



# **FISCAL YEAR MARCH 2017 FIRST QUARTER FINANCIAL RESULTS**



# PRESENTATION OUTLINE

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- **Highlights**
- **Fiscal Year March 2017 First Quarter Results**
- **Fiscal Year March 2017 Full Year Forecast**
- **Progress of Key Initiatives**

# HIGHLIGHTS

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## 【First Quarter Results】

- Global sales were up 1% from the prior year to 375,000 units, a new record for the first quarter
- Revenue was ¥776.2 billion, operating profit was ¥52.4 billion (ROS 6.8%) and net income was ¥21.2 billion
- Introduced New CX-9 in North America and New CX-4 in China, and both models are off to a good start

## 【Full Year Forecast】

- Full-year forecast remains unchanged from April; Global sales volume of 1,550,000 units, operating profit of ¥170 billion and net income of ¥115 billion
- Will accelerate sales momentum with the launch of updated Mazda3 featuring the first in a series of new-generation vehicle motion control technologies

# **FISCAL YEAR MARCH 2017 FIRST QUARTER RESULTS**

# FY MARCH 2017 GLOBAL SALES VOLUME

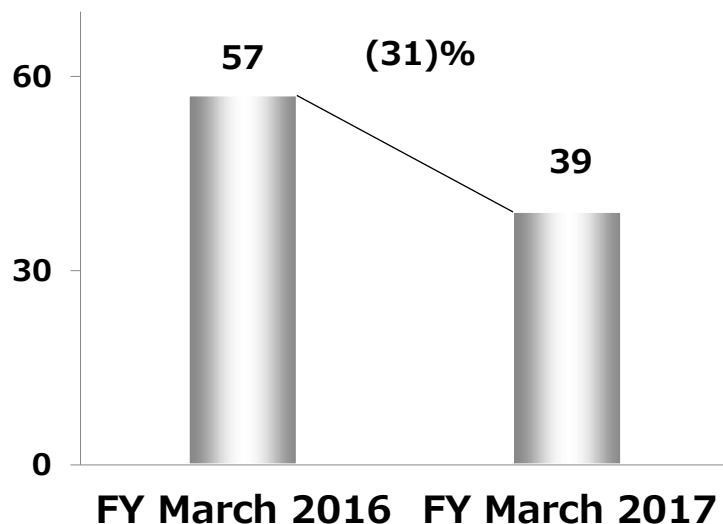
(000)	First Quarter		Change from	
	FY March 2016	FY March 2017	Prior Year	
Global sales volume			Volume	YOY(%)
Japan	57	39	(18)	(31)%
North America	116	113	(3)	(2)%
Europe	54	66	12	22%
China	57	59	2	3%
Other Markets	86	98	12	14%
Total	370	375	5	1%
<Breakdown>				
USA	81	81	0	0%
Australia	28	31	3	8%
ASEAN	22	27	5	20%

# JAPAN



## First Quarter Sales Volume

(000)



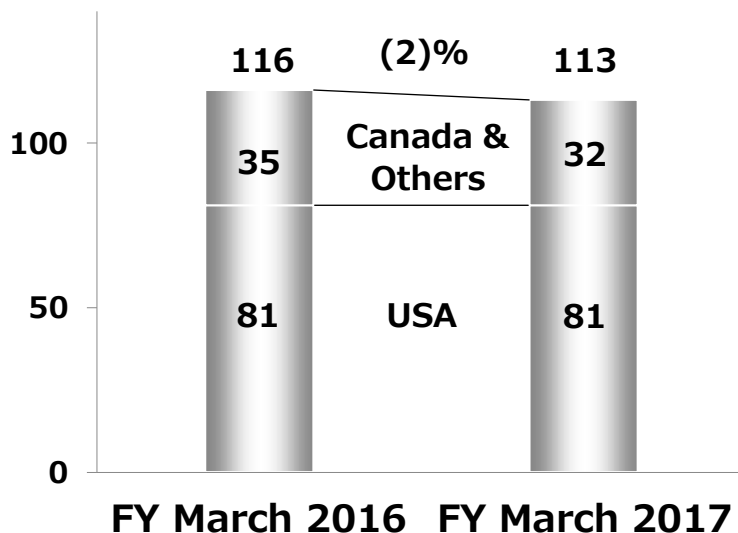
- Sales were 39,000 units, down 31% year-on-year
- Market share was 3.6%, down 1.6 points year-on-year. Registered vehicle market share was 4.2%, down 2.8 points year-on-year
- Sales volume dropped because last year's new model effect for Demio and CX-3 wore off
- Launched updated Axela with G-Vectoring Control, the first of the SKYACTIV-VEHICLE DYNAMICS new-generation vehicle motion control technologies, in July

# NORTH AMERICA



- Sales were 113,000 units, down 2% year-on-year
- USA: Sales were 81,000 units, on par with last year
  - New CX-9, launched in May, got off to a smooth start
  - CX-3 and New MX-5 contributed to sales
- Mexico: Sales were 11,000 units, down 16% year-on-year, as the sales environment deteriorated due to exchange rate actions, etc.

First Quarter Sales Volume  
(000)

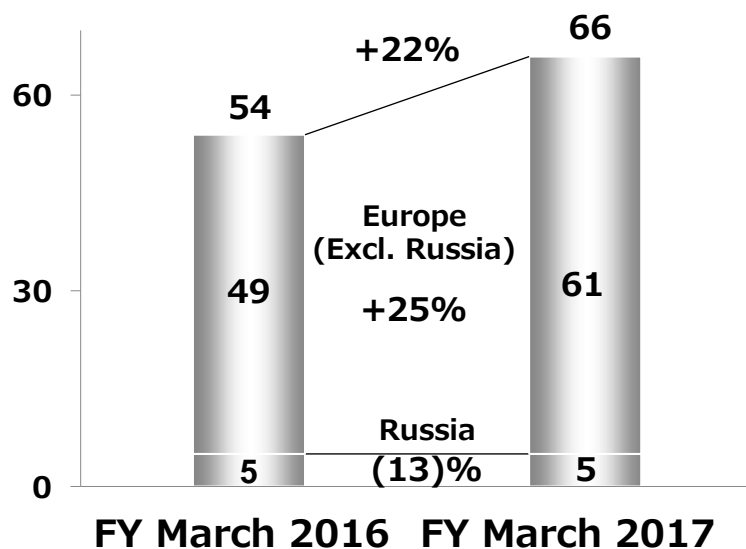




# EUROPE



(000) **First Quarter Sales Volume**



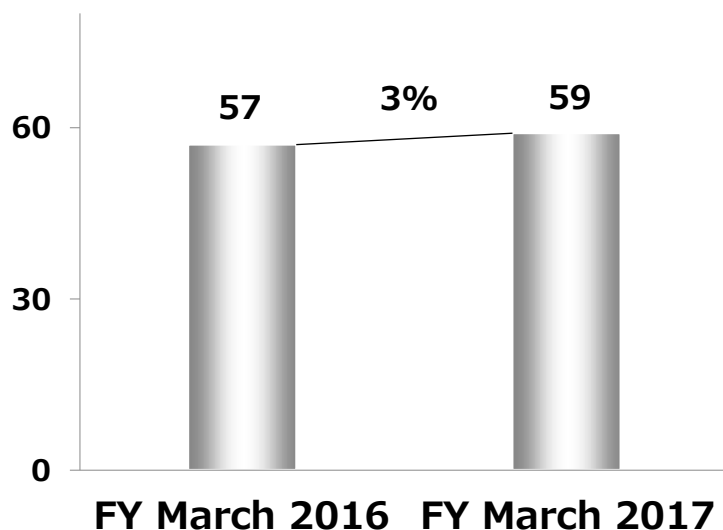
- Sales were 66,000 units, up 22% year-on-year
- Strong sales of CX-3 and New MX-5 contributed to sales growth
- Sales in Europe excluding Russia grew 25% year-on-year to 61,000 units, far outpacing overall demand growth
  - Germany: 16,000 units, up 17% year-on-year
  - UK: 9,000 units, up 4% year-on-year
- Sales in Russia were 5,000 units, down 13% year-on-year due to declining demand and a weak ruble

# CHINA



- Sales were 59,000 units, up 3% year-on-year
- New CX-4 was fully launched in June and is selling well
- Mazda3 led sales, thanks in part to the continued compact car tax reduction scheme
- Updated CX-5 continued to contribute to sales volume

First Quarter Sales Volume  
(000)

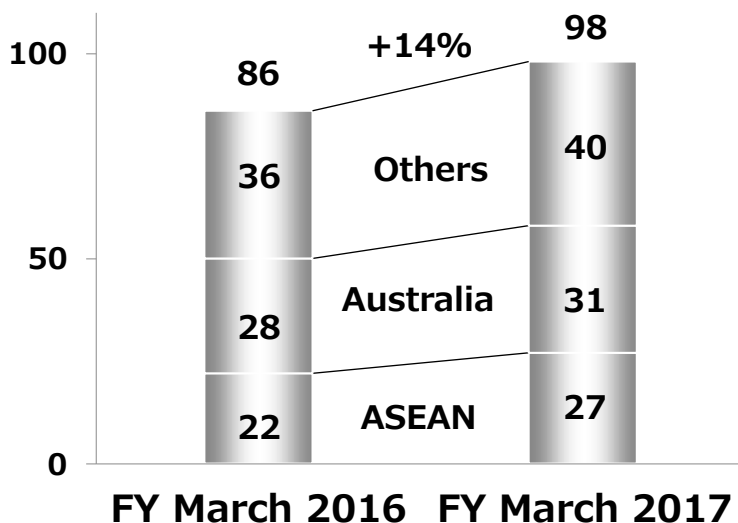


# OTHER MARKETS



- Sales were 98,000 units, up 14% year-on-year
- Australia: Sales were 31,000 units, up 8% year-on-year and market share was 9.8%
  - Second highest-selling brand
  - CX-3 and CX-5 are the best sellers in their segments
- ASEAN: Sales were 27,000 units, up 20% year-on-year
  - In Thailand, sales increased 16% year-on-year
  - In Vietnam, sales increased 86% year-on-year
- Others: New Zealand and Saudi Arabia achieved record-high sales

First Quarter Sales Volume  
(000)



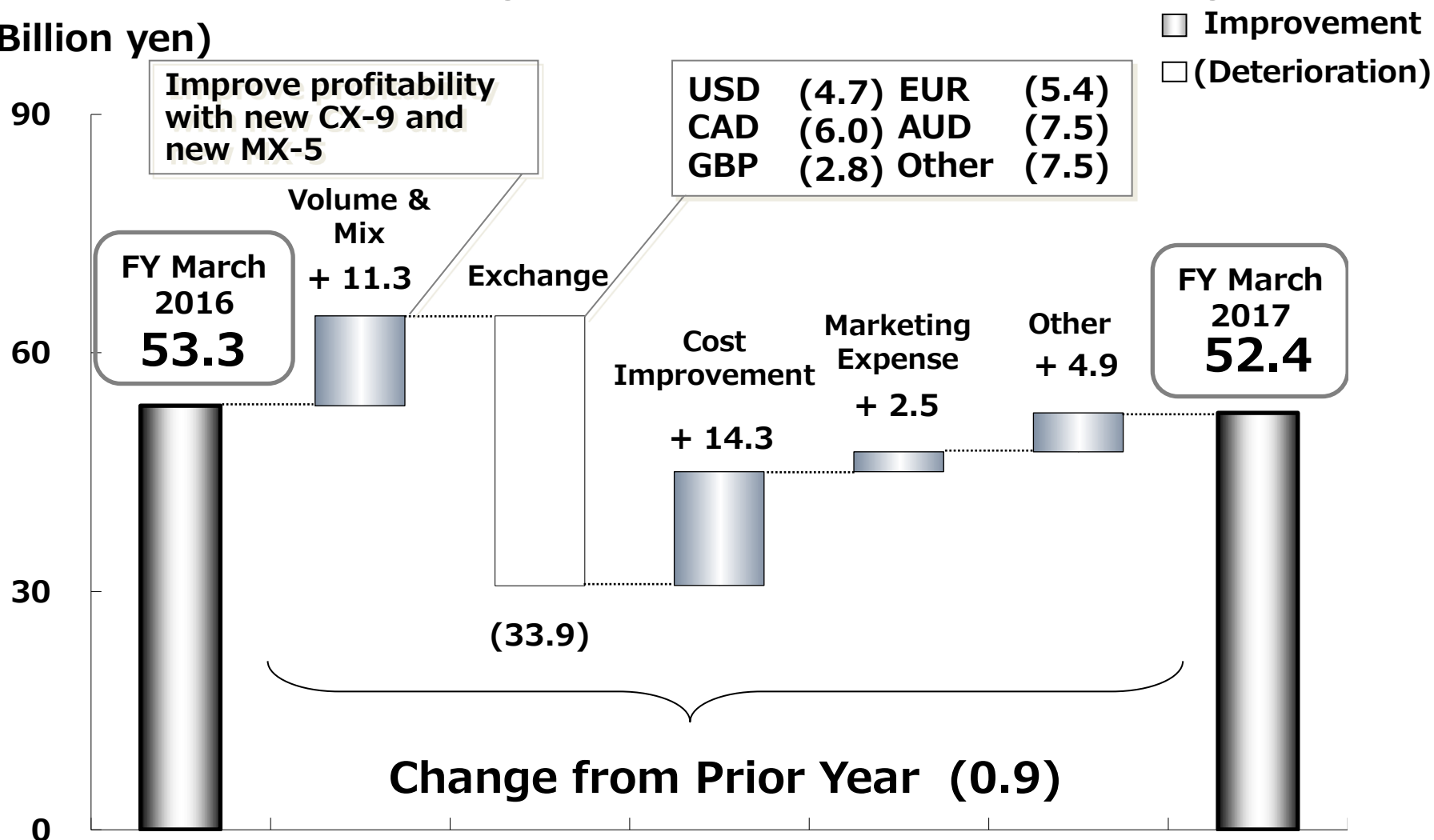
# FY MARCH 2017 FINANCIAL METRICS

(Billion yen)	First Quarter		Change from	
	FY March	FY March	Prior Year	
	2016	2017	Amount	YOY(%)
Revenue	806.0	776.2	(29.8)	(4)%
Operating profit	53.3	52.4	(0.9)	(2)%
Ordinary profit	54.6	44.9	(9.7)	(18)%
Profit before tax	53.9	39.4	(14.5)	(27)%
Net income	36.8	21.2	(15.6)	(42)%
Operating ROS	6.6%	6.8%	0.2pts	
EPS (Yen)	61.5	35.5	(26.0)	
Exchange rate (Yen)				
US Dollar	121	108	(13)	
Euro	134	122	(12)	

# OPERATING PROFIT CHANGE

FY March 2017 1st Quarter vs. FY March 2016 1st Quarter

(Billion yen)



# **FISCAL YEAR MARCH 2017 FULL YEAR FORECAST**

# FY MARCH 2017 GLOBAL SALES VOLUME

(000)	Full Year		Change from	
	FY March 2016	FY March 2017	Prior Year Volume	YOY(%)
<b>Global sales volume</b>				
Japan	232	233	1	0%
North America	438	449	11	3%
Europe	257	260	3	1%
China	235	238	3	1%
Other Markets	372	370	(2)	(1)%
<b>Total</b>	<b>1,534</b>	<b>1,550</b>	<b>16</b>	<b>1%</b>
<Breakdown>				
USA	306	325	19	6%
Australia	116	118	2	2%
ASEAN	101	106	5	5%

# FY MARCH 2017 FINANCIAL METRICS

(Billion yen)	Full Year		Change from	
	FY March	FY March	Prior Year	
	2016	2017	Amount	YOY(%)
Revenue	3,406.6	3,280.0	(126.6)	(4)%
Operating profit	226.8	170.0	(56.8)	(25)%
Ordinary profit	223.6	176.0	(47.6)	(21)%
Profit before tax	167.0	169.0	2.0	1%
Net income	134.4	115.0	(19.4)	(14)%
Operating ROS	6.7%	5.2%	(1.5)pts	
EPS (Yen)	224.9	192.4	(32.5)	
Exchange rate (Yen)				
US Dollar	120	110	(10)	
Euro	133	125	(8)	



# **PROGRESS OF KEY INITIATIVES**

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- **Expand and continue to advance the SKYACTIV lineup**
  - Introduced New CX-9 in North America and New CX-4 in China and both models are off to a good start
  - Launched in July, updated Mazda3 features G-Vectoring Control, the first of the SKYACTIV-VEHICLE DYNAMICS new-generation vehicle motion control technologies
  - A series of updated models will follow Mazda3, and efforts to enhance sales and strengthen the brand will continue



Updated Mazda3

# PROGRESS OF KEY INITIATIVES

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- **Global production footprint**
  - **Good progress in efforts to maximize production efficiency, including preparing for CX-3 production at Hofu Plant**
- **Global alliances**
  - **Reached an OEM supply agreement with Isuzu regarding a next-generation pick-up truck**
- **Refinanced the subordinated loan**
- **Business environment and financial forecast**
  - **Carefully monitor changes in the business environment, including economic trend in Japan and overseas and exchange rate fluctuations**
  - **Reinforce cost-improvement initiatives and control fixed costs to counter the impact of exchange rates**



# APPENDIX

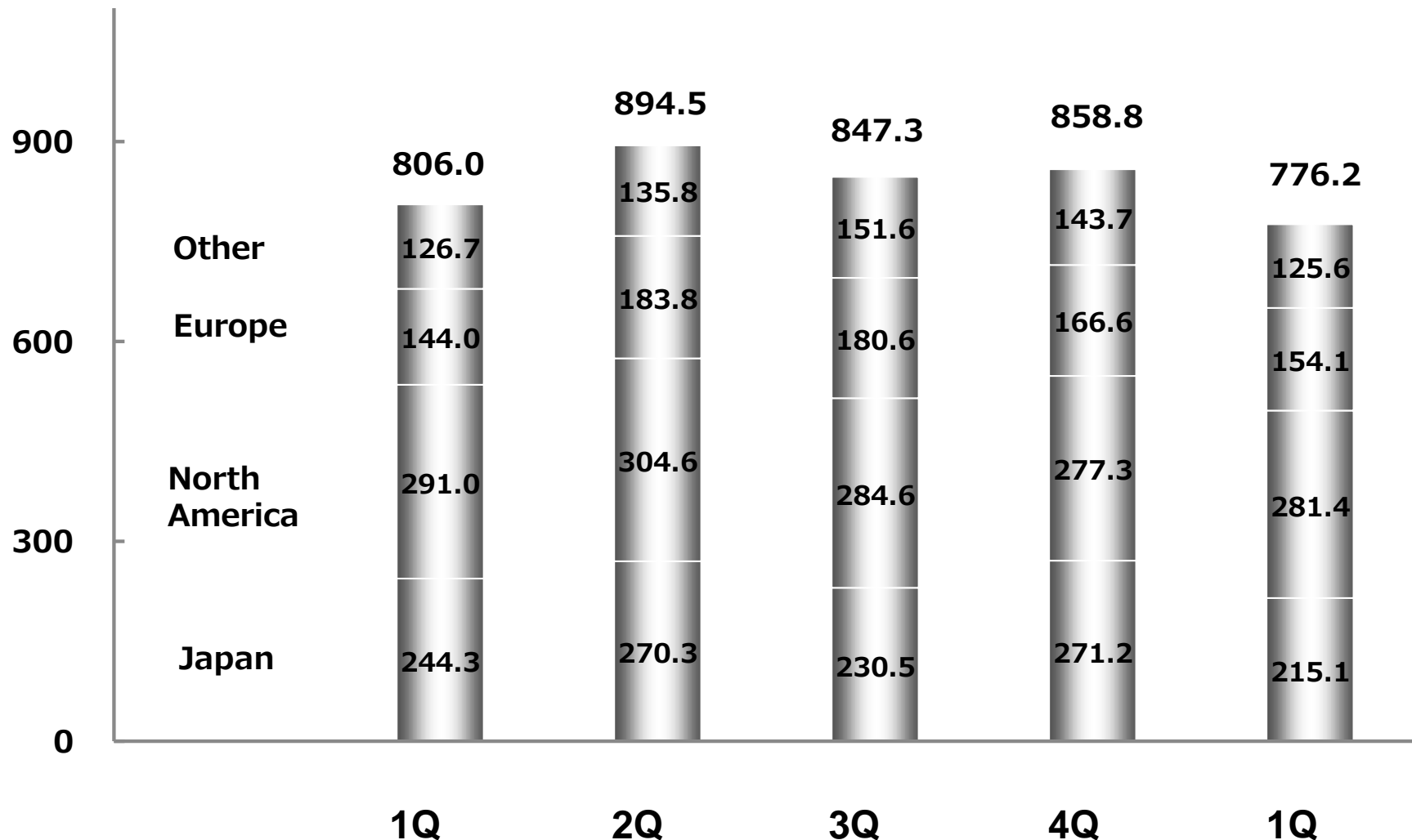
# CASH FLOW AND NET DEBT

(Billion yen)	FY March 2016 Full Year	FY March 2017 First Quarter	Change from Prior FY End
<b>Cash Flow</b>			
- From Operating activities	262.8	30.5	-
- From Investing activities	(108.1)	(23.8)	-
- Free Cash Flow	154.7	6.7	-
<b>Cash and Cash Equivalents</b>	<b>568.7</b>	<b>520.7</b>	<b>(48.0)</b>
<b>Net Debt</b>	<b>48.4</b>	<b>46.7</b>	<b>1.7</b>
<b>Net Debt-to-equity Ratio</b>	<b>5 / 1*%</b>	<b>5 / 1*%</b>	<b>0 / (0)*pts</b>
<b>Equity Ratio</b>	<b>37 / 39*%</b>	<b>39 / 41*%</b>	<b>2 / 2* pts</b>

\*Reflecting "equity credit attributes" of the subordinated loan.

# REVENUE BY REGION

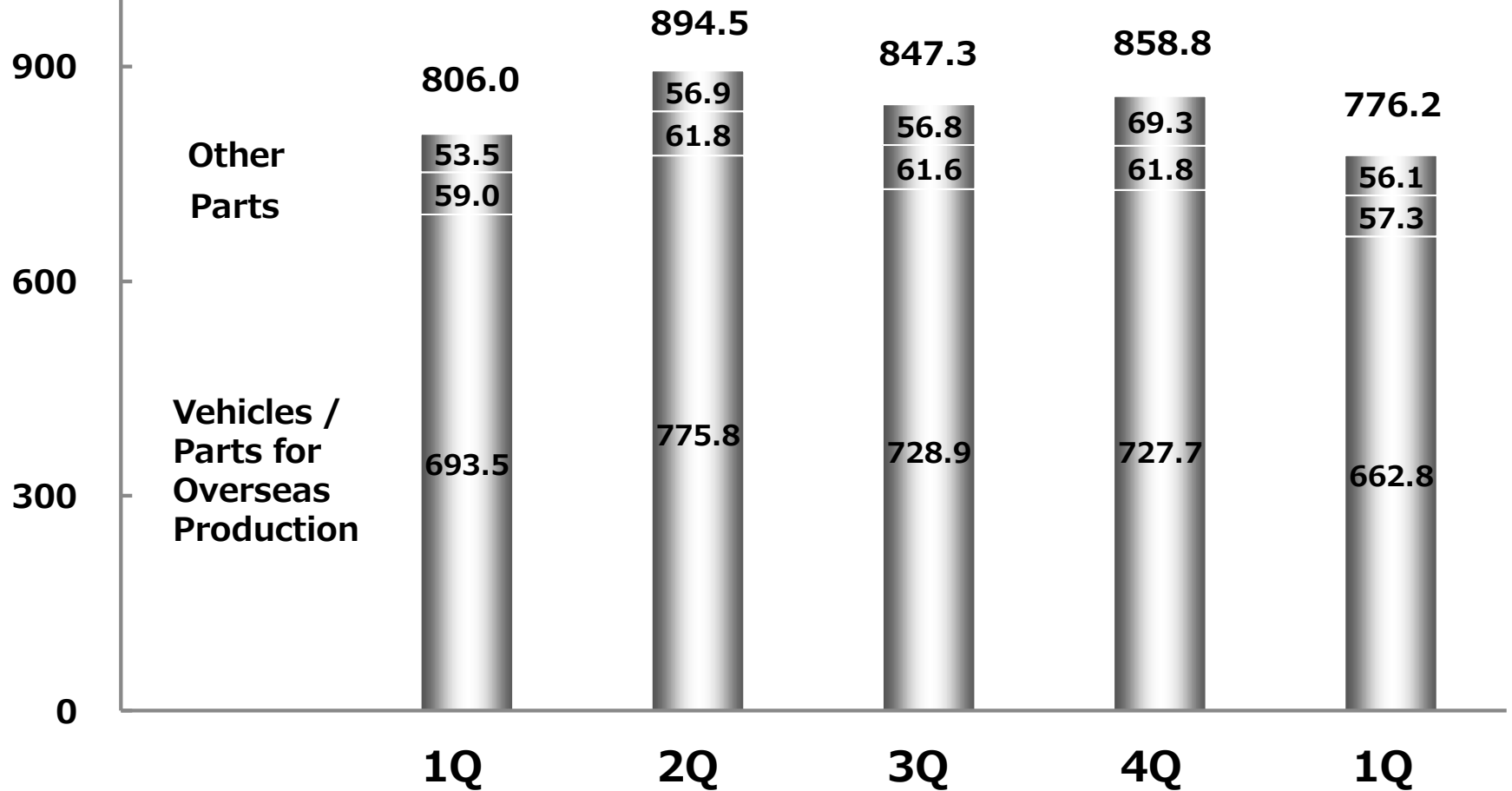
(Billion yen)



FY March 2016				FY March 2017
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# REVENUE BY PRODUCT

(Billion yen)



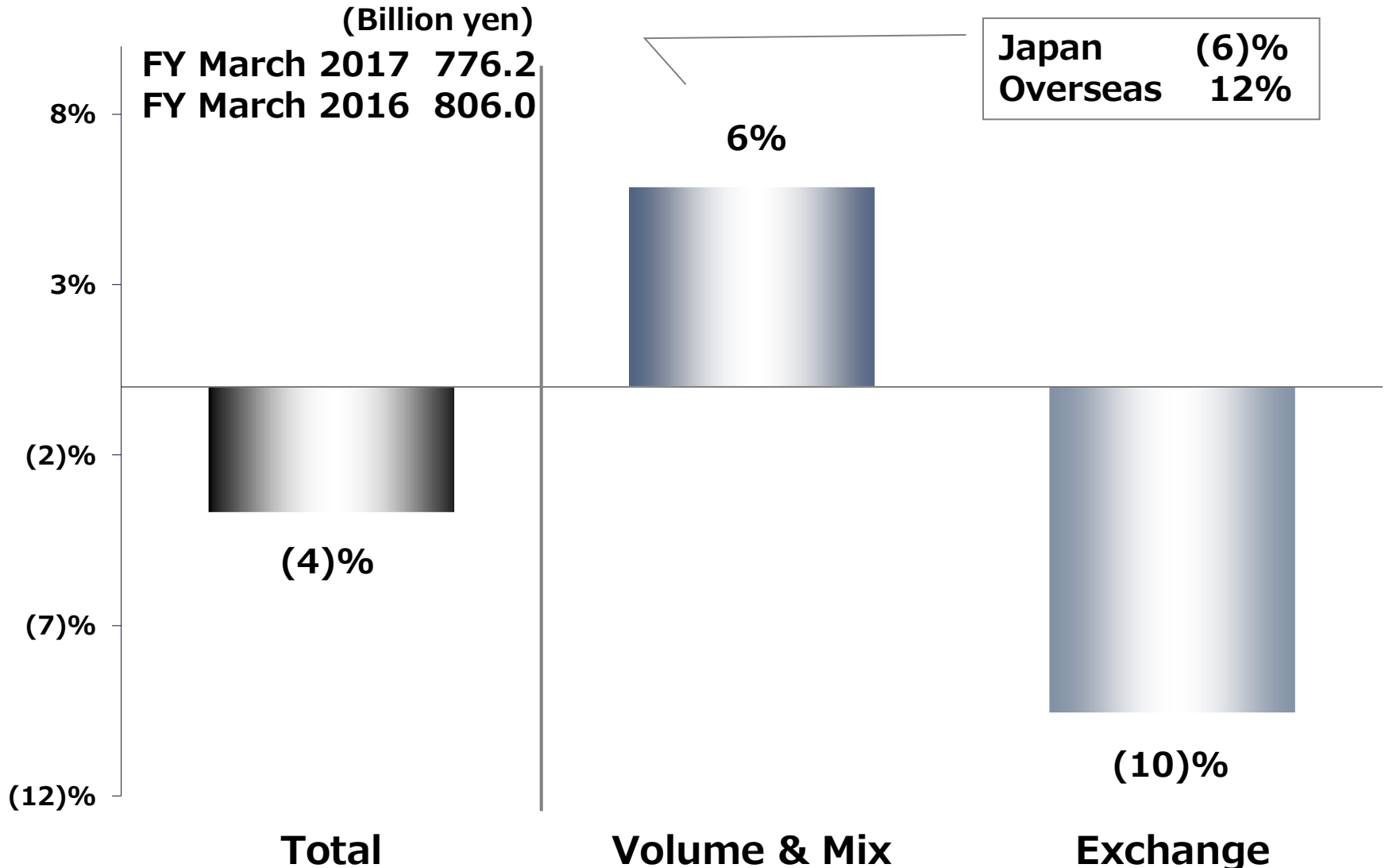
FY March 2016

FY March 2017



# REVENUE CHANGE

## FY March 2017 1st Quarter vs. FY March 2016 1st Quarter



# GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

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Europe	54	66	12	22%
China	57	59	2	3%
Other Markets	86	98	12	14%
<b>Total</b>	<b>370</b>	<b>375</b>	<b>5</b>	<b>1%</b>
<b>Consolidated wholesales</b>				
Japan	58	39	(19)	(32)%
North America	115	117	2	2%
Europe	54	66	12	22%
Other Markets	81	91	10	13%
<b>Total</b>	<b>308</b>	<b>313</b>	<b>5</b>	<b>2%</b>

# GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

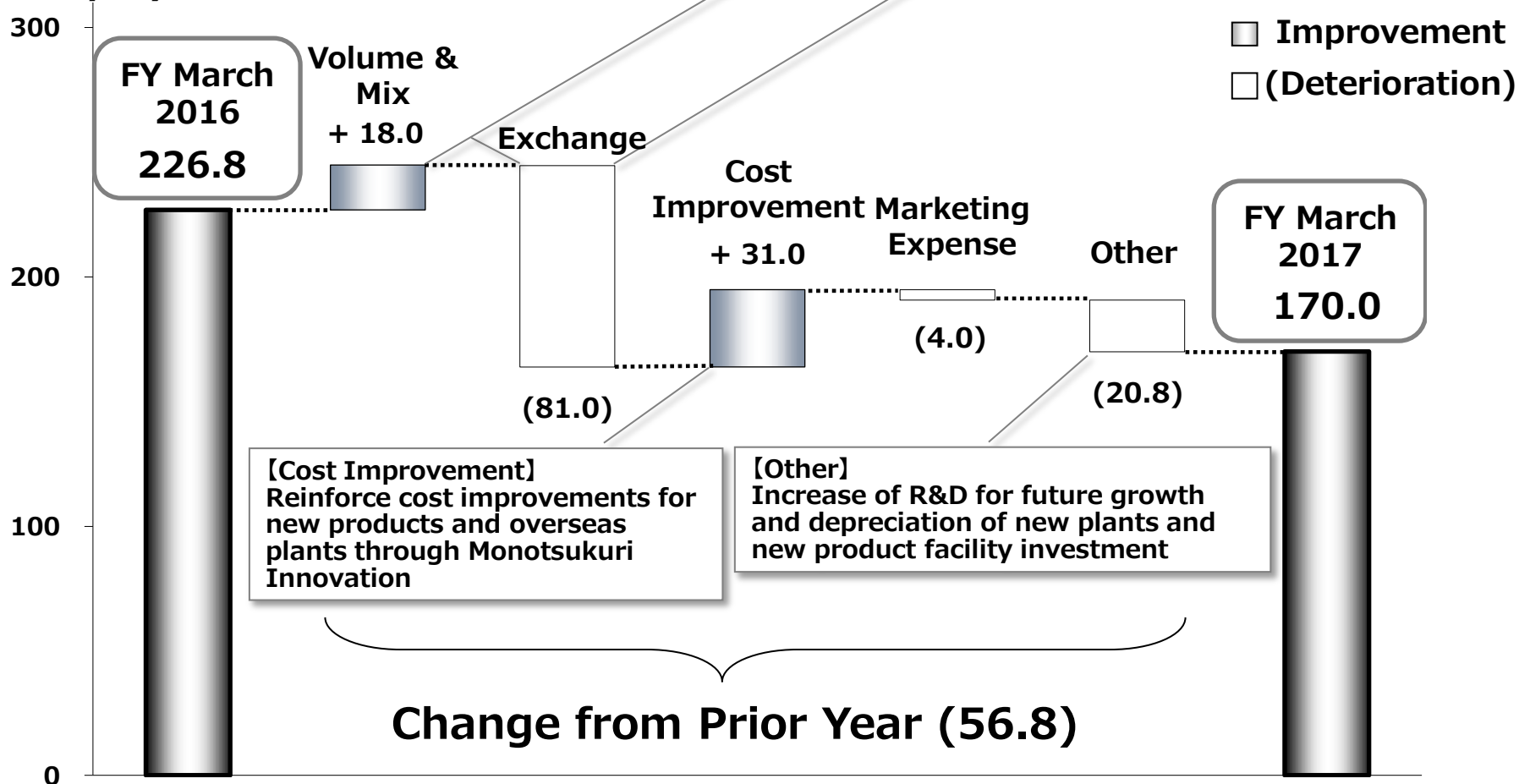
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Europe	257	260	3	1%
China	235	238	3	1%
Other Markets	372	370	(2)	(1)%
Total	1,534	1,550	16	1%
Consolidated wholesales				
Japan	228	228	0	0%
North America	439	444	5	1%
Europe	261	253	(8)	(3)%
Other Markets	379	382	3	1%
Total	1,307	1,307	0	0%

# FY March 2017 OPERATING PROFIT CHANGE

**[Volume & Mix / Exchange rates]**  
 Improve profitability by introducing new models including new CX-9 and updated models.  
 Mitigate exchange impact by market mix management for better profitability and pricing action

[Exchange]			
USD	(15.6)	EUR	(14.9)
CAD	(12.9)	AUD	(13.8)
GBP	(11.0)	Other	(12.8)

(Billion yen)



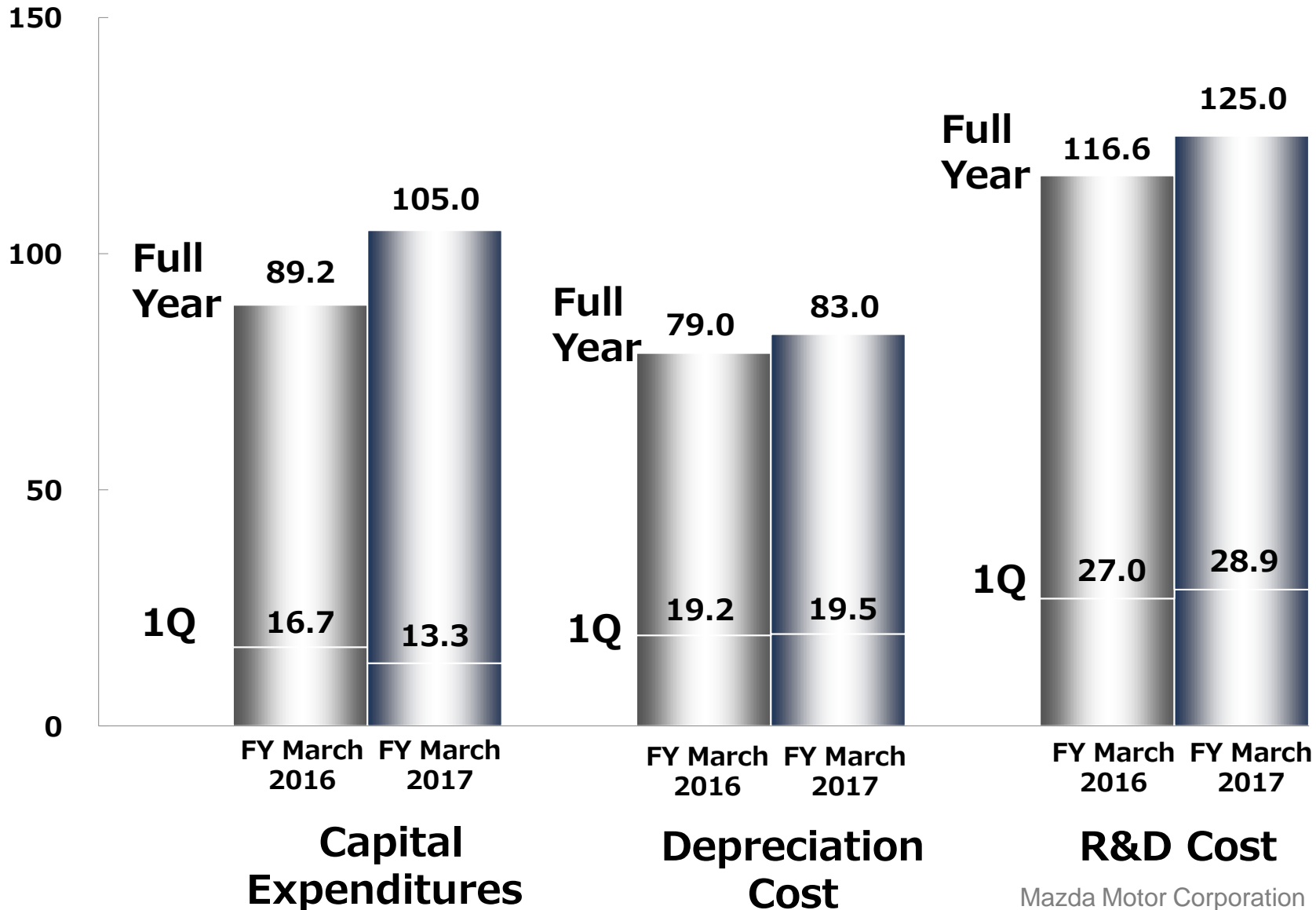
# EXCHANGE RATES

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(Yen)	Full Year		Change
	FY March	FY March	
	2016	2017	
US Dollar	120	110	(10)
Euro	133	125	(8)
Canadian Dollar	92	83	(9)
Australian Dollar	89	83	(6)
British Pound	181	160	(21)

# KEY DATA

(Billion yen)



# DISCLAIMER

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**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.**