



FISCAL YEAR MARCH 2017 THIRD QUARTER FINANCIAL RESULTS



PRESENTATION OUTLINE

- **Highlights**
- **Fiscal Year March 2017 Nine Month Results**
- **Fiscal Year March 2017 Full Year Forecast**
- **Structural Reform Stage 2
Progress of Key Initiatives**

HIGHLIGHTS

【FY March 2017 - Nine Month Results】

- Global sales were up 17,000 units over the prior year to 1,162,000 units, a new record for the first nine months
- Revenue was ¥2,348.6 billion, operating profit was ¥102 billion and net income was ¥79.9 billion
- Started CX-3 production at Hofu Plant to improve production flexibility for crossover vehicles

【FY March 2017 - Full Year Forecast】

- Global sales volume forecast is unchanged at 1,550,000 units
- Revised forecast operating profit to ¥130 billion and net income to ¥90 billion
- Global launches of new CX-5 start from Japan in February
- No change to annual dividend of ¥35 per share

FISCAL YEAR MARCH 2017 NINE MONTH RESULTS

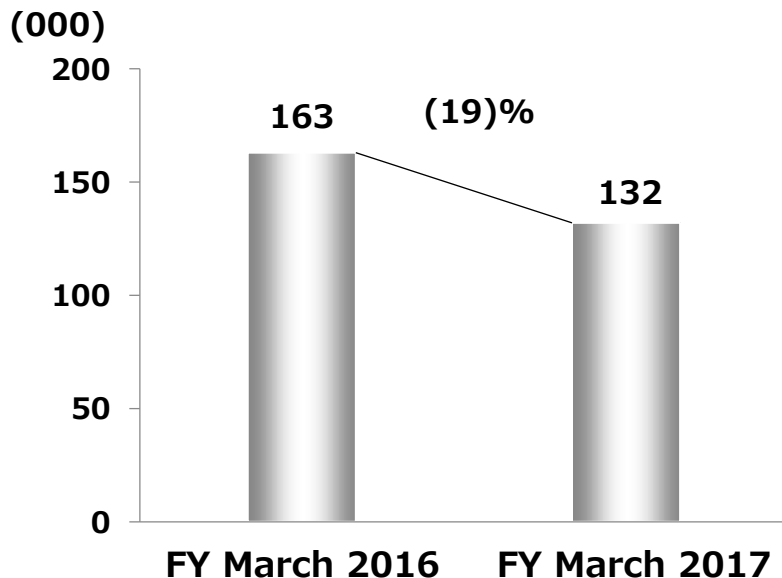
FY MARCH 2017 GLOBAL SALES VOLUME

(000)	Nine Month		Change from	
	FY March 2016	FY March 2017	Prior Year Volume	YOY(%)
Global sales volume				
Japan	163	132	(31)	(19)%
North America	345	331	(14)	(4)%
Europe	183	191	8	4%
China	177	227	50	29%
Other Markets	277	281	4	1%
Total	<u>1,145</u>	<u>1,162</u>	<u>17</u>	<u>1%</u>
<Breakdown>				
USA	241	233	(8)	(3)%
Australia	86	88	2	2%
ASEAN	76	80	4	5%

JAPAN



Nine Month Sales Volume

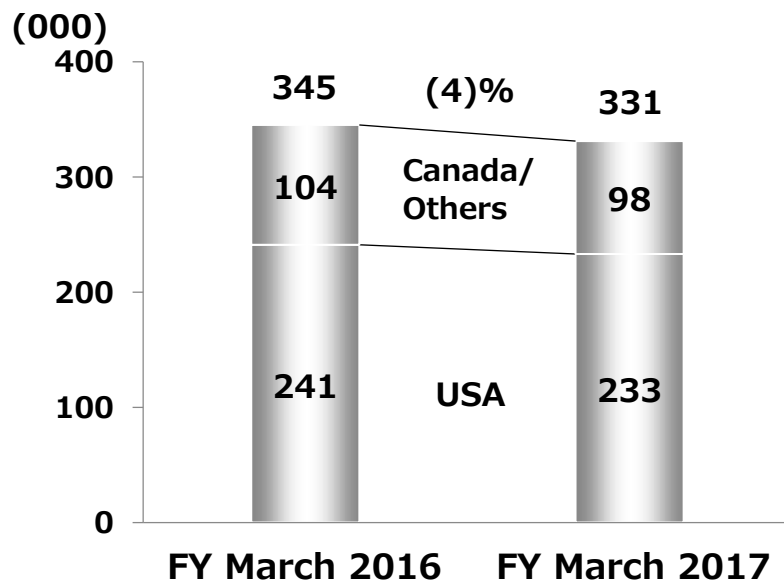


- Sales were 132,000 units, down 19% year on year
- Market share was 3.8%, down 0.9 points year on year. Registered vehicle market share was 4.6%, down 1.6 points
- Introduced updated Mazda2 and CX-3 in November following updates of Mazda3 and Mazda6 in the first half
- Sales of the MX-5 RF started in December and sales of the new CX-5 start in February

NORTH AMERICA



Nine Month Sales Volume

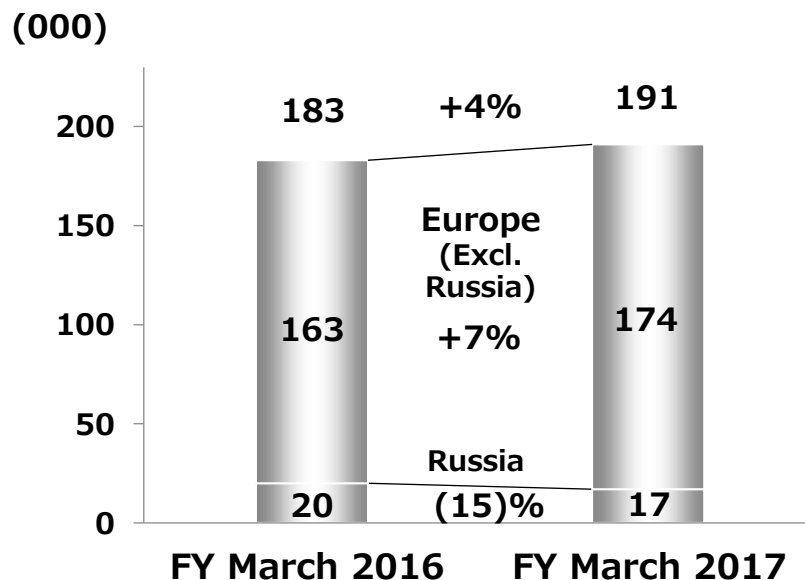


- Sales were 331,000 units, down 4% year on year
- USA: Sales were 233,000 units, down 3% year on year
 - While crossovers sales maintain momentum, the market for passenger cars continues to be tough
 - High-grade models of new CX-9 are selling well, contributing to improved net revenue
 - Promoting initiatives to reorganize and enhance dealer network
- Mexico: Sales were 41,000 units, down 9% year on year
 - Sales environment has deteriorated due to actions against weak MXN

EUROPE



Nine Month Sales Volume

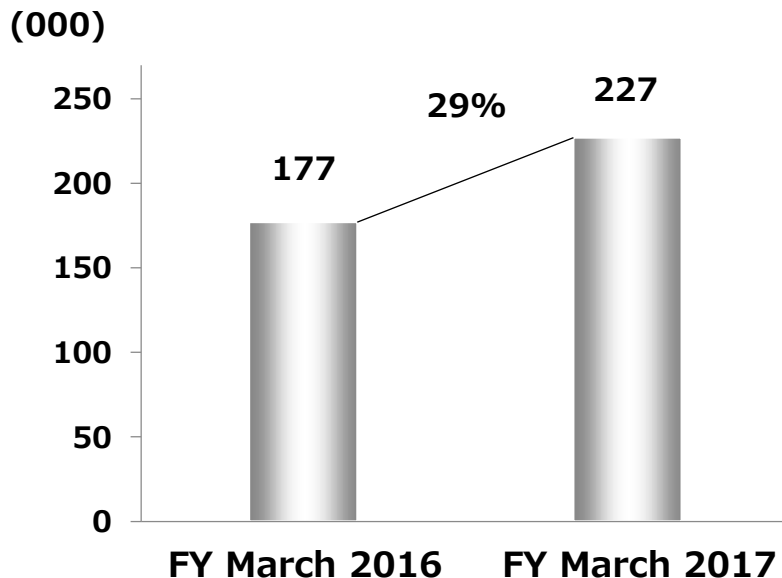


- Sales were 191,000 units, up 4% year on year
- Strong sales of CX-3 and MX-5 contributed to volume growth
- Sales in Europe excluding Russia grew 7% year on year to 174,000 units
 - Germany: 47,000 units, up 7% year on year
 - UK: 29,000 units, down 4% year on year
- Sales in Russia were 17,000 units, down 15% year on year due to declining industry demand and weaker RUB

CHINA



Nine Month Sales Volume

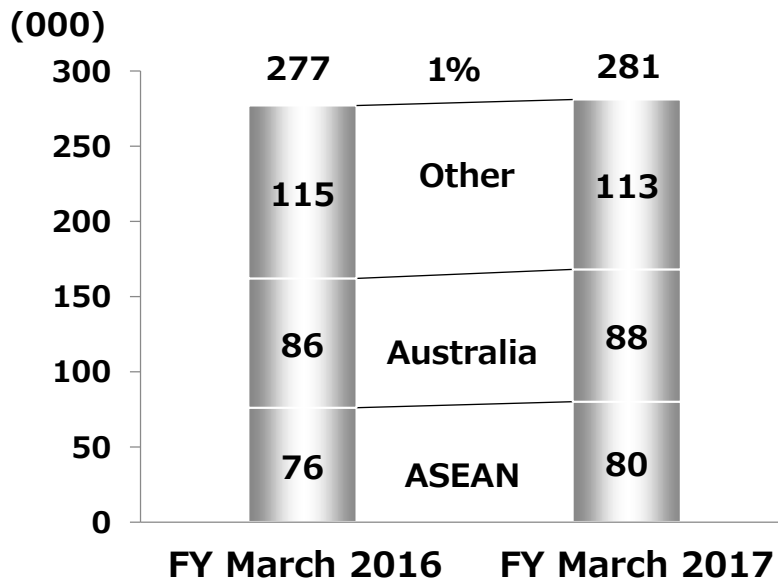


- Sales were 227,000 units, up 29% year on year
- New CX-4
 - Won 2017 China Car Design of the Year
 - Strong sales results are exceeding the initial plan
- Mazda3 led sales, thanks in part to the compact car tax reduction scheme
- Updated Mazda6 and CX-5 continue to contribute to sales growth

OTHER MARKETS



Nine Month Sales Volume



- Sales were 281,000 units, up 1% year on year
- Australia: Sales were 88,000 units, up 2% year on year, and market share was 9.8%
 - Second highest-selling brand
 - CX-5 is the best seller in its segment
- ASEAN: Sales were 80,000 units, up 5% year on year
 - Thailand: Sales increased 0.5% year on year
 - Vietnam: Sales increased 58% year on year
- Others: Colombia and New Zealand achieved record-high sales

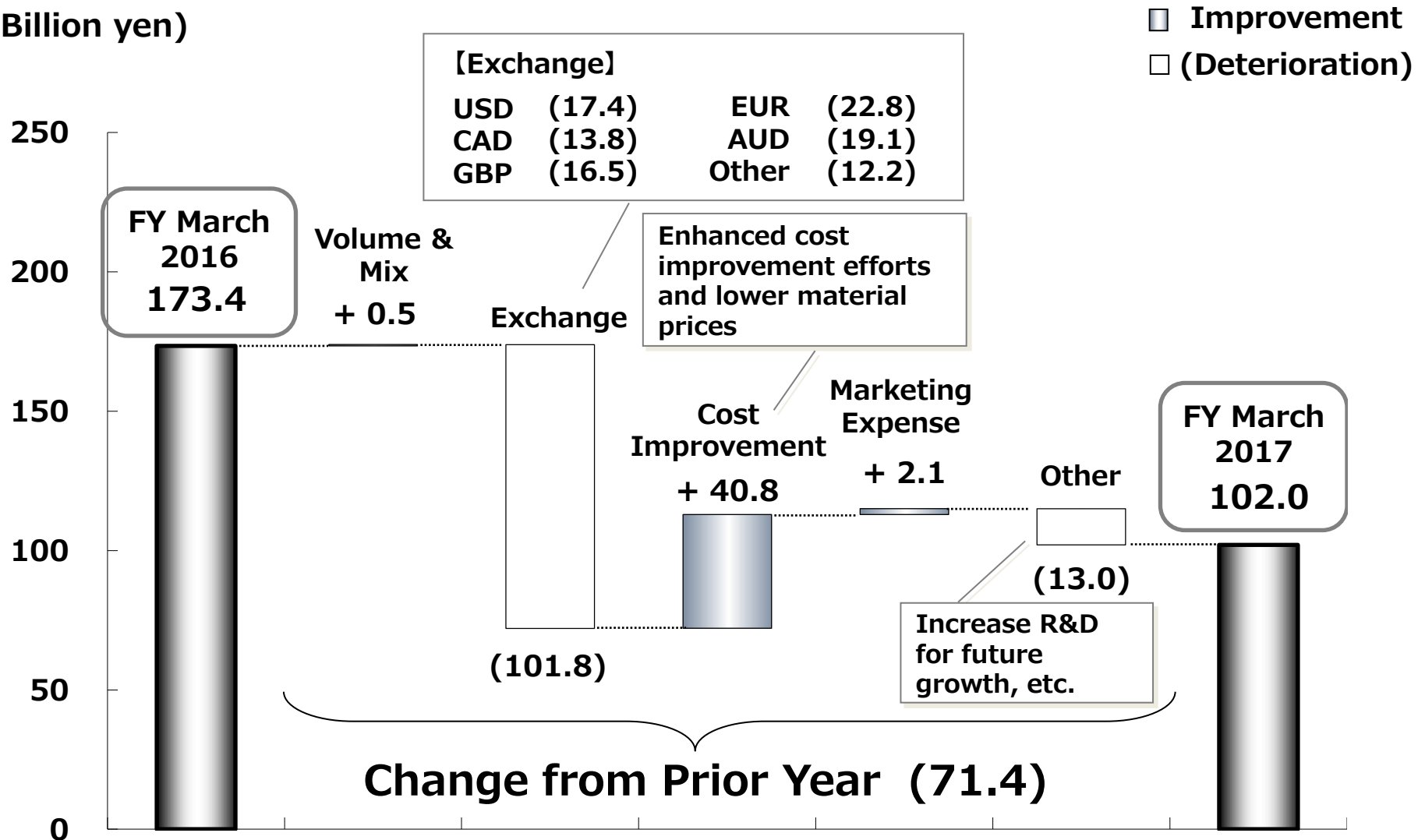
FY MARCH 2017 FINANCIAL METRICS

(Billion yen)	Nine Month		Change from	
	FY March	FY March	Prior Year	
	2016	2017	Amount	YOY(%)
Revenue	2,547.8	2,348.6	(199.2)	(8)%
Operating profit	173.4	102.0	(71.4)	(41)%
Ordinary profit	172.0	117.9	(54.1)	(31)%
Profit before tax	166.5	110.7	(55.8)	(33)%
Net income	123.5	79.9	(43.6)	(35)%
Operating ROS	6.8%	4.3%	(2.5)pts	
EPS (Yen)	206.5	133.7	(72.8)	
Exchange rate (Yen)				
US Dollar	122	107	(15)	
Euro	134	118	(16)	

FY MARCH 2017 OPERATING PROFIT CHANGE

FY March 2017 Nine Month vs. FY March 2016 Nine Month

(Billion yen)



FISCAL YEAR MARCH 2017 FULL YEAR FORECAST

FY MARCH 2017 GLOBAL SALES VOLUME

(000)	FY March 2017			Change from	
	1st Half	2nd Half	Full Year	Prior Year YOY(%)	Nov. Forecast Volume
Global sales volume					
Japan	93	112	205	(12)%	(5)
North America	224	208	432	(1)%	(17)
Europe	134	126	260	1%	0
China	133	148	281	19%	22
Other Markets	191	181	372	0%	0
Total	775	775	1,550	1%	0
<Breakdown>					
USA	160	150	310	1%	(15)
Australia	60	59	119	2%	(2)
ASEAN	54	51	105	4%	(1)

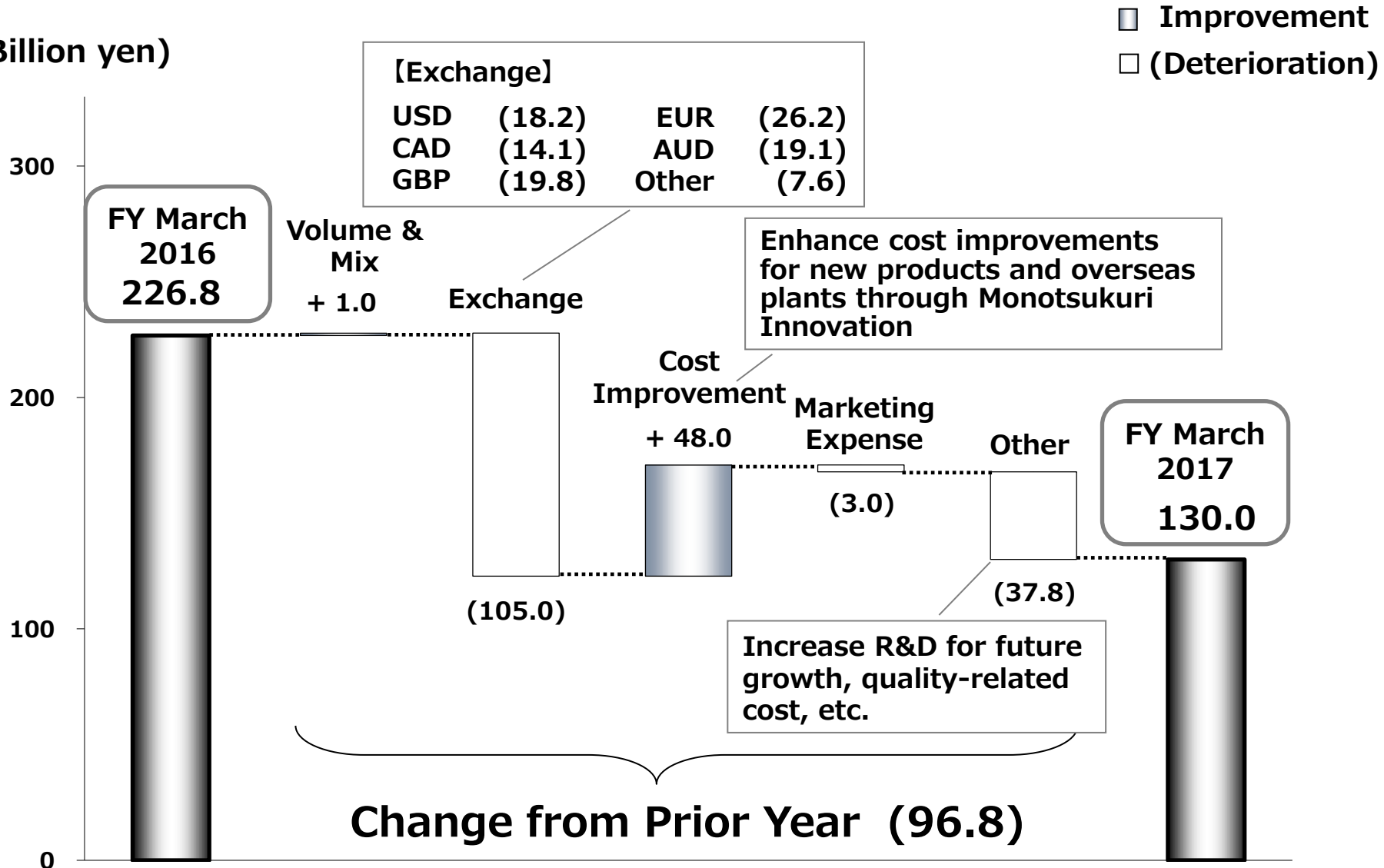
FY MARCH 2017 FINANCIAL METRICS

(Billion yen)	FY March 2017			Change from	
	1st Half	2nd Half	Full Year	Prior Year	Nov. Forecast
Revenue	1,546.3	1,653.7	3,200.0	(206.6)	50.0
Operating profit	88.3	41.7	130.0	(96.8)	(20.0)
Ordinary profit	82.6	52.4	135.0	(88.6)	(20.0)
Profit before tax	76.2	46.8	123.0	(44.0)	(21.0)
Net income	56.1	33.9	90.0	(44.4)	(10.0)
Operating ROS	5.7%	2.5%	4.1%	(2.6)pts	(0.7)pts
EPS (Yen)	93.8	56.7	150.5	(74.4)	(16.8)
Exchange rate (Yen)					
US Dollar	105	110	107	(13)	3
Euro	118	119	119	(14)	3

FY MARCH 2017 OPERATING PROFIT CHANGE

FY March 2017 Full Year vs. FY March 2016 Full Year

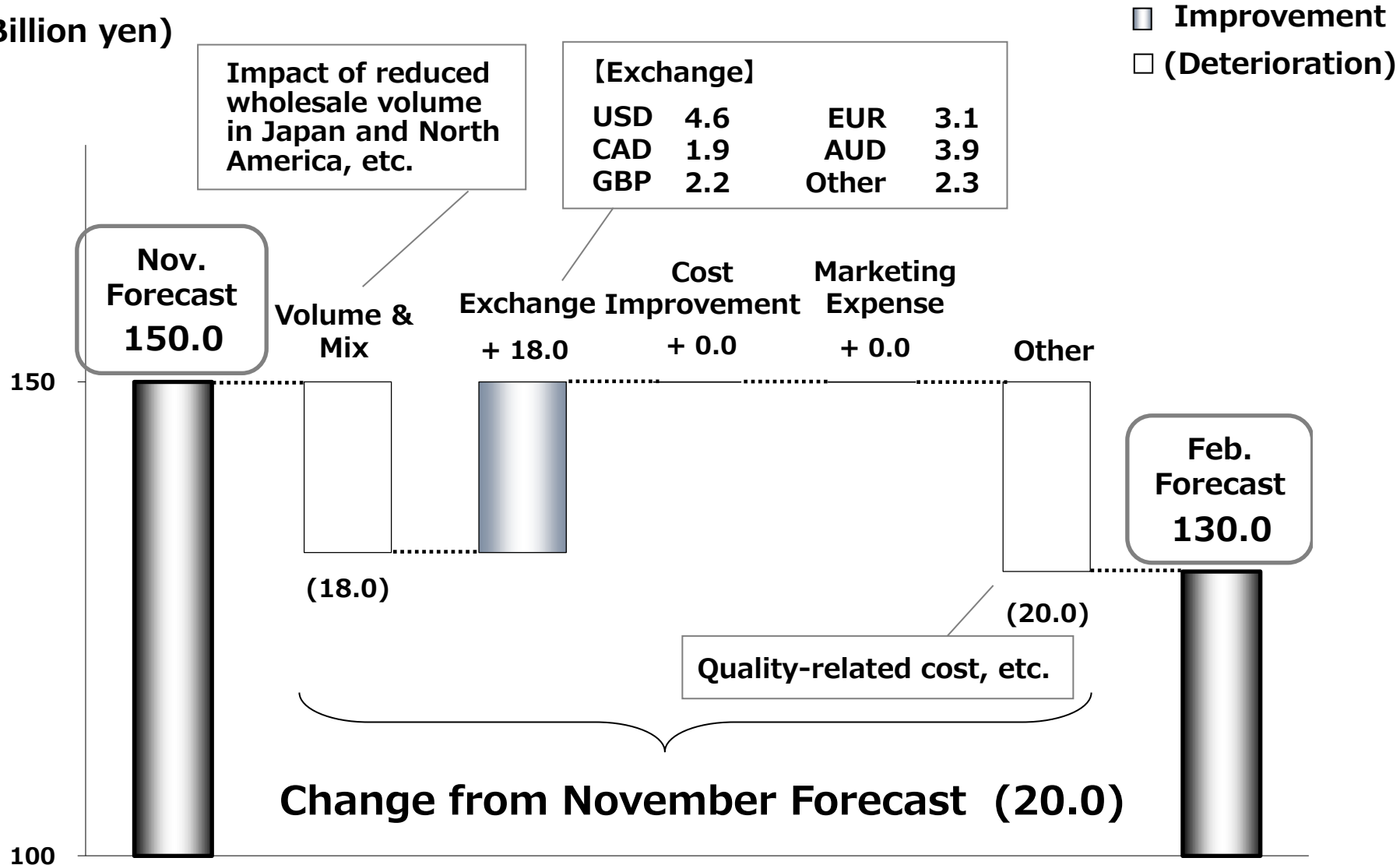
(Billion yen)



FY MARCH 2017 OPERATING PROFIT CHANGE

FY March 2017 Full Year vs. November Forecast

(Billion yen)



STRUCTURAL REFORM STAGE 2 PROGRESS OF KEY INITIATIVES

INITIATIVES FOR SUSTAINABLE GROWTH

- **Stable growth of around 50,000 units per year by enhancing sales of crossover vehicles**
- **Improve sales of passenger vehicles with product enhancements and strengthened marketing initiatives**
- **Accelerate cost improvements, including at overseas plants**
- **Thoroughly improve quality**
- **Continue to invest for growth in the areas of product, technology and the sales network**

STRUCTURAL REFORM STAGE 2: PROGRESS OF KEY INITIATIVES

Product and R&D

- **Expand SKYACTIV lineup to enhance sales and improve brand value**
 - New MX-5 RF (from Dec. 2016), New CX-5 (from Feb. 2017)
 - Clean diesel model for North America (in second half of 2017)
- **Electric drive / Autonomous driving technology development**
 - Progress development of EV and autonomous driving technology for market introduction. Combine these with advances in the internal combustion engine to meet environmental regulations globally and help dramatically reduce automobile accidents

Global sales and network enhancement

- **Realize sustainable volume growth of 50,000 units per year while implementing the “right-price” sales policy**
 - While responding to changes in tough market and segment conditions, achieve sustainable volume growth while keeping incentives at a relatively low level
- **Reform sales network to improve brand value**
 - Roll out new-generation stores globally
 - Progress efforts to reorganize/enhance US sales network

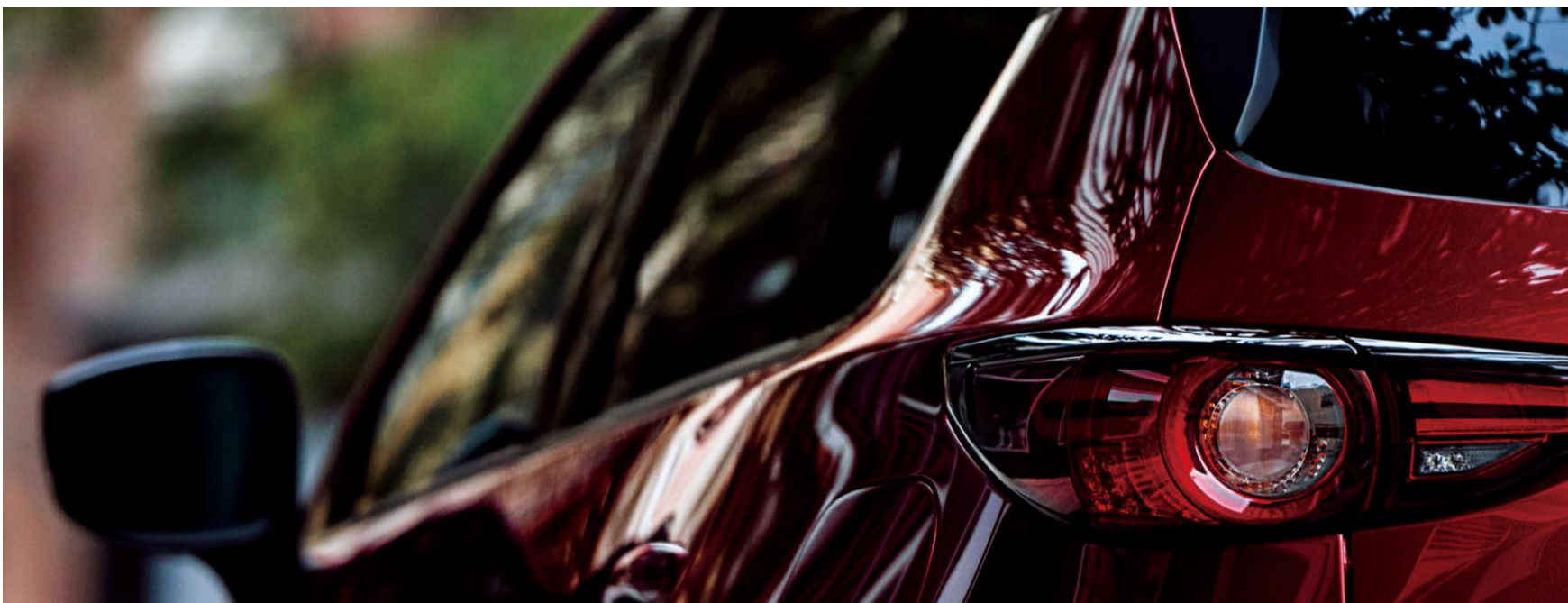
STRUCTURAL REFORM STAGE 2: PROGRESS OF KEY INITIATIVES

Global production and cost improvement

- Support volume growth by maximizing efficiency at key production sites and increasing production flexibility for crossover vehicles
 - Began production of CX-3 at Hofu Plant (in Dec. 2016)
 - Further enhance production capacity of crossover vehicles at Hiroshima Plant (in FY March 2018)

Strengthen financial base and shareholder returns

- Improve ability to generate profit and cash flow through sustainable business growth
- Continue to invest in R&D to meet future environmental regulations and enhance product appeal, and in plant and equipment to enhance the production framework
- Shareholder returns
 - No change to annual dividend of ¥35 per share for FY March 2017
 - Improve shareholder returns while reinforcing financial base



APPENDIX

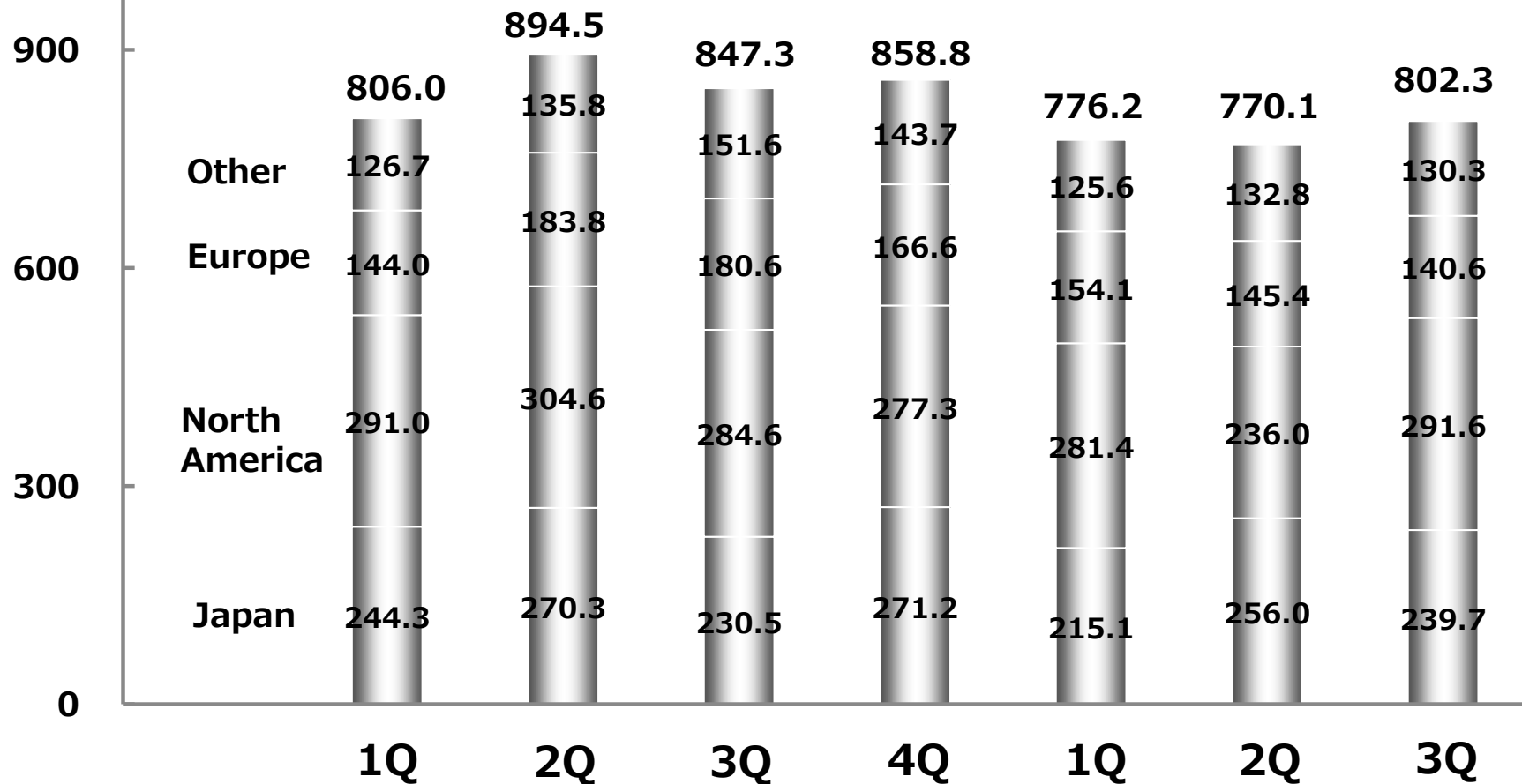
CASH FLOW AND NET DEBT

(Billion yen)	FY March 2016 Full Year	FY March 2017 3rd Quarter	Change from Prior FY End
Cash Flow			
- From Operating activities	262.8	84.0	-
- From Investing activities	(108.1)	(40.1)	-
- Free Cash Flow	154.7	43.9	-
Cash and Cash Equivalents	568.7	571.1	2.4
Net Debt	48.4	14.0	34.4
Net Debt-to-equity Ratio	5 / 1*%	1 / (2)*%	4 / 3* pts
Equity Ratio	37 / 39*%	39 / 41* %	2 / 2* pts

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

REVENUE BY REGION

(Billion yen)

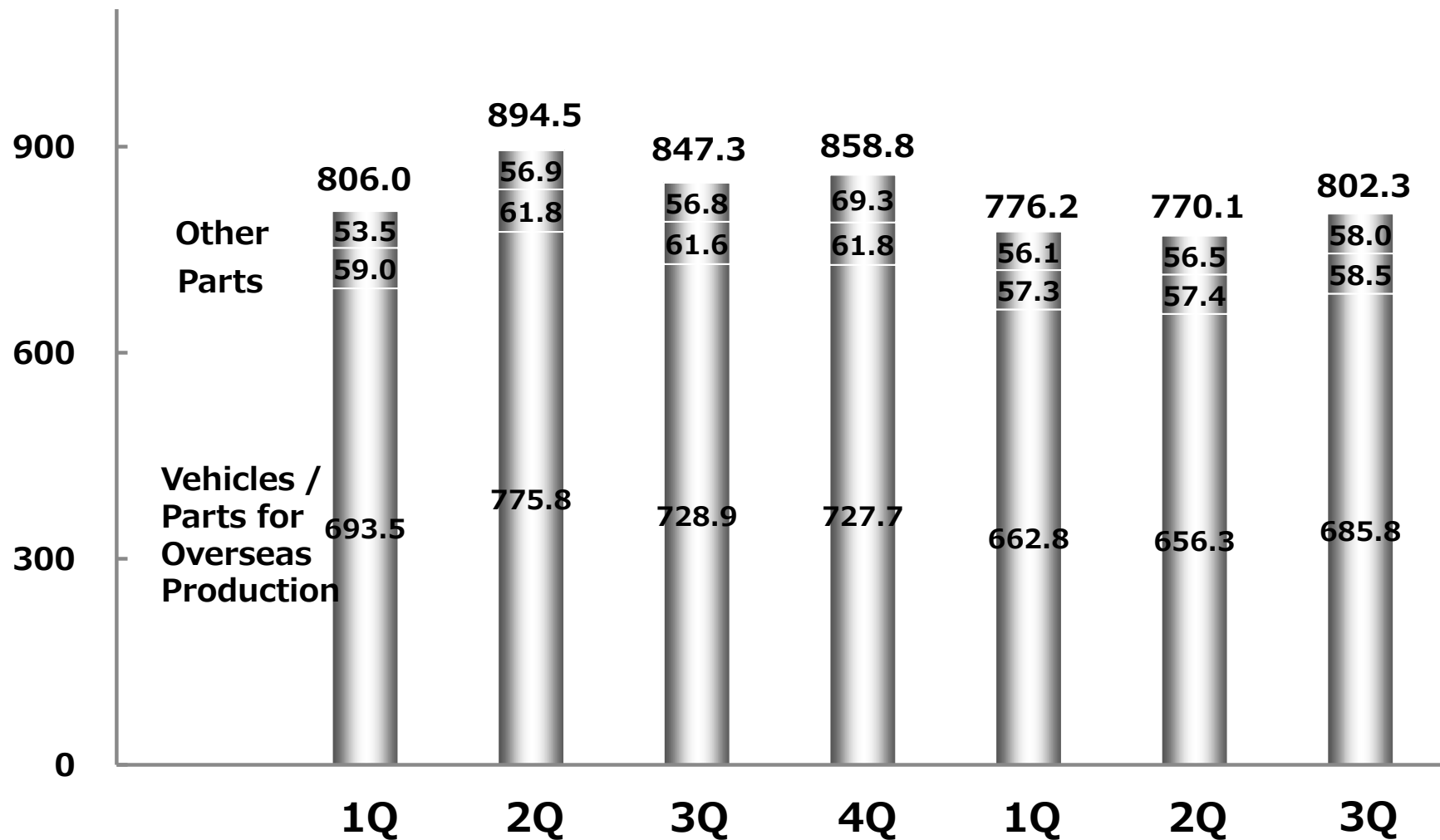


FY March 2016

FY March 2017

REVENUE BY PRODUCT

(Billion yen)

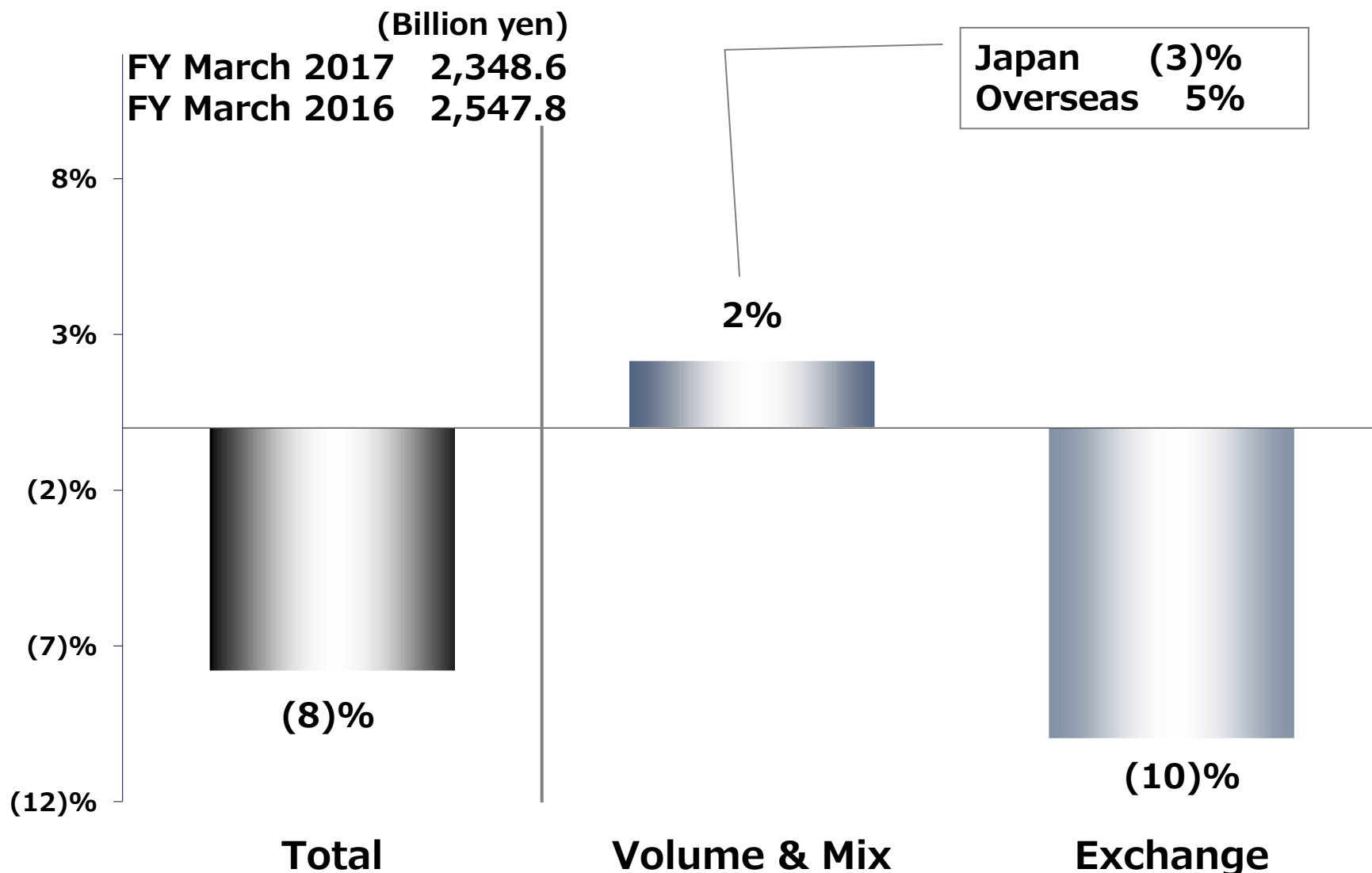


FY March 2016

FY March 2017

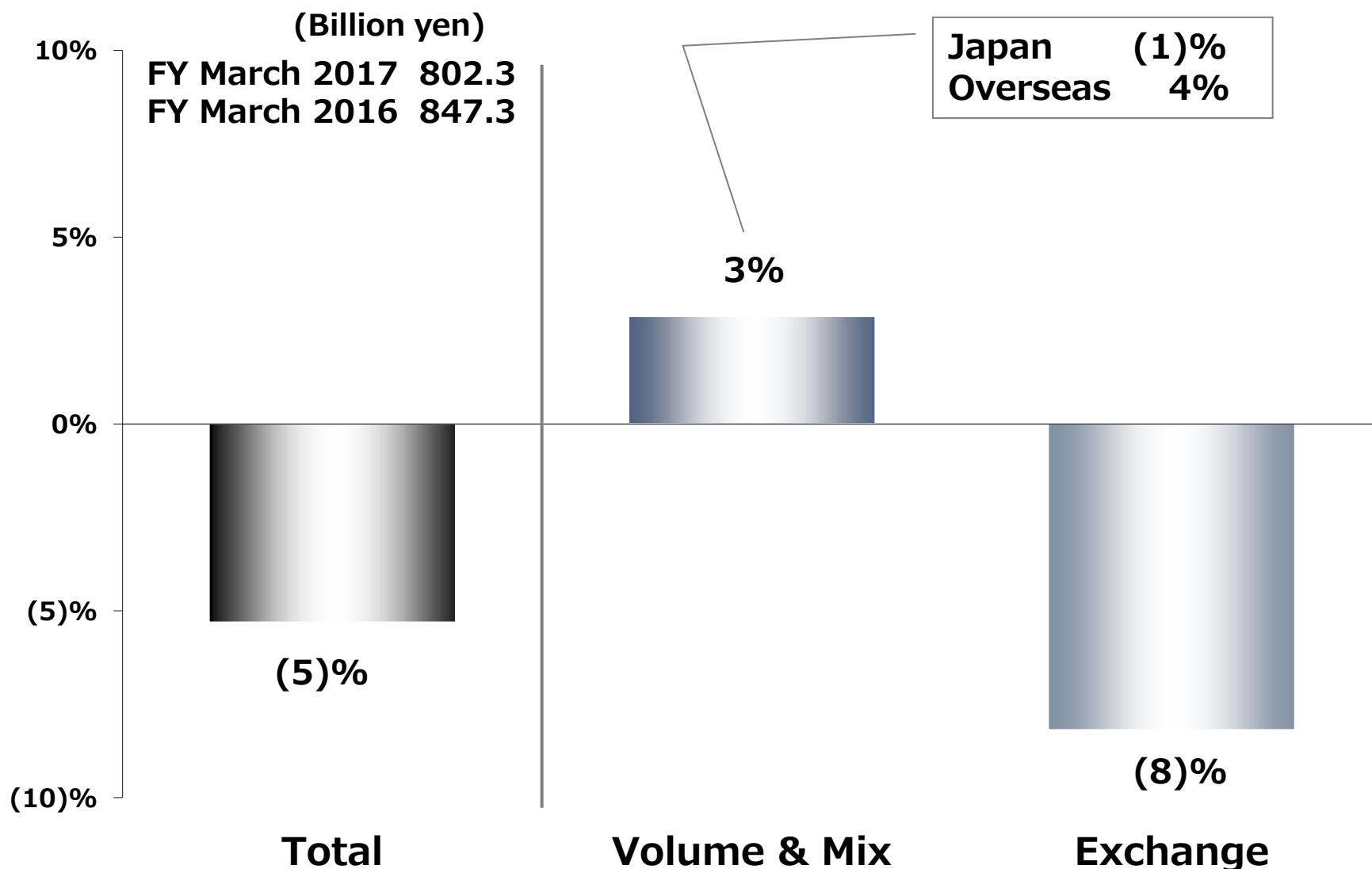
REVENUE CHANGE

FY March 2017 Nine Month vs. FY March 2016 Nine Month



REVENUE CHANGE

FY March 2017 Third Quarter vs. FY March 2016 Third Quarter



GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(000)	Third Quarter		Change from	
	FY March 2016	FY March 2017	Prior Year Volume	YOY(%)
Global sales volume				
Japan	43	39	(4)	(8)%
North America	112	107	(5)	(5)%
Europe	59	57	(2)	(5)%
China	68	94	26	40%
Other Markets	99	90	(9)	(9)%
Total	381	387	6	2%
Consolidated wholesales				
Japan	43	38	(5)	(10)%
North America	105	116	11	10%
Europe	68	61	(7)	(9)%
Other Markets	106	94	(12)	(12)%
Total	322	309	(13)	(4)%

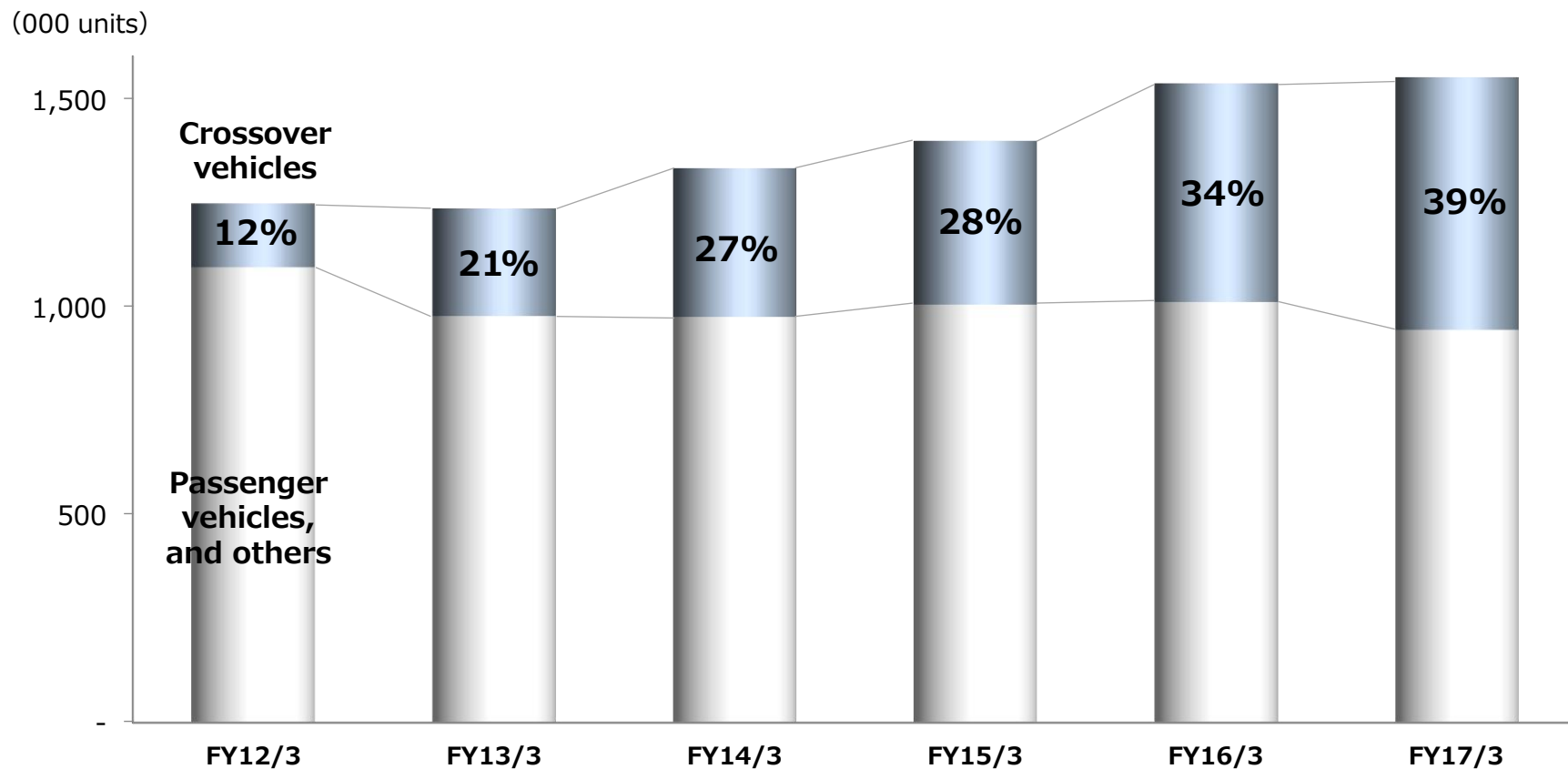
EXCHANGE RATES

(Yen)	Full Year		Change
	FY March 2016	FY March 2017	
US Dollar	120	107	(13)
Euro	133	119	(14)
Canadian Dollar	92	82	(10)
Australian Dollar	89	81	(8)
British Pound	181	141	(40)

GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(000)	FY March 2017			Change from Prior Year			Change from Nov. Forecast
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Full Year
Global sales volume							
Japan	93	112	205	(27)	0	(27)	(5)
North America	224	208	432	(9)	3	(6)	(17)
Europe	134	126	260	10	(7)	3	0
China	133	148	281	24	22	46	22
Other Markets	191	181	372	13	(13)	0	0
Total	775	775	1,550	11	5	16	0
Consolidated wholesales							
Japan	88	109	197	(30)	(1)	(31)	(6)
North America	212	218	430	(13)	4	(9)	(14)
Europe	132	121	253	7	(15)	(8)	0
Other Markets	190	205	395	12	4	16	0
Total	622	653	1,275	(24)	(8)	(32)	(20)

CROSSOVER VEHICLE RATIO



Global sales
volume
(000 units)

1,247

1,235

1,331

1,397

1,534

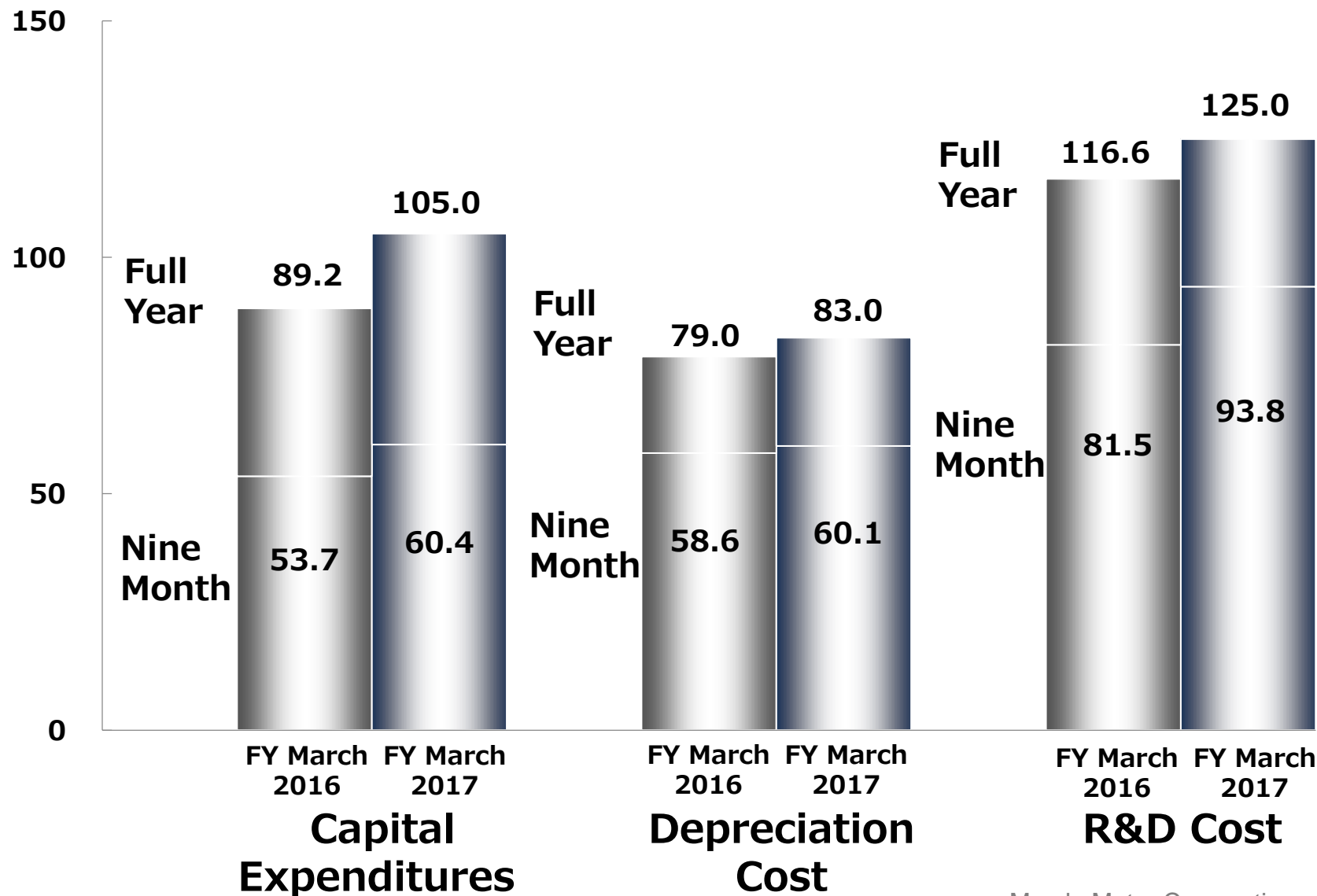
1,550

Results

Plan

KEY DATA

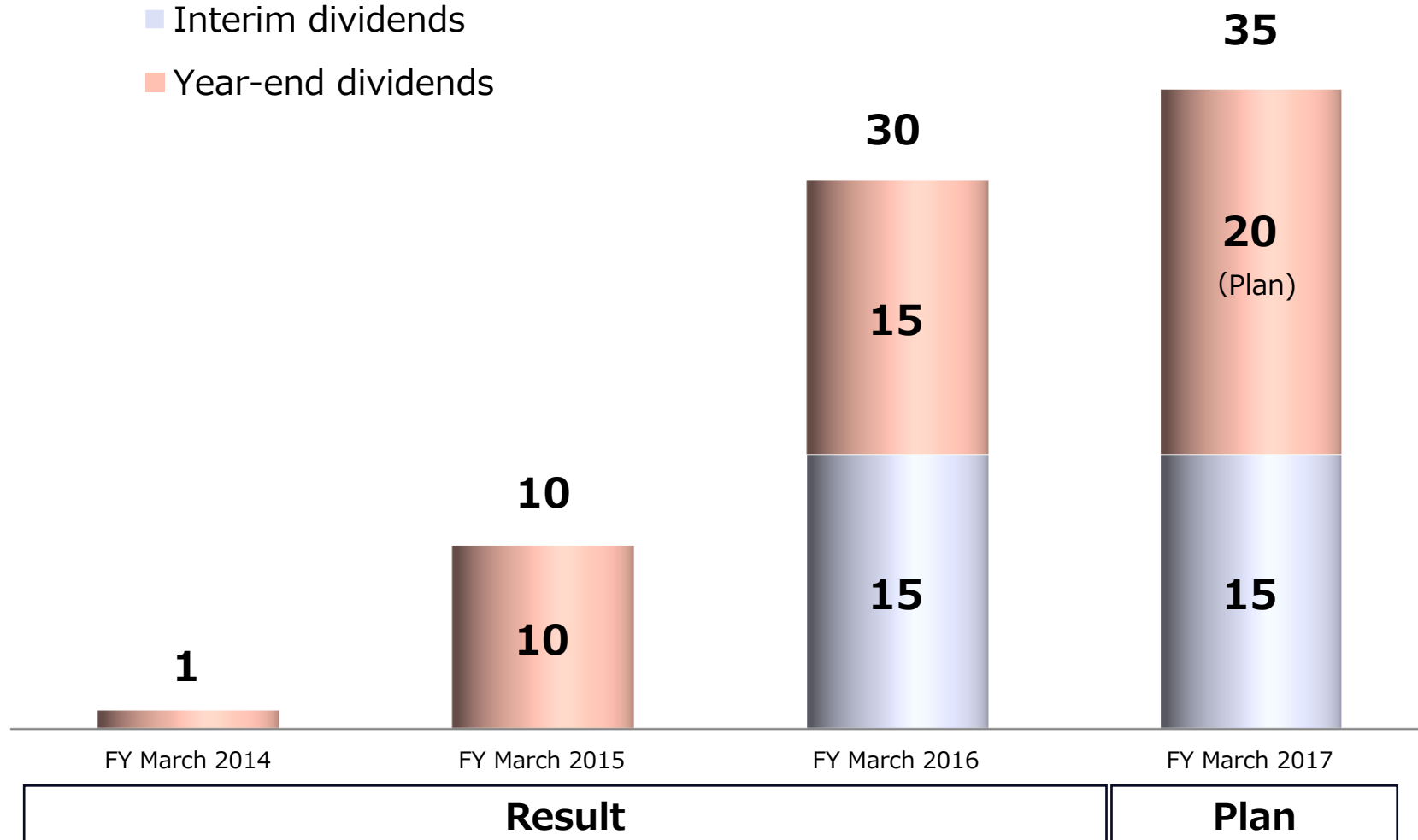
(Billion yen)



DIVIDEND PAYMENT

Trend of dividends per share

- Interim dividends
- Year-end dividends



Note) A share consolidation was implemented on common stock with a ratio of five shares to one share on August 1, 2014. Dividends per share represent actual amounts applicable to the respective years.

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.