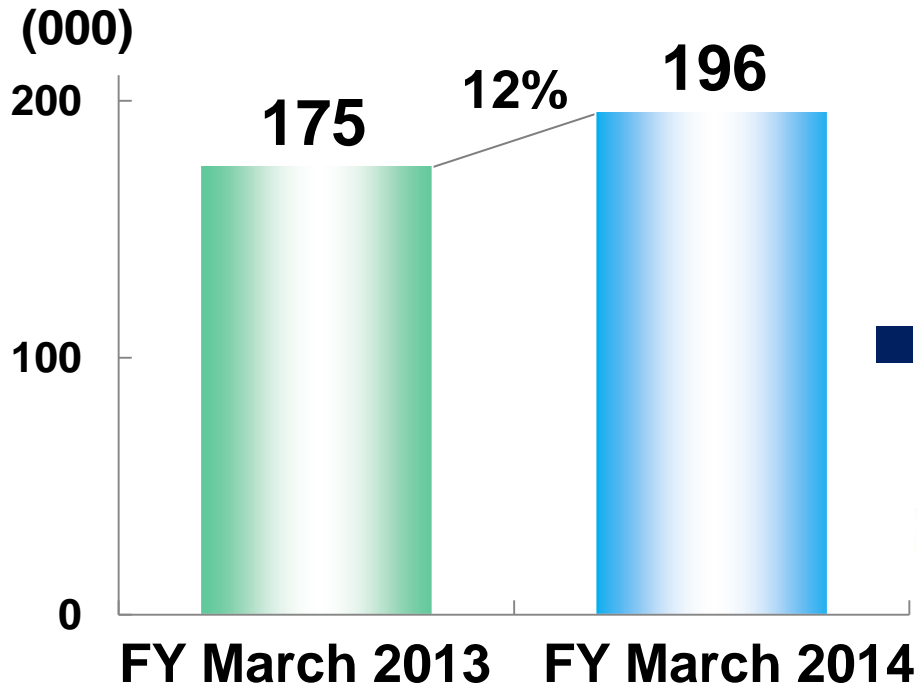


- Sales grew 21% to 207,000 units, significantly more than overall demand growth
- SKYACTIV models drove sales
 - Germany: Up 20% year on year to 47,000 units
 - Russia: 44,000 units, up 5% year on year despite 6% drop in overall demand
 - UK: Up 35% year on year to 35,000 units

CHINA



Full Year Sales Volume

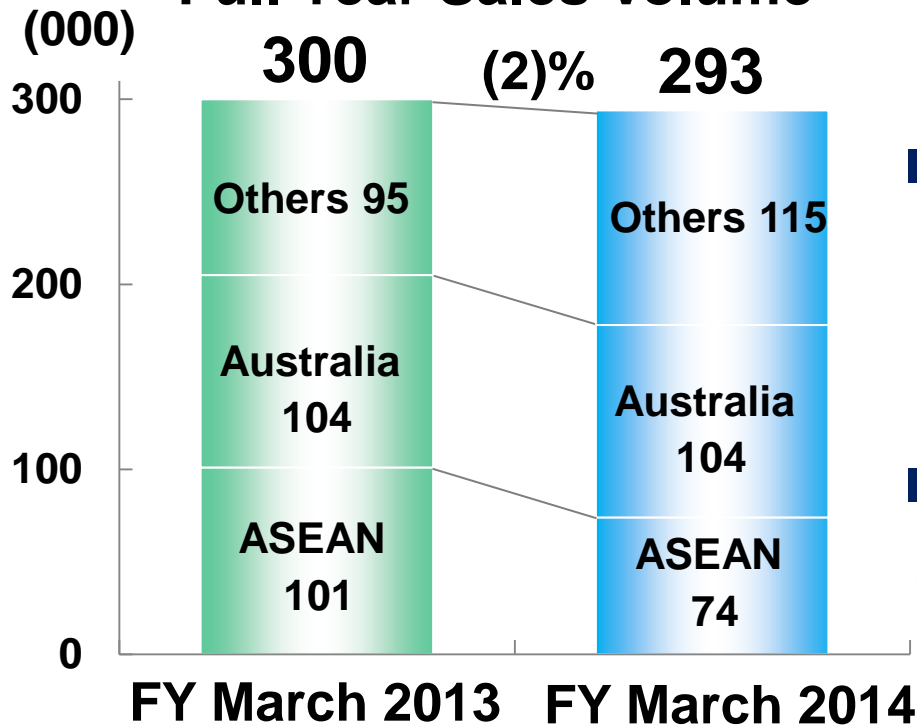


- Sales increased 12% year on year to 196,000 units
- Mazda6 and locally produced CX-5 drove sales
- Ongoing reinforcement of Mazda brand advertising focusing on KODO design and SKYACTIV TECHNOLOGY
- The number of sales outlets increased by 39 (since end of March 2013) to 435 (as of end of March 2014)

OTHER MARKETS



Full Year Sales Volume

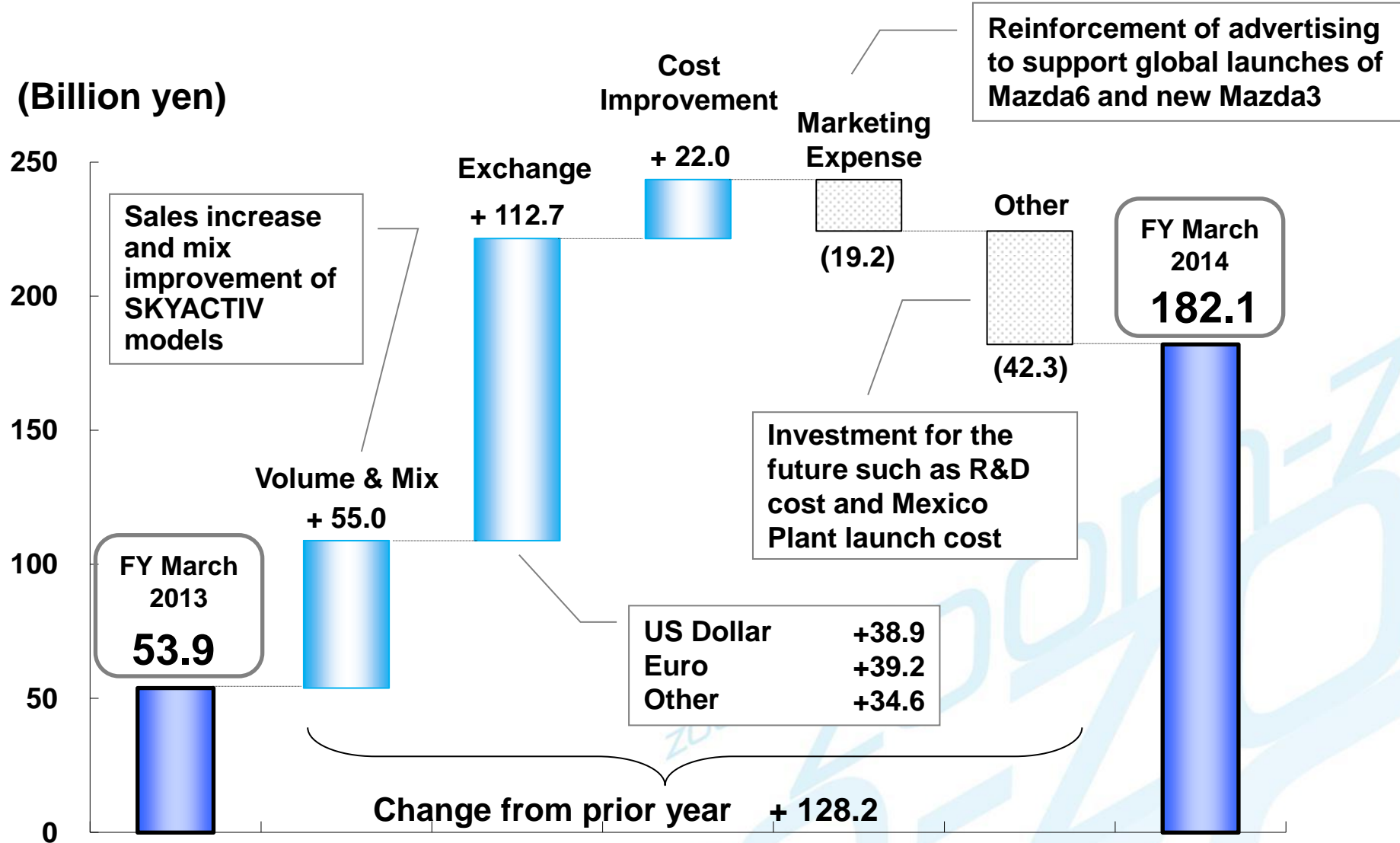


- Sales were 293,000 units
- Australia: Maintained strong sales, 104,000 units and 9.2% market share
 - 3rd highest-selling maker
 - CX-5 top-seller in its segment
 - Strong start for new Mazda3 launched in February
- ASEAN: Sales decline in Thailand due to political unrest partially offset by other markets
- Others: Record high sales in Saudi Arabia, Chile, etc.

OPERATING PROFIT CHANGE

FY March 2014 Full Year vs. FY March 2013 Full Year

■ Improvement
 □ (Deterioration)



NON-OPERATING PROFIT/LOSS & EXTRAORDINARY PROFIT/LOSS

(Billion yen)	FY March 2014		(Memo)
	<u>Results</u>		<u>FY March 2014 February Plan</u>
Operating profit	182.1	Main factors Exchange loss (42.2) Equity method profit 9.7 Interest paid/received (10.5)	180.0
<i>Non-Operating profit/loss</i>	(41.4)		(48.0)
Ordinary profit	140.7	Main factors Reserve for loss from business of affiliates (36.6)	132.0
<i>Extraordinary profit/loss</i>	(43.3)		(9.0)
Profit before tax	97.4	Main factors Deferred tax asset 40.1	123.0
<i>Corporate tax</i>	<u>38.3</u>		<u>(13.0)</u>
Net income	<u><u>135.7</u></u>		<u><u>110.0</u></u>



FISCAL YEAR MARCH 2015 FORECAST

GLOBAL SALES VOLUME

(000)	FY March 2015			Change from Prior Year	
	First Half	Second Half	Full Year	Volume	YOY(%)
Global Sales Volume					
Japan	104	126	230	(14)	(6)%
North America	227	213	440	49	13%
Europe	109	111	220	13	6%
China	100	130	230	34	17%
Other Markets	142	158	300	7	2%
Total	682	738	1,420	89	7%
<Breakdown>					
USA	162	158	320	36	13%
Australia	51	54	105	1	1%
ASEAN	33	47	80	6	8%

FY MARCH 2015 GLOBAL SALES INITIATIVES

- **Contribution of new Mazda3 sales throughout the year and full-scale operation at Mexico Plant should drive global volume growth**
- **Launch two SKYACTIV models to enhance core model line-up**
- **Update SKYACTIV products to maintain and enhance competitiveness, and continue to minimize incentives/ maximize right-price sales**
- **Accelerate sales method innovation/brand enhancement initiatives**
 - **Reinforce Mazda brand and product advertising**
 - **Enhance sales network**

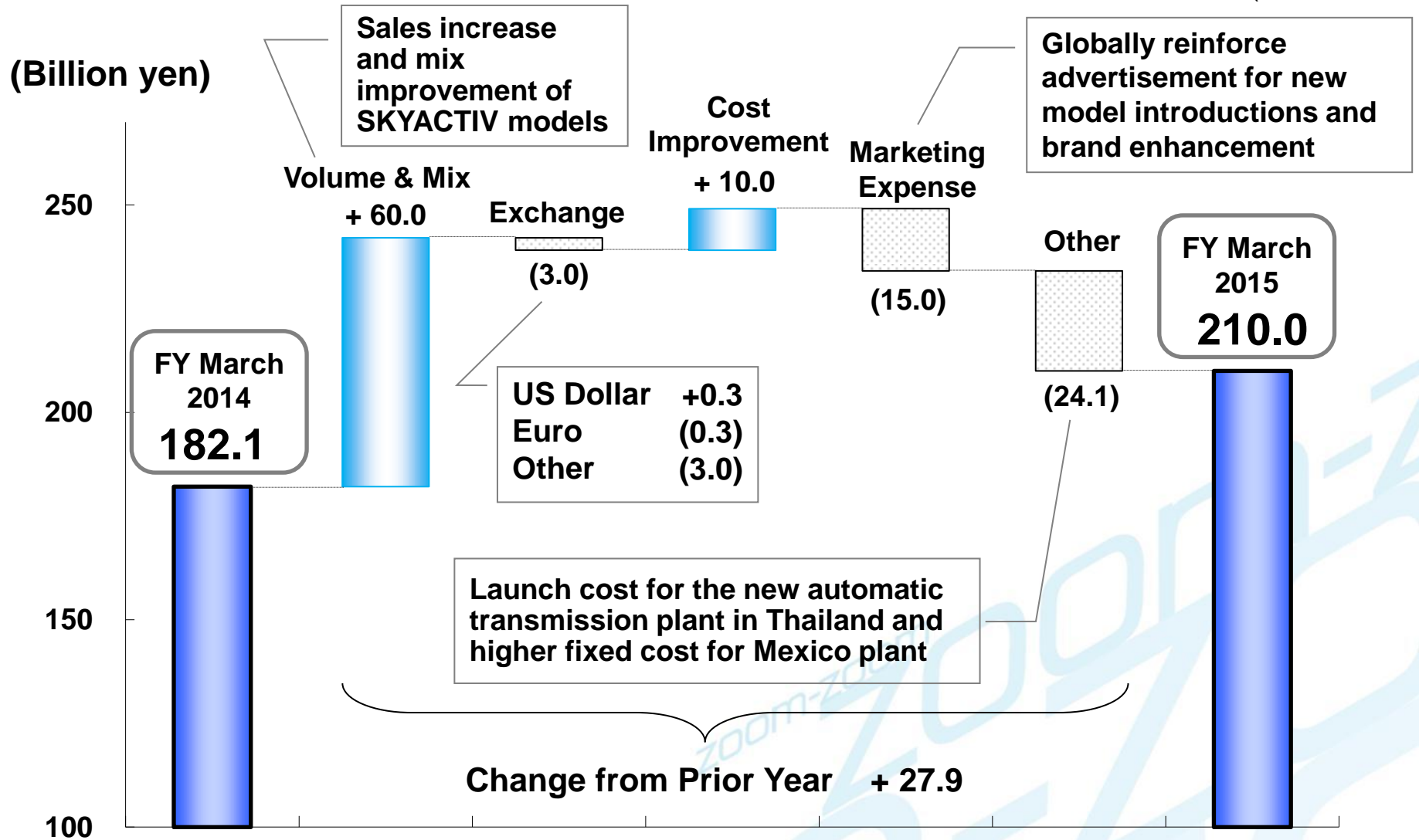
FY MARCH 2015 FINANCIAL METRICS

	FY March 2015			Change from Prior Year	
	First Half	Second Half	Full Year	Amount	YOY(%)
(Billion yen)					
Revenue	1,420.0	1,480.0	2,900.0	207.8	8%
Operating profit	100.0	110.0	210.0	27.9	15%
Ordinary profit	98.0	112.0	210.0	69.3	49%
Profit before tax	94.0	106.0	200.0	102.6	105%
Net income	75.0	85.0	160.0	24.3	18%
Operating ROS	7.0%	7.4%	7.2%	0.4pts	
EPS* (Yen)	125.5	142.1	267.6		
* Reflecting consolidation of shares					
Exchange Rates (Yen)					
US Dollar	100	100	100	0	
Euro	135	135	135	1	

OPERATING PROFIT CHANGE

FY March 2015 Full Year vs. FY March 2014 Full Year

■ Improvement
 ■ (Deterioration)





STRUCTURAL REFORM PLAN UPDATE

STRUCTURAL REFORM PLAN

■ Targets for FY March 2016

- **Global sales volume** **1.52 million units**
- **Operating profit** **¥230 billion**
- **Operating ROS** **7% or higher**

[Exchange assumptions: ¥100/USD, ¥135/Euro]

- **Global sales volume reflects changing demand and market environments**
- **Continue to strengthen the four initiatives**
- **While continuing to invest for future growth, realize a stable profit structure**
- **Dividend policy: Stable dividend payments and steady improvement**

CONTINUE TO STRENGTHEN FOUR INITIATIVES

Business Innovation by SKYACTIV TECHNOLOGY

- Continue right-price sales and realize volume growth while minimizing fleet sales
- Expand line-up of SKYACTIV models
- Update SKYACTIV products to maintain and enhance competitiveness
- Enhance advertising activities to accelerate brand strategy

Accelerate further cost improvement through Monotsukuri Innovation

- Continue cost improvements for new products following new Mazda3
- Further improve efficiency of R&D / Capital spending
- Promote optimized global sourcing

Reinforce business in emerging countries and establish a global production footprint

- Full-scale operations of Mexico Plant and production capacity increase
- Launch Automatic Transmission plant in Thailand as planned
- Expand production in Russia and Malaysia

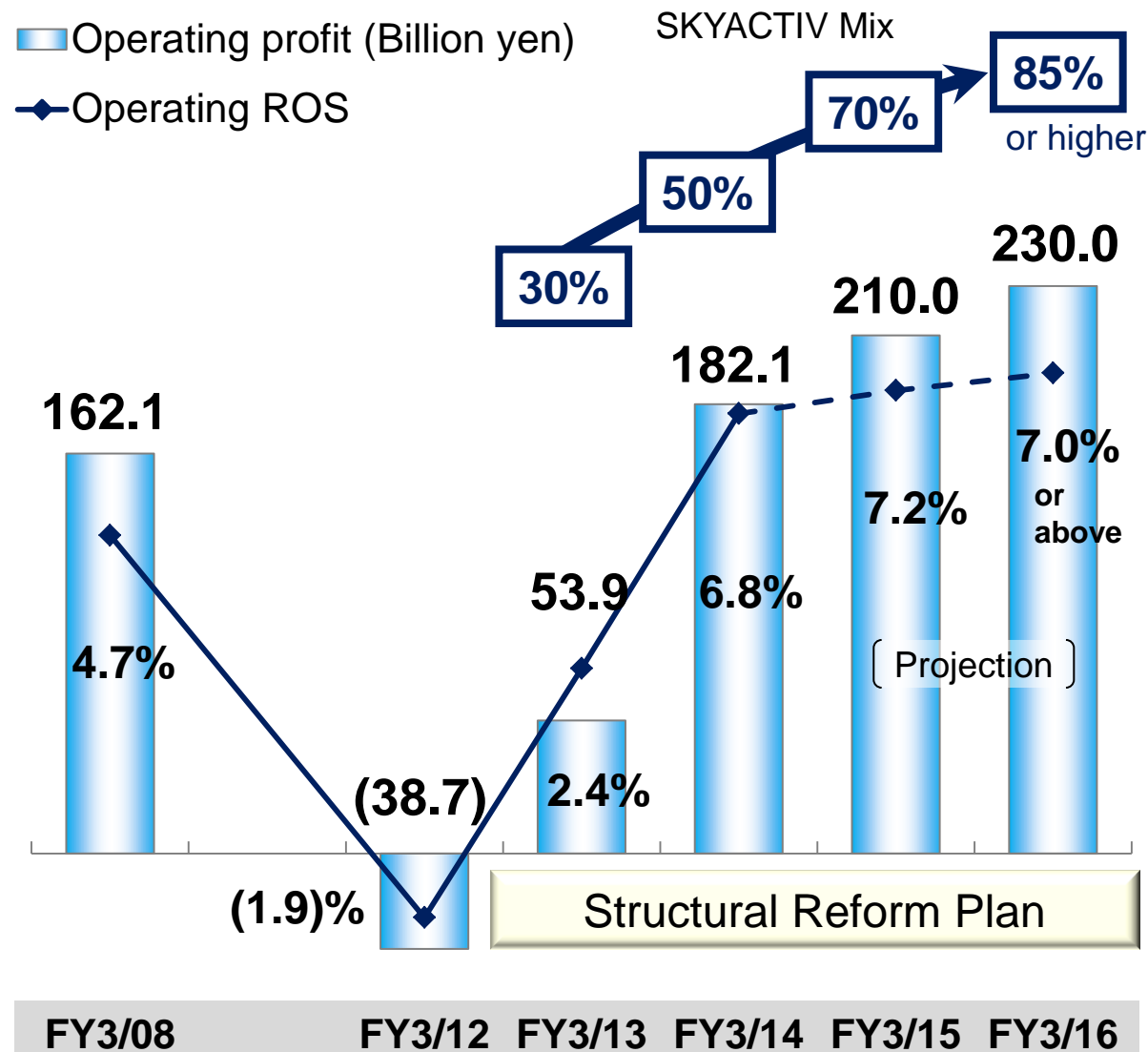
Promote global alliances

- Continue to promote alliances to complement products, technology and regions



SUMMARY

SUMMARY



Mazda Brand Value Management

- **Mazda brand value**
Maximize customer satisfaction by providing Mazda unique "fun-to-drive" products/services (driving performance/design/ environment & safety/ customer care)
- **Enhance line-up of SKYACTIV models**
- **Realize both right-price sales and volume growth**
- **Reinforce product / brand advertisement**
- **Continue investment for future growth**
- **Realize stable profit structure**
- **Steadily improve returns to shareholders**

Sales Volume
1,363 (000)

1,247

1,235

1,331

1,420

1,520





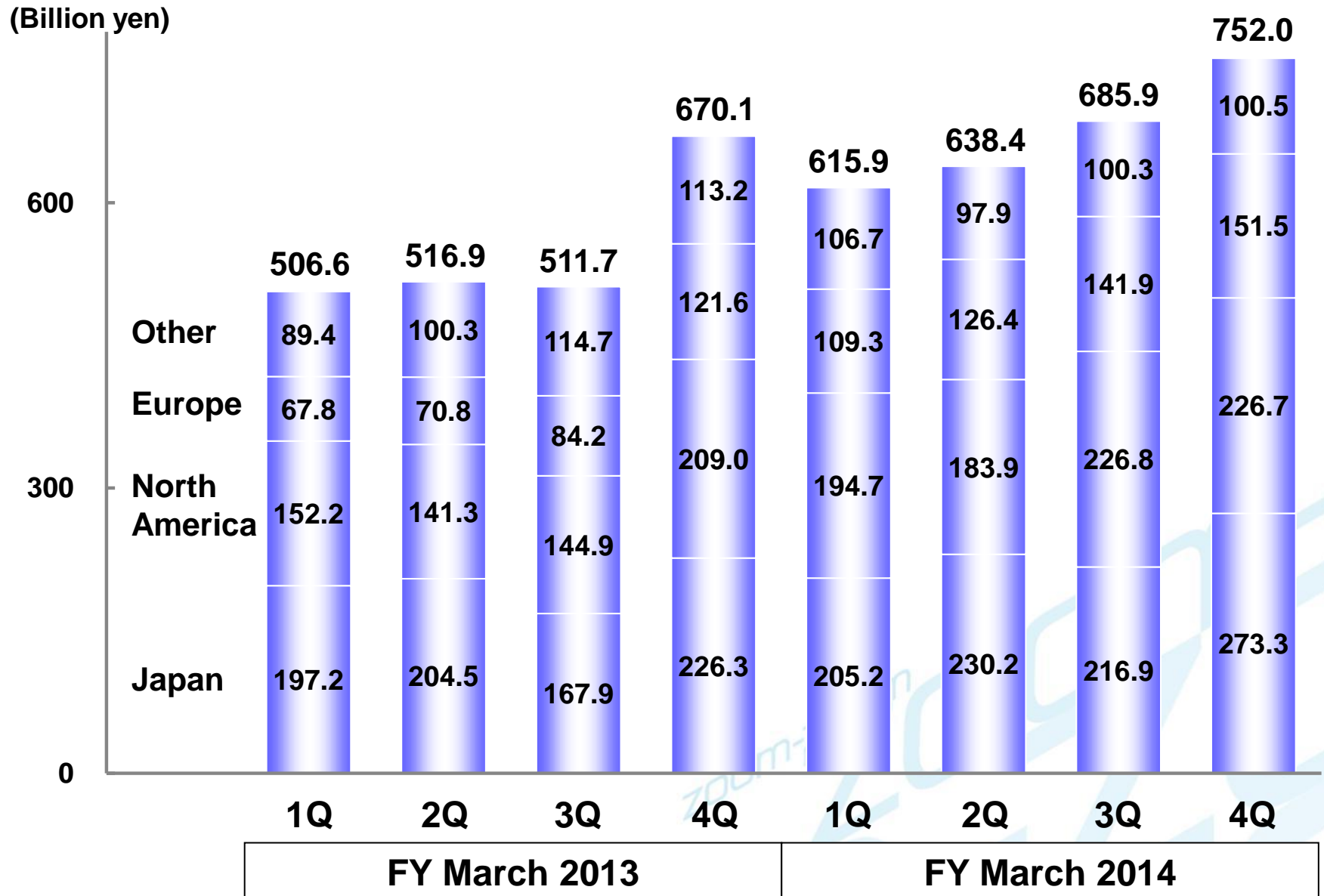
APPENDIX

CASH FLOW AND NET DEBT

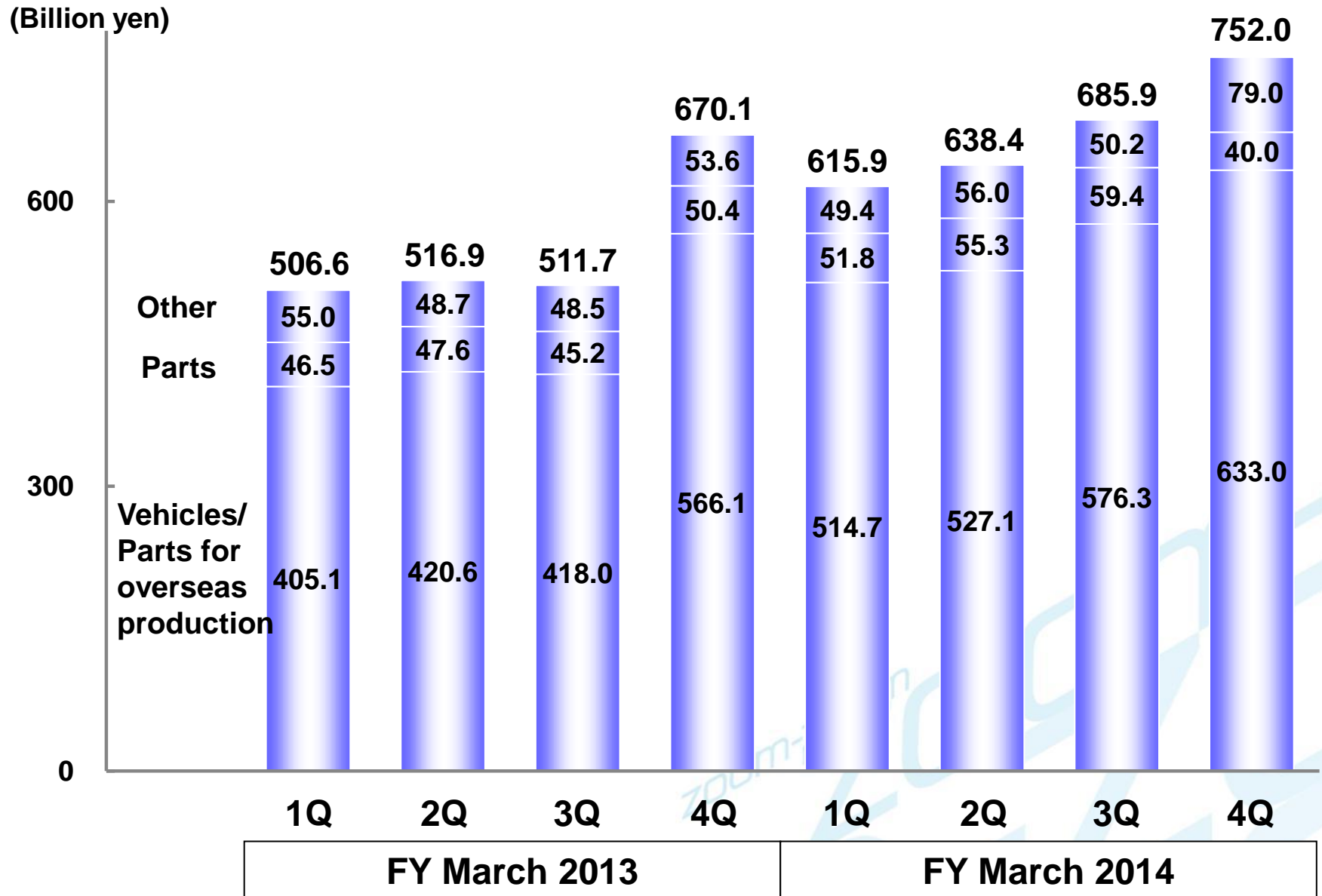
(Billion yen)	Full Year		Change from Prior FY End
	<u>FY March 2013</u>	<u>FY March 2014</u>	
Cash Flow			
- From operating activities	49.0	136.4	-
- From investing activities	<u>(40.3)</u>	<u>(120.1)</u>	-
- Free Cash Flow	8.7	16.3	-
Cash and Cash Equivalents	444.9	479.8	34.9
Net Debt	274.1	263.0	11.1
Net Debt-to-equity Ratio	55 / 45*%	40 / 33*%	15 / 12* pts
Equity Ratio	25 / 27*%	29 / 31*%	4 / 4* pts

*Reflecting “equity credit attributes” of the subordinated loan.

REVENUE BY GEOGRAPHIC AREA

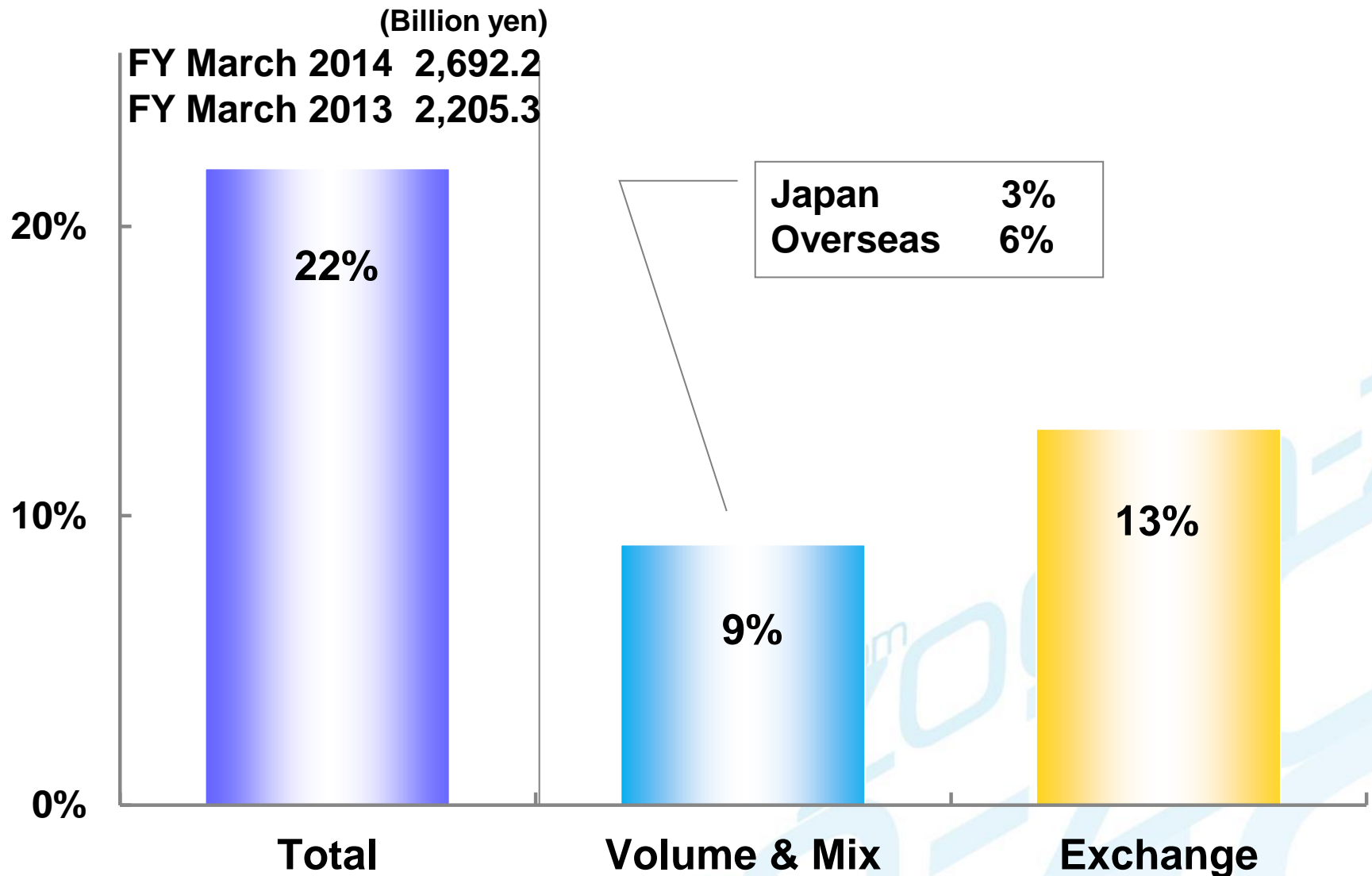


REVENUE BY PRODUCT



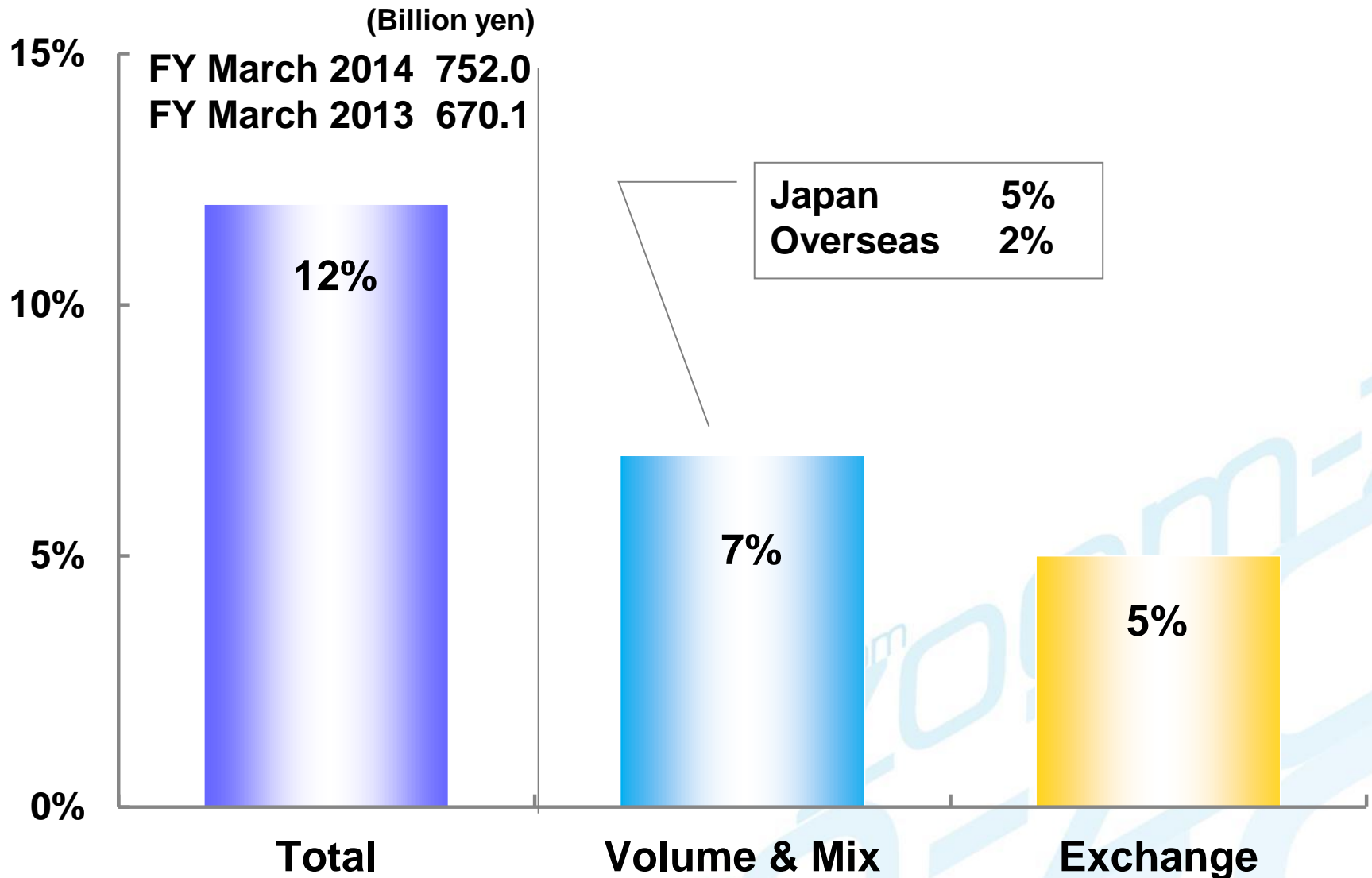
REVENUE CHANGE

FY March 2014 Full Year vs. FY March 2013 Full Year



REVENUE CHANGE

FY March 2014 Fourth Quarter vs. FY March 2013 Fourth Quarter



FY MARCH 2014 FINANCIAL METRICS

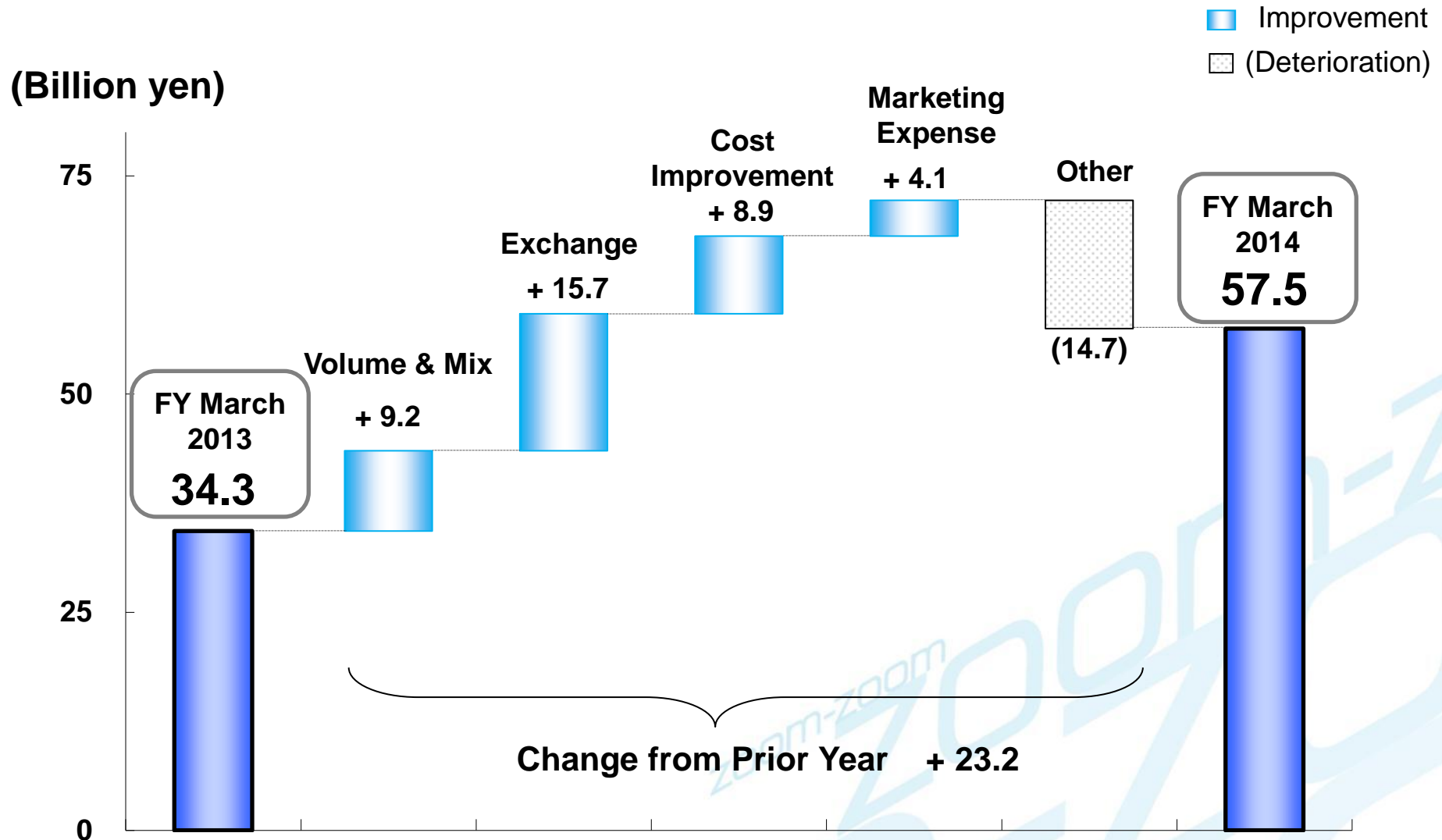
(Billion yen)	Fourth Quarter		Change from Prior Year
	FY March 2013	FY March 2014	
Revenue	670.1	752.0	81.9
Operating profit	34.3	57.5	23.2
Ordinary profit	11.7	47.6	35.9
Profit before tax	9.0	7.4	(1.6)
Net income	8.7	58.3	49.6
Operating ROS	5.1%	7.6%	2.5pts
EPS (Yen)	2.9	19.5	16.6
Exchange Rates (Yen)			
US Dollar	92	103	11
Euro	122	141	19

GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(000)	Fourth Quarter		Change from Prior Year
	FY March 2013	FY March 2014	
Global Sales Volume			
Japan	66	82	16
North America	102	102	0
Europe	53	63	10
China	46	55	9
Other Markets	75	76	1
Total	342	378	36
Consolidated Wholesales			
Japan	69	82	13
North America	109	102	(7)
Europe	52	56	4
China	1	1	0
Other Markets	76	70	(6)
Total	307	311	4

OPERATING PROFIT CHANGE

FY March 2014 Fourth Quarter vs. FY March 2013 Fourth Quarter

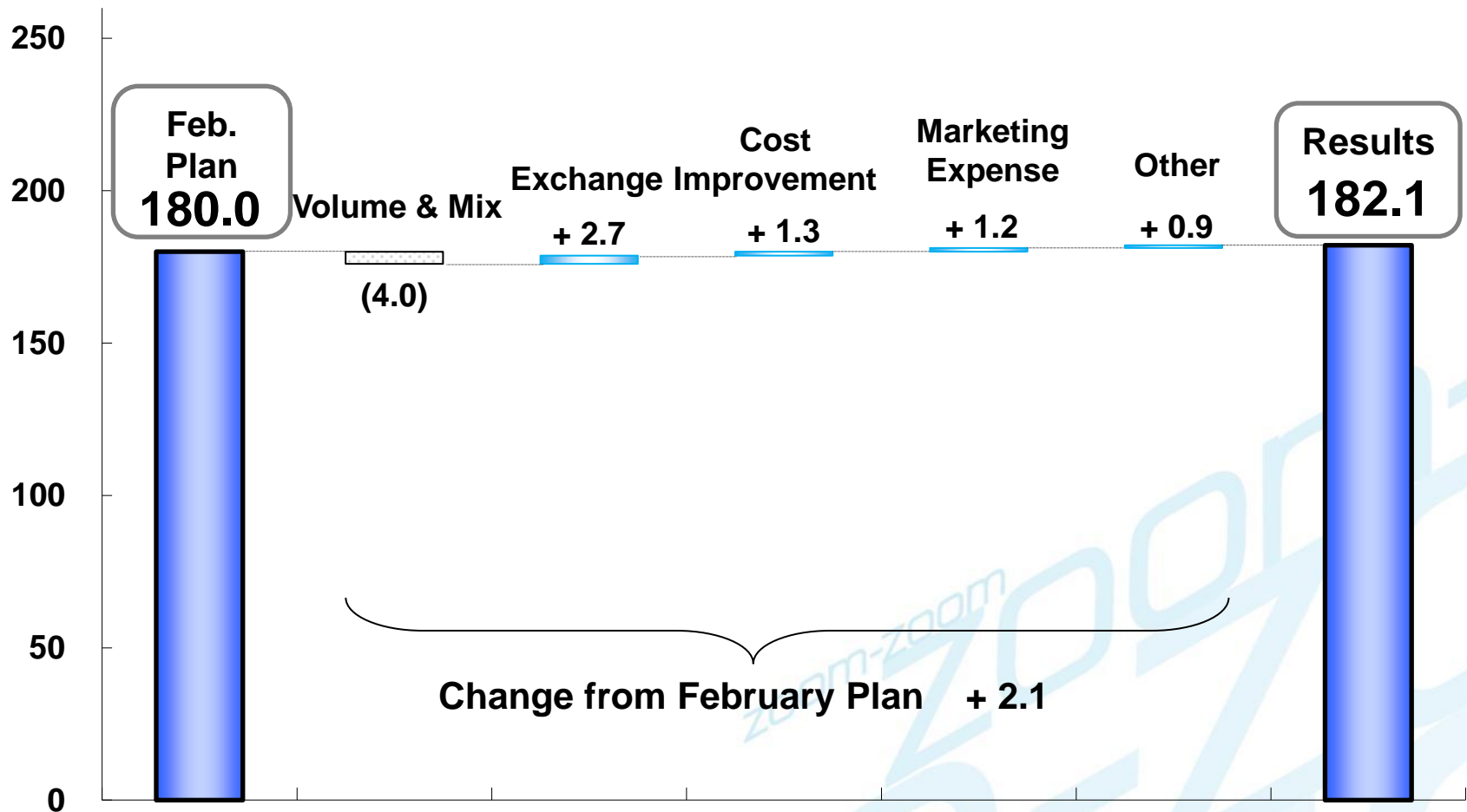


OPERATING PROFIT CHANGE

FY March 2014 Full Year vs. February Plan

(Billion yen)

■ Improvement
□ (Deterioration)



GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(Memo)

FY March
2014
Feb. Plan

Change from Prior Year

FY March 2014

(000)

Global Sales Volume

	First Half	Second Half	Full Year	First Half	Second Half	Full Year	
Japan	111	133	244	1	27	28	238
North America	199	192	391	17	2	19	402
Europe	97	110	207	12	23	35	200
China	79	117	196	(11)	32	21	200
Other Markets	145	148	293	(1)	(6)	(7)	285
Total	631	700	1,331	18	78	96	1,325

Consolidated Wholesales

Japan	116	134	250	1	23	24	245
North America	178	205	383	3	10	13	390
Europe	85	109	194	17	19	36	194
China	3	3	6	1	1	2	10
Other Markets	142	140	282	0	(13)	(13)	281
Total	524	591	1,115	22	40	62	1,120

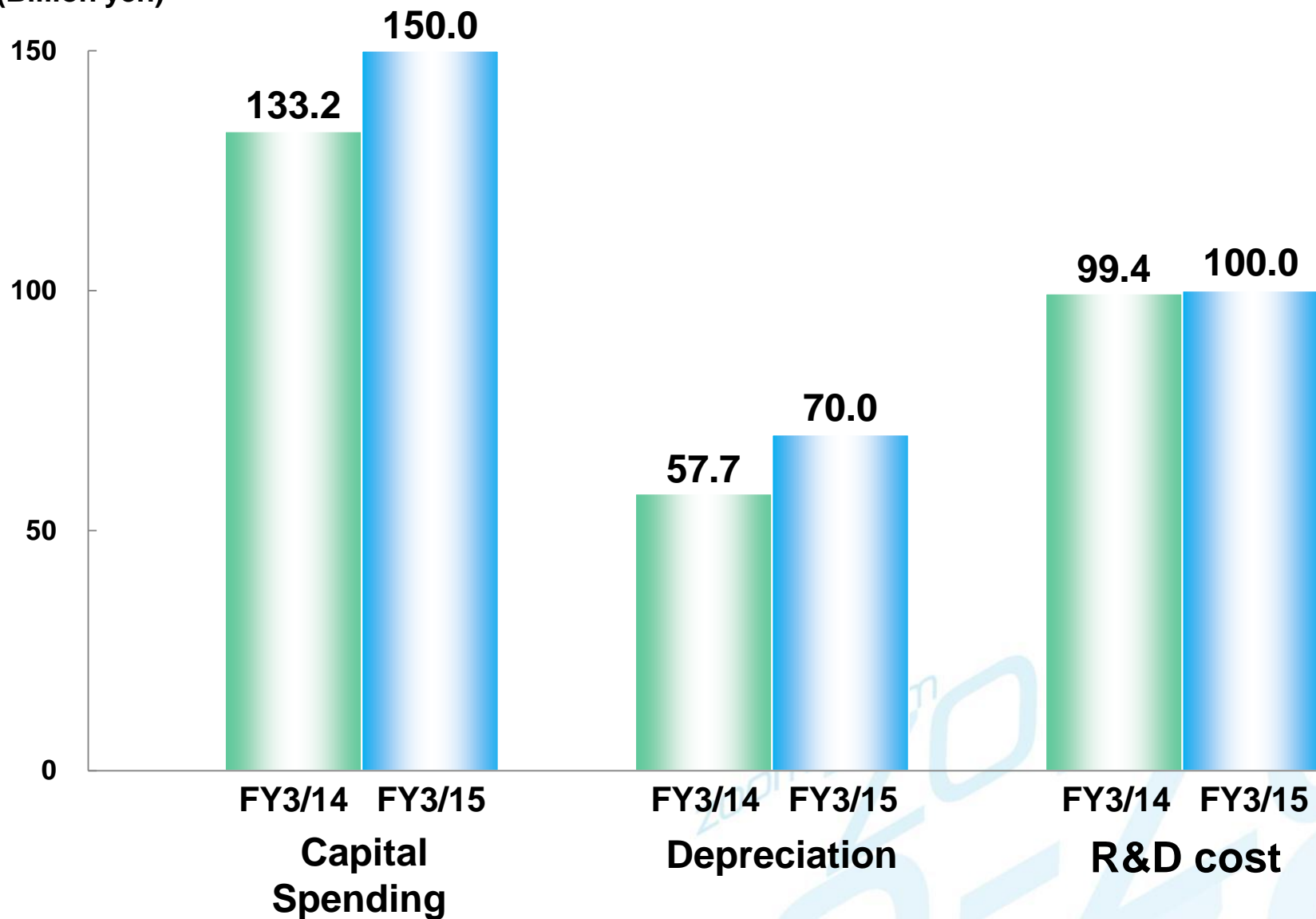
GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

(000)	FY March 2015			Change from Prior Year		
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Global Sales Volume						
Japan	104	126	230	(7)	(7)	(14)
North America	227	213	440	28	21	49
Europe	109	111	220	12	1	13
China	100	130	230	21	13	34
Other Markets	142	158	300	(3)	10	7
Total	682	738	1,420	51	38	89
Consolidated Wholesales						
Japan	107	128	235	(9)	(6)	(15)
North America	224	216	440	46	11	57
Europe	108	112	220	23	3	26
China	2	2	4	(1)	(1)	(2)
Other Markets	149	152	301	7	12	19
Total	590	610	1,200	66	19	85

※ Volume for FY March 2015 are forecast

KEY DATA

(Billion yen)



※ Data for FY March 2015 are forecast

RETURNS TO SHAREHOLDERS, CONSOLIDATION OF SHARES AND CHANGE IN THE NUMBER OF SHARES PER SHARE UNIT

Returns to Shareholders

- FY March 2014 year-end dividend ¥1 per share (Plan)
- FY March 2015 year-end dividend ¥2* per share (Plan)
* ¥10 after consolidation of shares
- Work to provide stable dividends and realize steady increase

Consolidation of shares and Change in the number of shares per share unit

- Consolidate 5 common shares into 1 share
- Change the number of shares per share unit from 1,000 shares to 100 shares

* To be submitted to the ordinary general meeting of shareholders scheduled in June 2014. Planned effective date is August 1, 2014.

DISCLAIMER

The projections and future strategies shown in this presentation are based on various uncertainties including without limitation the conditions of the world economy in the future, the trend of the automotive industry and the risk of exchange-rate fluctuations.

So, please be aware that Mazda's actual performance may differ substantially from the projections.

If you are interested in investing in Mazda, you are requested to make a final investment decision at your own risk, taking the foregoing into consideration.

Please note that neither Mazda nor any third party providing information shall be responsible for any damage you may suffer due to investment in Mazda based on the information shown in this presentation.