



FINANCIAL RESULTS FOR FY MARCH 2023 THIRD QUARTER

February 10, 2023
Mazda Motor Corporation



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- Thank you for joining our earnings presentation today.

PRESENTATION OUTLINE

- **FY March 2023 Nine Month Results**
- **FY March 2023 Full Year Forecast**
- **Summary**

- This is an outline of today's presentation.

FY MARCH 2023 NINE MONTH RESULTS

- I will now explain the results for the first nine months of FY March 2023.

FY MARCH 2023 NINE MONTH VOLUME RESULTS

(Thousand Units)	FY March 2023			Change from Prior Year			
	1st Half	3rd Quarter	Nine Month	1st Half	3rd Quarter	Nine Month	
Production Volume*	503	306	✓ 809	+37	+31	+68	✓ +9%
Consolidated Wholesales	450	287	✓ 737	-30	+80	+50	✓ +7%
Global Sales Volume							
Japan	68	39	107	+8	+4	+13	+14%
North America	181	107	287	-68	+23	-45	-13%
Europe	67	41	108	-40	+1	-39	-26%
China	49	23	72	-40	-21	-62	-46%
Other Markets	150	70	220	-7	+4	-3	-1%
Total	514	281	✓ 795	-146	✓ +11	-135	✓ -15%
USA	133	80	213	-57	+20	-37	-15%
Australia	44	22	66	-12	+4	-8	-10%
ASEAN	46	16	62	+14	-6	+8	+15%

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*Based on our monthly disclosure (global production volume including volume in China, excluding vehicles received from other OEMs) ⁴

- This slide shows volume results.
- Our production volume was 809,000 units, up 9% from the prior year.
- Consolidated wholesale volume was 737,000 units, up 7% year on year.
- Global sales volume was 795,000 units, down 15% from the prior year.
- Both production and wholesale volumes improved steadily and achieved year-on-year improvements.
- Global sales volume for the nine months declined year on year due to production cuts in the first half of the year, but the sales volume in the three months of the third quarter was up year on year due to improvements, mainly in North America.

FY MARH 2023 NINE MONTH FINANCIAL METRICS

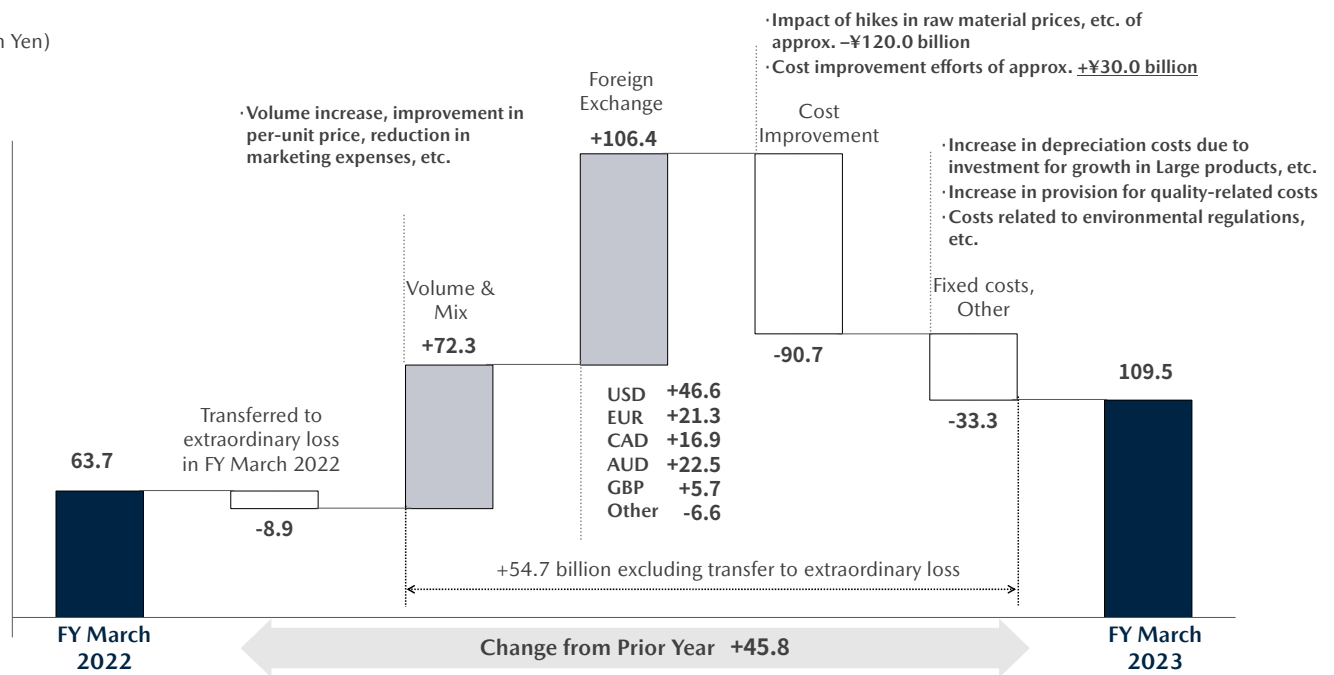
(Billion Yen)	FY March 2023			Change from Prior Year		
	1st Half	3rd Quarter	Nine Month	1st Half	3rd Quarter	Nine Month
Net Sales	1,642.5	1,053.8	✓ 2,696.3	+146.6	+387.3	+533.9 ✓ +25%
Operating Income	55.2	54.3	✓ 109.5	+15.5	+30.3	+45.8 ✓ +72%
Ordinary Income	110.4	25.0	135.4	+76.5	-0.7	+75.8 +127%
Income before Income Taxes	109.3	13.1	122.4	+73.4	-1.9	+71.5 +140%
Net Income	85.9	17.7	✓ 103.6	+62.0	+12.2	+74.2 +252%
Operating Income Ratio	3.4 %	5.1 %	✓ 4.1 %	+0.7 pts	+1.5 pts	+1.2 pts
EPS (Yen)	136.3	28.1	164.4	+98.4	+19.3	+117.7
Exchange Rates (Yen)						
US Dollar	134	141	137	+24	+28	+25
Euro	139	144	141	+8	+14	+10

*Net income indicates net income attributable to owners of the parent

- Next, I would like to present our financial metrics.
- Net sales were ¥2,696.3 billion, up 25% from the prior year, operating income was up 72% to ¥109.5 billion, and net income attributable to owners of the parent was ¥103.6 billion.
- Regarding exchange rates during this period, the yen significantly weakened against the US dollar, depreciating ¥25 from the prior year to ¥137, while the yen weakened ¥10 against the euro to ¥141.
- In addition to the increase in consolidated wholesales and our initiatives to improve per-unit prices and reduce marketing expenses, positive effects from the depreciation of the yen also contributed to offsetting the impact of raw material price hikes.
- As we achieved year-on-year growth in net sales and profits, our operating income ratio improved to 4.1%.

CHANGE IN FY MARCH 2023 NINE MONTH OPERATING INCOME (vs. FY MARCH 2022 NINE MONTH)

(Billion Yen)



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- Let me explain the ¥45.8 billion change in operating income for the nine-month period.
- Volume & mix improved by ¥72.3 billion, mainly thanks to an increase in volume, improved per-unit price, and reduced marketing expenses.
- Foreign exchange contributed ¥106.4 billion to operating income as the yen weakened significantly, mainly against the US dollar.
- In the area of variable costs, a cost improvement on a scale of approximately ¥30 billion was achieved, but was offset by the negative impact of higher raw material prices and logistics costs of approximately ¥120 billion, resulting in a negative profit impact of ¥90.7 billion in total.
- In addition, fixed costs and others had a negative profit impact of ¥33.3 billion year on year, due to increased depreciation costs for growth investments in Large products and others, an increase in provision for quality-related costs, and higher costs related to environmental regulations.

FY MARCH 2023 FULL YEAR FORECAST

- Next, I would like to explain our full year forecast for FY March 2023.

FY MARCH 2023 FULL YEAR GLOBAL SALES FORECAST

(Thousand Units)	FY March 2022		FY March 2023		Change from Prior Year		Change from Nov. Forecast
	Full Year	Full Year	Full Year	Full Year	Full Year	Full Year	
Consolidated Wholesales	991	✓ 1,087	+96	+10%	✓ -13		
Global Sales Volume							
Japan	149	173	+25	+17%	-8		
North America	439	421	-18	-4%	-22		
Europe	190	173	-17	-9%	-2		
China	170	89	-81	-48%	-21		
Other Markets	303	307	+4	+1%	+1		
Total	1,251	✓ 1,163	-88	-7%	✓ -52		
USA	332	313	-19	-6%	-23		
Australia	103	95	-8	-8%	+1		
ASEAN	78	85	+6	+8%	-2		

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- Our full-year forecast for consolidated wholesales is 1,087,000 units, down 13,000 units from the November forecast.
- We anticipate global sales of 1,163,000 units, down 52,000 units from the November forecast.
- We have revised plans from the November forecast to reflect the impact of shortages in semiconductor and transportation vessels.

FY MARCH 2023 FULL YEAR FORECAST FINANCIAL METRICS

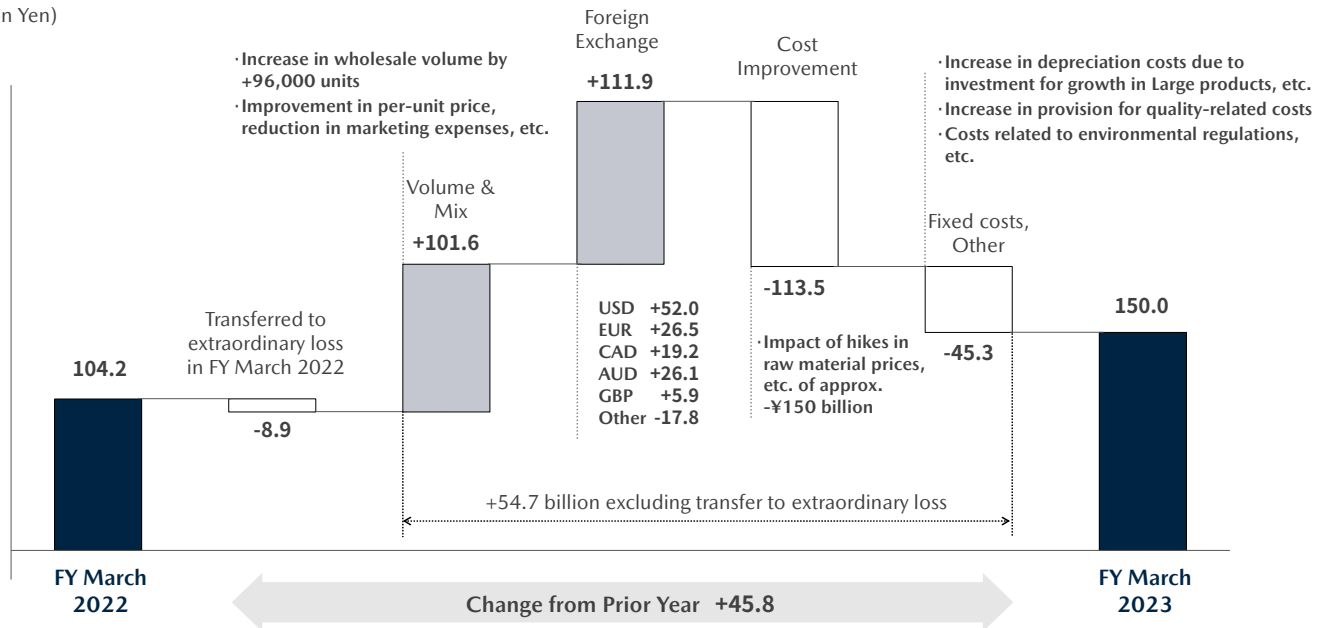
(Billion Yen)	FY March 2022	FY March 2023	Change from Prior Year		Change from November Forecast
	Full Year	Full Year	Full Year		Full Year
Net Sales	3,120.3	✓ 3,900.0	+779.7	✓ +25%	0.0
Operating Income	104.2	✓ 150.0	+45.8	✓ +44%	+10.0
Ordinary Income	123.5	175.0	+51.5	+42%	+5.0
Income before Income Taxes	112.4	160.0	+47.6	+42%	+10.0
Net Income	81.6	✓ 140.0	+58.4	✓ +72%	+10.0
Operating Income Ratio	3.3 %	3.8 %	+0.5 pts		+0.2 pts
EPS (Yen)	129.5	222.2	+92.7		+15.8
Exchange Rate (Yen)					
US Dollar	112	134	+22		-2
Euro	131	140	+9		+1

*Net income indicates net income attributable to owners of the parent

- Let me now explain our forecast in terms of our financial metrics.
- Net sales are forecast at ¥3.9 trillion, up 25% year on year.
- Operating income has been revised to ¥150 billion, up 44% year on year, and net income attributable to owners of the parent to ¥140 billion, up 72% year on year.
- Our full-year forecast has been revised upwards from the November forecast as impacts of wholesale volume declines and raw material price hikes are offset by the progress of unit price improvements, etc.
- Our assumption for full year foreign exchange rates is ¥134 to the US dollar, and ¥140 to the euro.

CHANGE IN FY MARCH 2023 FULL YEAR OPERATING INCOME (vs. FY MARCH 2022 FULL YEAR)

(Billion Yen)

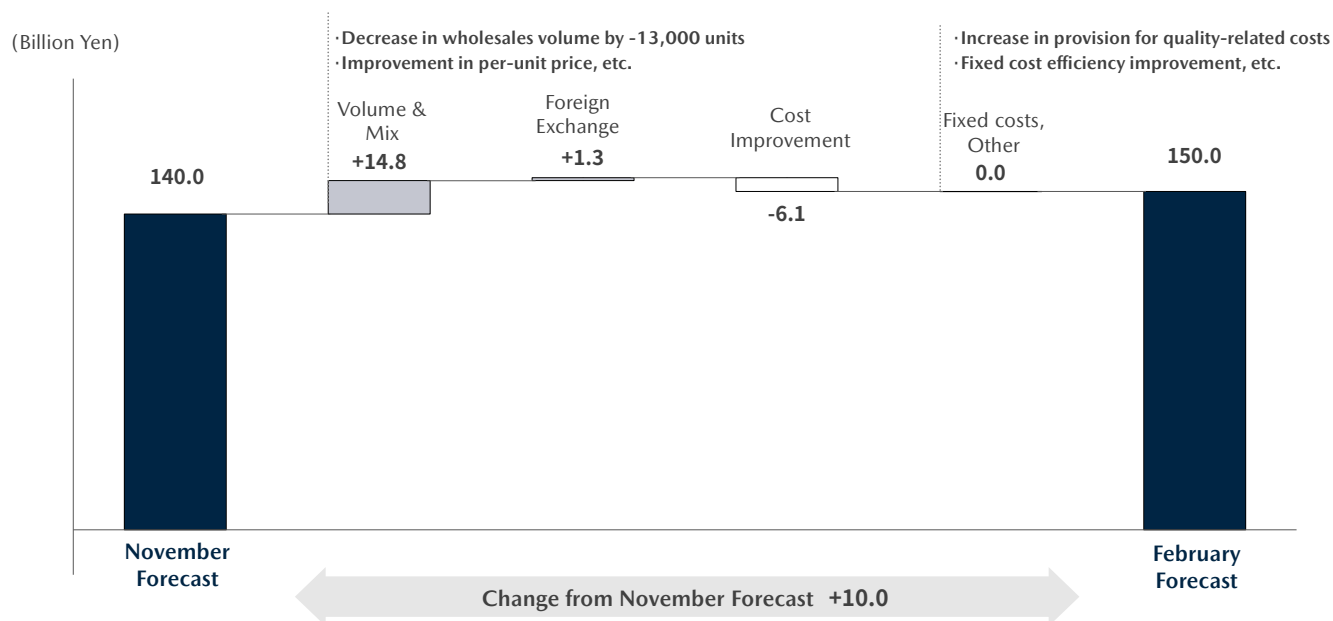


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- I would like to explain the factors behind the ¥45.8 billion change in full-year operating income.
- Volume & mix is projected to contribute ¥101.6 billion due to an increase in consolidated wholesale volume, improved per-unit prices and reduced marketing expenses.
- Foreign exchange is expected to contribute ¥111.9 billion to operating income, on the assumption that the yen will depreciate significantly from the prior year mainly against the US dollar.
- In the area of variable costs, the negative impact of hikes in raw material prices etc. is projected to be around ¥150 billion, about ¥40 billion of which will be offset through cost improvements. Therefore, the net negative impact on profit is projected to be ¥113.5 billion in total.
- Fixed costs and others will have a negative impact of ¥45.3 billion, due to an increase in depreciation costs related to growth investments in Large products and our US plant, an increase in provision for quality-related costs, and an increase in costs related to environmental regulations.

CHANGE IN FY MARCH 2023 FULL YEAR OPERATING INCOME (vs. NOVEMBER FORECAST)



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- I will now take you through the breakdown behind the improvement of ¥10 billion in operating income from the November forecast.
- Volume & mix is projected to improve by ¥14.8 billion, thanks to progress in unit price improvements, despite the negative impact of a decrease in consolidated wholesale volume.
- Foreign exchange is expected to remain almost unchanged.
- Variable costs are projected to deteriorate by ¥6.1 billion due mainly to the impact of hikes in raw material prices.
- Fixed costs and others are expected to remain unchanged from the November forecast, reflecting improvements in fixed costs, etc., despite the increase in provision for quality-related costs.
- Due to these factors, full-year operating income is projected to increase by ¥10 billion to ¥150 billion from the November forecast.

SUMMARY

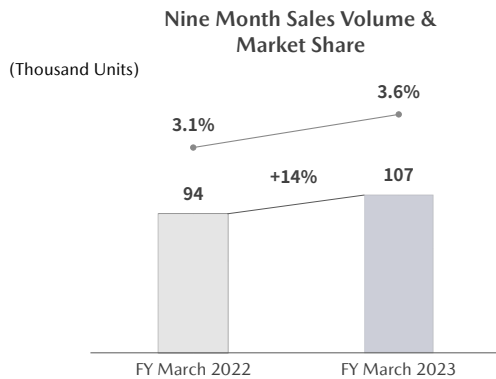
- The results for the first nine months show growth in both sales and profits year on year. Increase in consolidated wholesales, initiatives to improve per-unit prices and reduce marketing expenses, and the effect of weaker Japanese yen exchange rates more than offset the impact of hikes in raw material prices
- October-December production, wholesales and retail sales volume increased year on year. Production volume has recovered to more than 300,000 units
- Full-year profit forecast has been revised upwards to operating income of ¥150 billion and net income of ¥140 billion
- Striving for further recovery of production and utilizing inventories to promote wholesales in ongoing efforts to deliver our products to customers as quickly as possible

- For the first nine-month period, we believe that not only weaker Japanese yen exchange rates but also steady progress in improvement of earning power through our initiatives to improve per-unit prices and reduce marketing expenses enabled us to achieve growth in both net sales and profits.
- Although production was constrained, we made concerted efforts in all areas including production and sales to deliver as many vehicles as possible to our customers. As a result, production, sales and wholesales increased year on year in the three months from October to December.
- We revised our full-year forecast upwards from our November forecast to operating income attributable to owners of the parent of ¥150 billion and net income of ¥140 billion.
- To achieve the plan, we will continue to work on further recovery of production and promote wholesales by using inventories.
- From the end of the third quarter, we began production of the CX-90, our second Large product. This will be our new flagship model, which will drive Mazda's growth in the future, particularly in the North American markets.
- We are committed to making ongoing efforts across the Mazda Group companies to deliver Mazda vehicles, including new products, as quickly as possible to customers who are waiting for them.



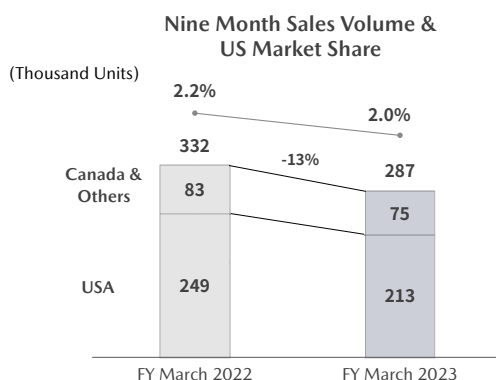
APPENDIX

JAPAN



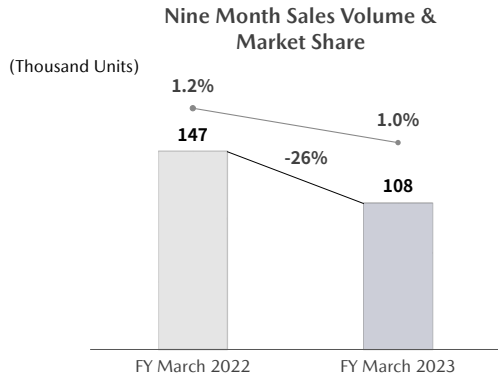
- Sales in the three months of the third quarter were up 13% year on year, increasing year on year as in the second quarter
- Sales in the nine months were 107,000 units, up 14% year on year. Market share increased 0.4 points year on year to 3.6%, while registered vehicle market share increased 0.8 points to 4.7%
- Sales of the new CX-60, the CX-5 and Roadster (MX-5) increased year on year, driving growth in market share
- Sales of the CX-60 reached 6,000 units since September, with backlog orders of 10,000 units at the end of December. Further volume contribution is expected in the fourth quarter with additions of new powertrains from December

NORTH AMERICA



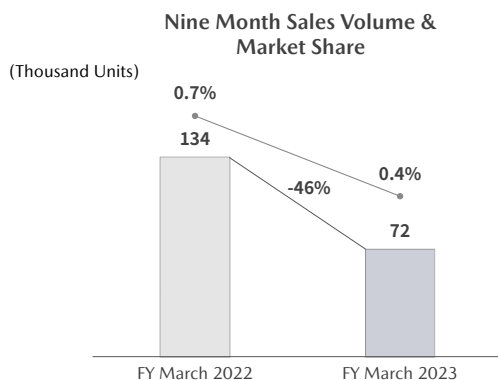
- USA:
 - Sales in the three months of the third quarter increased 34% year on year and also increased 10% from the second quarter. Sales performance is improving
 - In addition to the net increase in CX-50 sales, the CX-5, CX-30 and CX-9 contributed to the sales volume growth
 - Sales in the nine months were down 15% year on year and market share declined 0.2 points year on year to 2.0%
 - The CX-90, a new crossover SUV, was unveiled in January 2023. Sales start in the spring of 2023
- Canada:
 - Sales in the nine months were 37,000 units, down 22% year on year
- Mexico:
 - Sales in the nine months were 37,000 units, up 8% year on year
 - Strong sales driven by the Mazda2

EUROPE



- Sales in the three months of the third quarter increased 3% year on year, thanks to the net increase in electrified models such as the CX-60, which was launched this fiscal year, and the Mazda2 Hybrid
- Sales in the nine months were 108,000 units, down 26% year on year. Market share decreased 0.2 points year on year to 1.0%
- Sales declined due to cuts in production in the first half of the fiscal year and contractions in sales in Russia and Ukraine
- Sales of the CX-60 reached 13,000 units since July, with backlog orders of 11,000 units as of the end of December
- Sales in key countries (in the nine months)
 - Germany: 25,000 units, down 19% year on year
 - UK: 18,000 units, down 10% year on year

CHINA

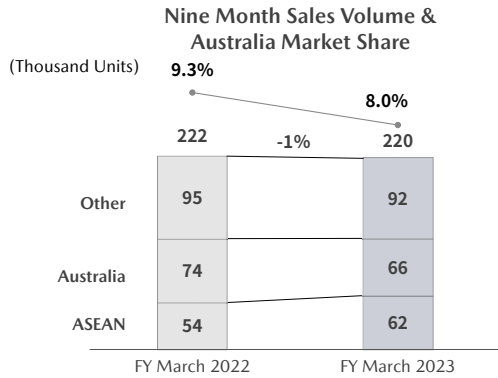


- Sales in the three months of the third quarter decreased 48% year on year
- Sales in the nine months decreased to 72,000 units, down 46% year on year. Market share declined 0.3 points year on year to 0.4%
- Sales decreased year on year due to the impact of production cuts and restrictions on sales activities caused by lockdowns as well as completion of a round of key model cycles
- Continue to focus on strengthening the sales network while steering away from price competition

OTHER MARKETS



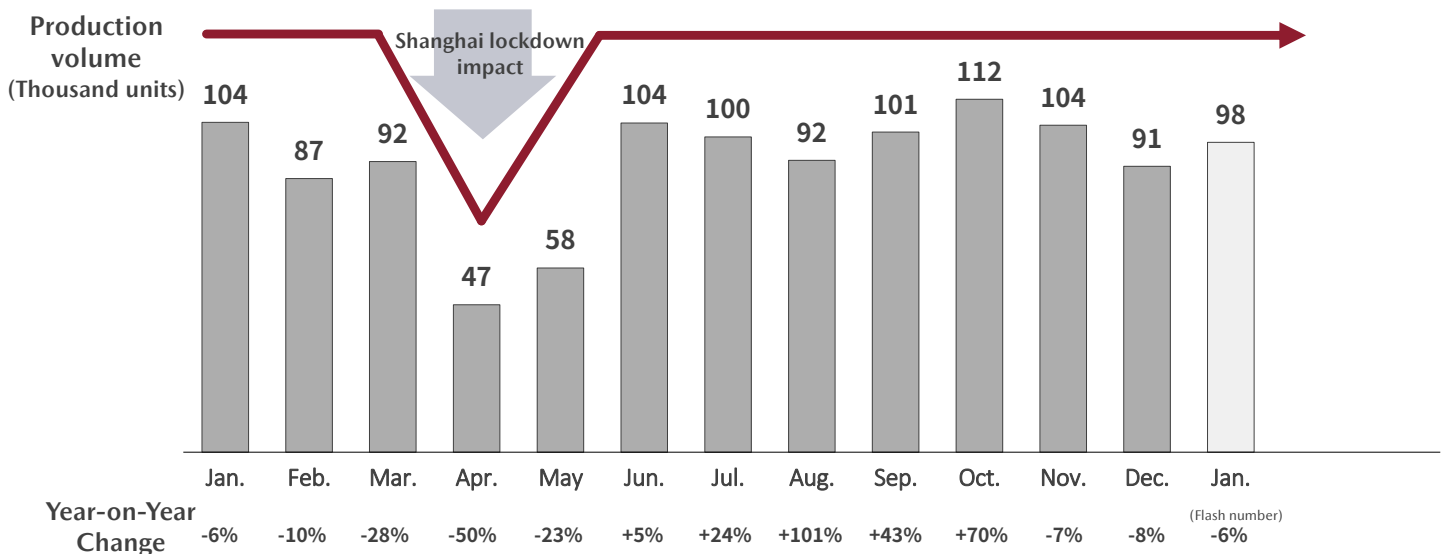
MAZDA CX-5



- Sales in the three months of the third quarter increased 6% year on year
- Sales in the nine months decreased to 220,000 units, down 1% year on year
- Australia:
 - Sales in the three months of the third quarter increased year on year as in the second quarter
 - Sales in the nine months decreased to 66,000 units, down 10% year on year. Market share declined 1.3 points year on year to 8.0%
 - Sales declined due mainly to the impact of production cuts in the first half of the fiscal year
- ASEAN:
 - Sales in the nine months increased to 62,000 units, up 15% year on year
 - Thailand: 20,000 units, down 16% year on year
 - Vietnam: 24,000 units, up 60% year on year

PRODUCTION VOLUME

FY March 2022 Fourth Quarter 283,000 units	FY March 2023 First Quarter 209,000 units	FY March 2023 Second Quarter 294,000 units	FY March 2023 Third Quarter 306,000 units
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*Based on our monthly disclosure (global production volume including volume in China, excluding vehicles received from other OEMs)

CASH FLOW AND NET CASH

(Billion Yen)	FY March 2022	FY March 2023	Change from
	Full Year	Nine Month	Prior FY End
Cash Flow from Operating Activities	189.2	49.7	-
Cash Flow from Investing Activities	-136.2	-71.7	-
Free Cash Flow	52.9	-22.0	-
Cash and Cash Equivalents	740.4	757.9	+17.5
Interest-bearing Debt	680.8	723.3	+42.5
Net Cash	59.6	34.6	-25.0
Total Assets	2,968.1	3,186.5	+218.3
Equity	1,301.1	1,390.9	+89.8
Equity Ratio	44 %	44 %	0 pts

FY MARCH 2023 THIRD QUARTER GLOBAL SALES AND CONSOLIDATED WHOLESALES (3 MONTHS)

(Thousand Units)	FY March 2022	FY March 2023	Change from Prior Year	
	3rd Quarter	3rd Quarter	3rd Quarter	
Global Sales Volume				
Japan	35	39	+4	+13%
North America	84	107	+23	+27%
Europe	40	41	+1	+3%
China	45	23	-21	-48%
Other Markets	66	70	+4	+6%
Total	270	281	+11	+4%
USA	60	80	+20	+34%
Australia	18	22	+4	+24%
ASEAN	23	16	-6	-28%
Consolidated Wholesales				
Japan	35	41	+6	+17%
North America	75	119	+45	+60%
Europe	32	45	+13	+39%
Other Markets	65	82	+17	+26%
Total	207	287	+80	+39%
USA	54	92	+38	+69%

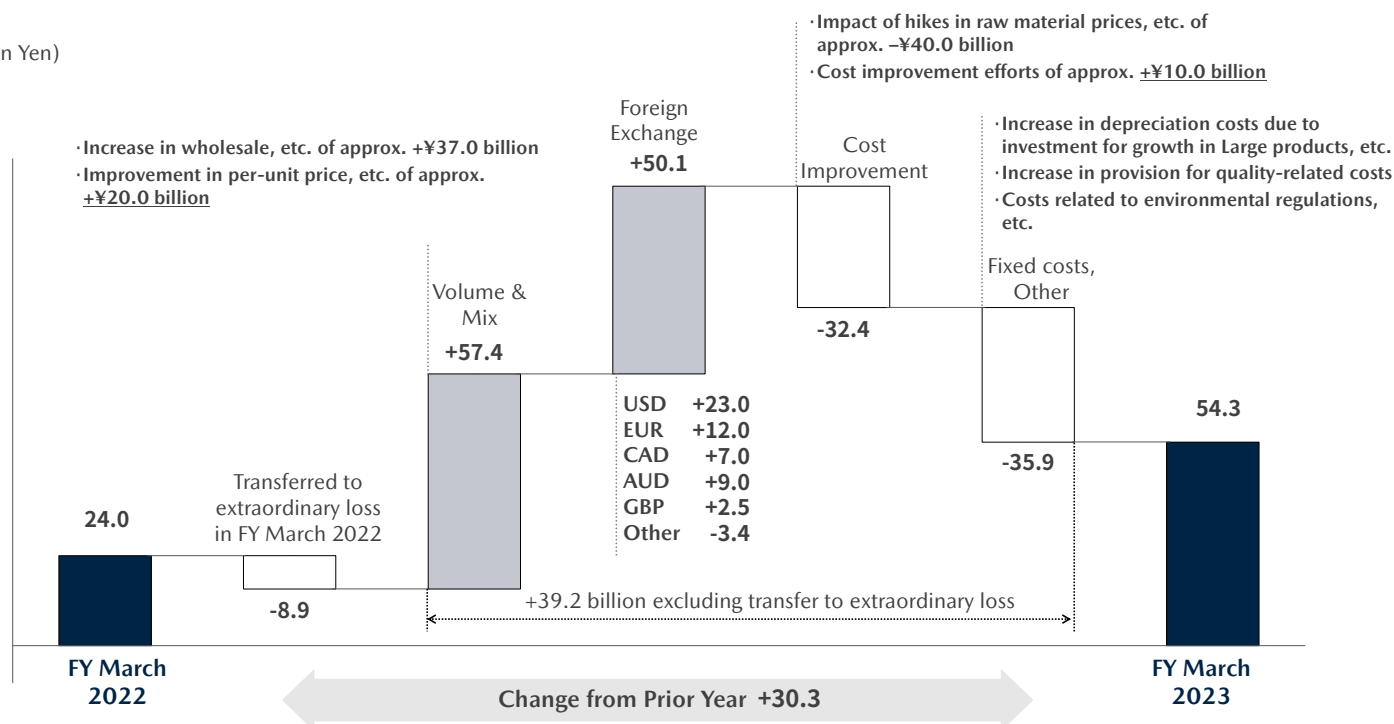
FY MARCH 2023 THIRD QUARTER FINANCIAL METRICS (3 MONTHS)

(Billion Yen)	FY March 2022	FY March 2023	Change from Prior Year	
	3rd Quarter	3rd Quarter	3rd Quarter	
Net Sales	666.5	1,053.8	+387.3	+58%
Operating Income	24.0	54.3	+30.3	+127%
Ordinary Income	25.7	25.0	-0.7	-2%
Income before Income Taxes	15.0	13.1	-1.9	-13%
Net Income	5.5	17.7	+12.2	+218%
Operating Income Ratio	3.6 %	5.1 %	+1.5 pts	
EPS (Yen)	8.8	28.1	+19.3	
Exchange Rates (Yen)				
US Dollar	114	141	+28	
Euro	130	144	+14	

*Net income indicates net income attributable to owners of the parent

CHANGE IN FY MARCH 2023 THIRD QUARTER OPERATING INCOME (vs. FY MARCH 2022 THIRD QUARTER)

(Billion Yen)



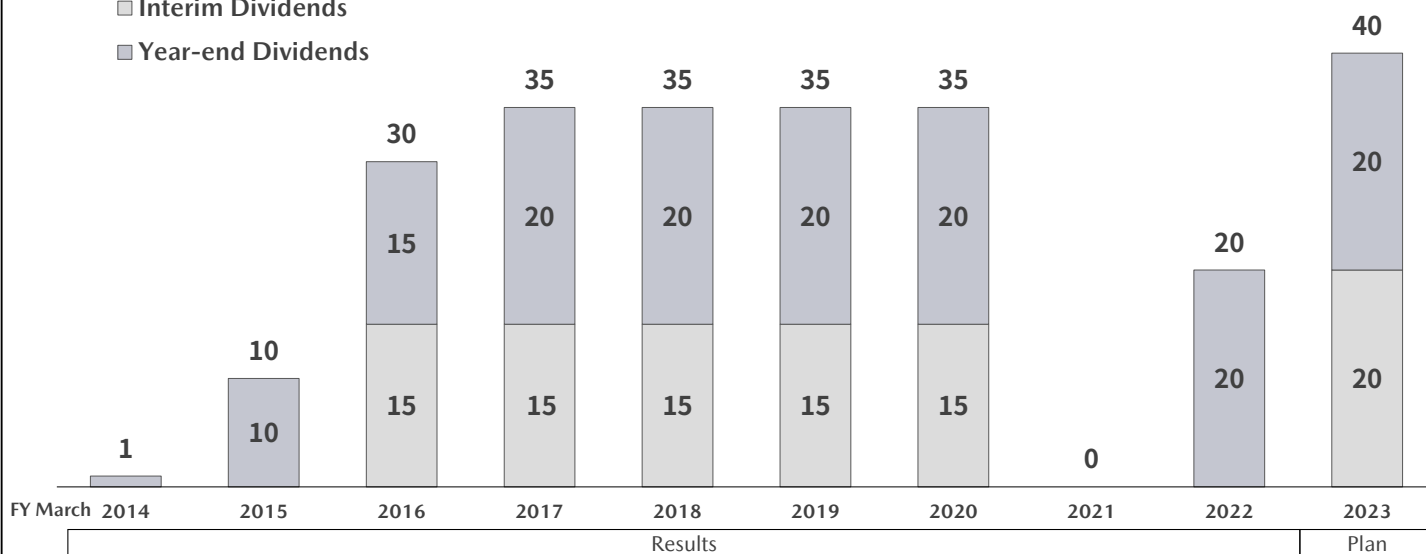
EXCHANGE RATE

(Yen)	FY March 2023					Change from Prior Year					Change from Nov. Forecast
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	Full Year
US Dollar	130	138	141	128	134	+20	+28	+28	+11	+22	-2
Euro	138	139	144	138	140	+6	+9	+14	+7	+9	+1
Canadian Dollar	102	106	104	95	102	+13	+19	+14	+3	+12	-1
Australian Dollar	93	95	93	89	92	+8	+14	+10	+4	+9	0
British Pound	163	163	166	156	162	+10	+11	+13	0	+8	+2

DIVIDEND PAYMENT

Dividends Per Share (Yen)

- Interim Dividends
- Year-end Dividends



Note: A share consolidation was implemented on common stock with a ratio of five shares to one 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 but not limited to conditions of the world economy in the future, trends in the automotive industry, and the risk of exchange rate fluctuations. Consequently, Mazda's actual performance may differ substantially from these projections.

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

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