



## FINANCIAL RESULTS FOR FISCAL YEAR MARCH 2024 THIRD QUARTER



February 9, 2024  
Mazda Motor Corporation

MAZDA MOTOR CORPORATION

### **[Jeffrey H. Guyton, Representative Director, Senior Managing Executive Officer and CFO]**

- Thank you for joining our earnings presentation today.
- First, I want to express my deepest sympathy to everyone affected by the recent Noto Peninsula Earthquake and offer my heartfelt condolences to all the bereaved families who lost their loved ones.
- We would also like to express our appreciation to the brave people who are engaged in disaster relief and reconstruction efforts. We sincerely hope for rapid reconstruction of the areas and restoration of safe and normal living conditions for those affected.

## PRESENTATION OUTLINE

- **Financial Results Highlights**
- **Progress of Initiatives**
- **FY March 2024 Nine Month Results**
- **FY March 2024 Full Year Forecast**

- This is an outline of today's presentation.

# FINANCIAL RESULTS HIGHLIGHTS

- First, I will take you through the highlights of financial results.

## FINANCIAL RESULTS HIGHLIGHTS

### Nine-Month Results

- Global production 927,000 units, up 15% year-on-year
- Global sales 930,000 units, up 17% year-on-year
- Net sales ¥3,566.5 billion, up 32% year-on-year
- Operating income ¥200.2 billion, up 83% year-on-year

### Full Year Forecast

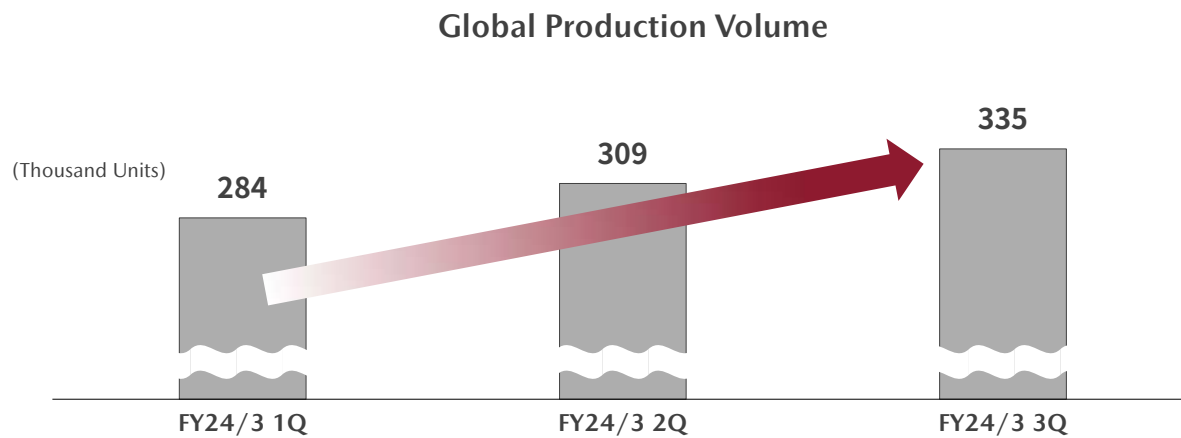
- “Baseline” forecast unchanged from November announcement – record results at all profit levels
- Fourth-quarter risks & opportunities are under review

- In short, we achieved record high third quarter and nine-month profits at all levels.
- Market mix and model mix significantly improved due to strong sales in the US and introduction of the CX-90.
- Global production volume was 927,000 units, up 15% year on year.
- Global sales volume was 930,000 units, up 17% year on year.
- Net sales exceeded 3,500 billion yen and operating income was 200 billion yen, up 83% year on year.
- Operating income results reached 80% of the full year forecast.
- In regard to our full year forecast, global sales volume, consolidated wholesales volume and financial metrics remain unchanged from our November announcement.
- For the fourth quarter, we are reviewing the impact of various risks and opportunities, including the earthquake in the Noto Peninsula, and will work to minimize the impact. We will talk more about this later, but we continue to work hard to achieve record results at all profit levels.

## PROGRESS OF INITIATIVES

### Production: Improving global production volume

- Production in North America, Japan and China remained strong, and stable production of more than 100,000 units per month continued
- The third quarter production was 335,000 units, exceeding the second quarter and the third quarter last year



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- Let me take you through the progress of selected initiatives in this fiscal year.
- In the production area, global production volume steadily improved every quarter.
- Global production volume was stable in the third quarter, exceeding 100,000 units a month and totaling 335,000 units for the three months from October to December.
- As production in North America, Japan and China remained strong, production volume exceeded second quarter and prior year levels.

## PROGRESS OF INITIATIVES

### Sales: Steady volume growth in the U.S., contribution of new products, improving sales in China

- The third quarter global sales increased by 12% year on year to 313,000 units
- Record sales in the U.S. for the third quarter
- CX-90 sales grew steadily, and global sales volume of Large products hit a record quarterly volume
- China sales grew for the third consecutive quarter, and third-quarter sales were up 19% from prior year, reflecting marketing and product-related actions



MAZDA CX-60



MAZDA CX-90



MAZDA CX-50

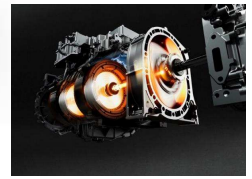
- In the sales area, global sales volume in the third quarter was 313,000 units, up 12% year on year.
- Sales in the US achieved a record high for the third quarter. December 2023 was our best-ever December result; and just-closed January 2024 was our best-ever January.
- Sales of the CX-90 steadily expanded and globally, Large products had their best three-month result since launch.
- China sales grew for the third consecutive quarter, with volume in the October-December period up 19% from the prior year, reflecting various marketing and product-related actions.

## PROGRESS OF INITIATIVES

### Business Management: Establishment of a structure and organizations

#### Initiatives for Electrification

- In November 2023, Electrification Business Division was established, to concentrate resources and accelerate full-scale electrification efforts
- In February 2024, RE Development Group was reestablished to accelerate research and development of rotary engines that are adapted to the new era



#### Expand Brand Experience

- In November 2023, Brand Experience Promotion Division was established to expand and create opportunities for customers to experience the brand



#### Organization Culture

- Kicked off company-wide initiative to enhance customer focus and employee engagement

- In addition to solid business results, one of the most important things we are doing at Mazda this year is to set up our organization for future success. This includes both enhancements to our organization structure as well as transforming our culture.
- To accelerate our electrification efforts, we appointed an officer in charge of electrification promotion and established the Electrification Business Division as of November 1, 2023.
- As the name implies, we are concentrating BEV-related resources - both technical and business - in one place, to speed up decision-making, and take on challenges for electrification in a flexible and agile manner.
- In February 2024, the RE Development Group was revived after 6 years.
- The group will work on further developing the rotary engine as part of a system to generate energy, particularly focused on improvement of the engine's efficiency, compliance with global emission regulations and expanded use of CN fuels.
- Mazda is a unique brand, and to help preserve and promote this, we established the Brand Experience Promotion Division on November 1.
- We also kicked off a company-wide initiative to enhance customer focus and employee engagement called Blueprint. The initiative puts the customer center stage and considers how the value chain should be designed to make the customer feel more connected to our brand.
- This is also an effort to transform our often top-down corporate culture into one where frontline employees who have the most contact with customers take a leading role, and where management supports team members to exceed customer expectations.

# FY MARCH 2024 NINE MONTH RESULTS

- Let's go back to the numbers now, and I'll take you through our nine-month results in some detail.



## FY MARCH 2024 NINE MONTH VOLUME RESULTS

(Thousand Units)	FY March 2024			Change from Prior Year			
	1st Half	3rd Quarter	9 Month	1st Half	3rd Quarter	9 Month	
<b>Production Volume*</b>	<b>593</b>	<b>335</b>	<b>927</b>	<b>+90</b>	<b>+29</b>	<b>+119</b>	<b>✓ +15%</b>
<b>Global Sales Volume</b>							
Japan	82	39	121	+14	-1	+13	+12%
North America	251	129	380	+70	+22	+93	+32%
Europe	90	45	135	+23	+4	+26	✓ +24%
China	45	28	73	-4	+4	+1	+1%
Other Markets	148	73	222	-1	+3	+2	+1%
<b>Total</b>	<b>616</b>	<b>313</b>	<b>930</b>	<b>+102</b>	<b>+32</b>	<b>+135</b>	<b>✓ +17%</b>
USA	184	91	275	+51	+11	+62	✓ +29%
Australia	50	25	75	+6	+3	+9	+13%
ASEAN	38	20	58	-8	+4	-4	-6%

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

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- Production volume was 927,000 units, up 15% from the prior year.
- Global sales volume was 930,000 units, up 17% from the prior year.
- All markets except for ASEAN achieved year-on-year sales increases for the nine-month period.
- Sales for the three months of the third quarter exceeded those of the second quarter.
- In addition to strong sales in the US as explained earlier, Europe also saw a nice improvement from increased sales of the CX-60 and CX-5.

## FY MARCH 2024 NINE MONTH FINANCIAL METRICS

(Billion Yen)	FY March 2024			Change from Prior Year			
	1st Half	3rd Quarter	9 Month	1st Half	3rd Quarter	9 Month	
<b>Consolidated Wholesales</b> (Thousand Units)	<b>588</b>	<b>300</b>	<b>888</b>	<b>+138</b>	<b>+13</b>	<b>✓ +151</b>	<b>+20%</b>
<b>Net Sales</b>	<b>2,317.3</b>	<b>1,249.2</b>	<b>3,566.5</b>	<b>+674.8</b>	<b>+195.4</b>	<b>+870.2</b>	<b>✓ +32%</b>
<b>Operating Income</b>	<b>129.6</b>	<b>70.6</b>	<b>200.2</b>	<b>+74.4</b>	<b>+16.3</b>	<b>+90.7</b>	<b>+83%</b>
Ordinary Income	179.2	59.8	239.0	+68.9	+34.8	+103.6	+77%
<b>Net Income</b>	<b>108.1</b>	<b>57.4</b>	<b>165.5</b>	<b>+22.3</b>	<b>+39.7</b>	<b>+61.9</b>	<b>+60%</b>
Operating Return on Sales	5.6 %	5.7 %	5.6 %	+2.2 pts	+0.6 pts	✓ +1.5 pts	
EPS (Yen)	171.6	91.1	262.7	+35.3	+63.0	+98.3	
<b>Exchange Rate (Yen)</b>							
US Dollar	141	148	143	+7	+6	+7	
Euro	153	159	155	+15	+15	+15	
Thai Baht	4.05	4.15	4.09	+0.26	+0.26	+0.26	
Mexican Peso	8.13	8.42	8.23	+1.47	+1.23	+1.39	

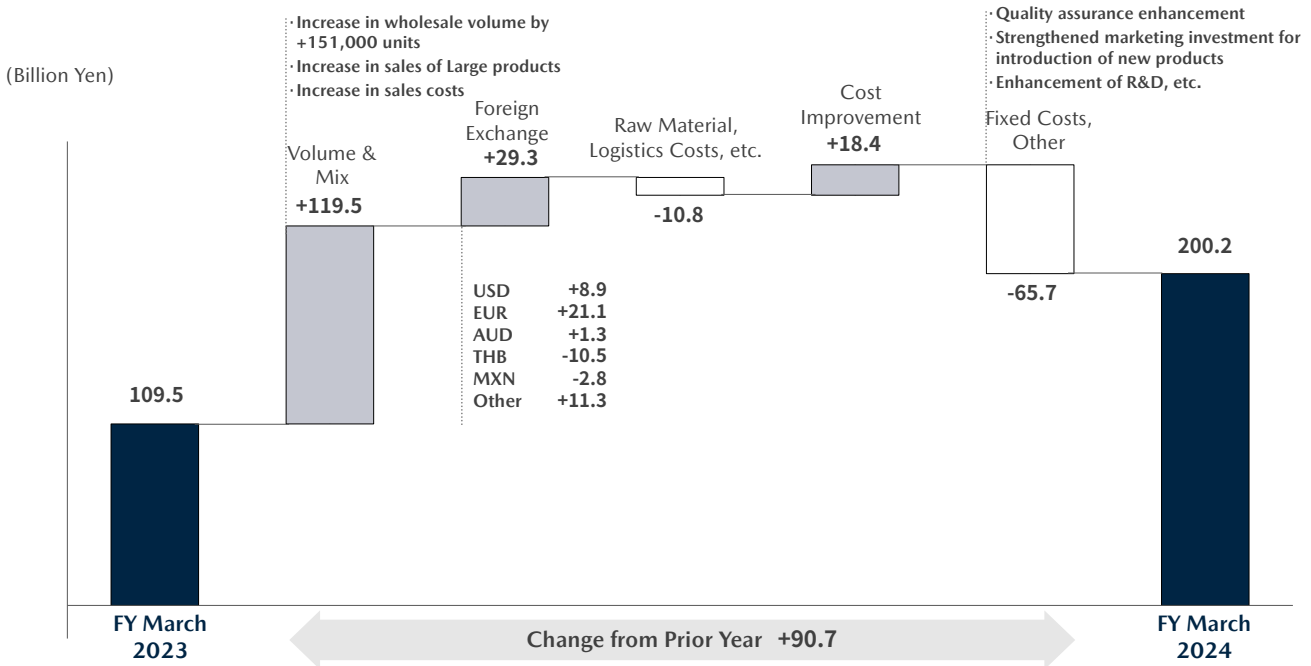
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\*Net income indicates net income attributable to owners of the parent

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- Let's now look at the financial metrics of the first nine months.
- Consolidated wholesales were 888,000 units, up 151,000 units from the prior year.
- Wholesale volume in the third quarter alone was around 300,000 units, about the same level as the second quarter.
- As I previously mentioned, nine-month net sales were more than 3,500 billion yen, up 32% from the prior year.
- Operating income was 200 billion yen and net income attributable to owners of the parent was 165 billion yen.
- Operating return on sales was 5.6%, up 1.5 points year on year.
- At all profit levels, we achieved the highest ever results in Mazda's history for the first nine months of the year.

## DIFFERENCE IN FY MARCH 2024 NINE MONTH OPERATING INCOME (vs. FY MARCH 2023 NINE MONTH)



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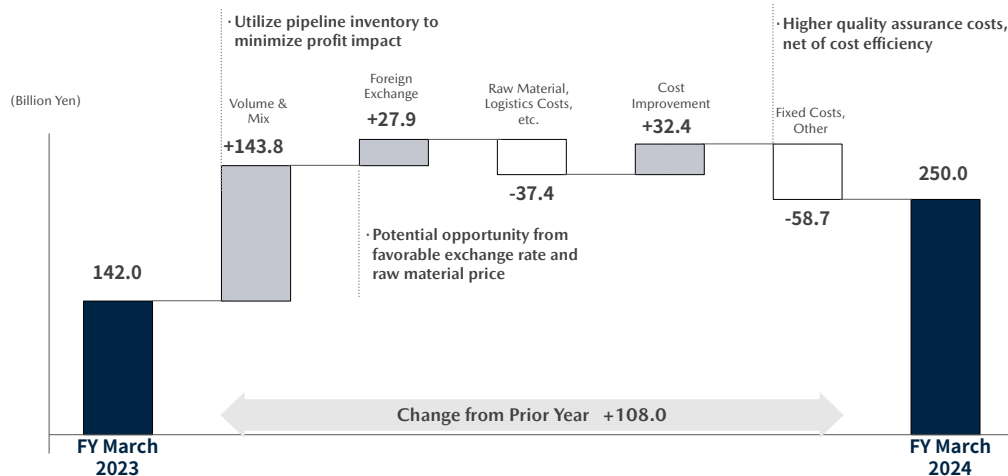
- Now let's talk about the causal factors behind the year-on-year improvement in operating income.
- Volume & mix improved by 119.5 billion yen. In addition to higher wholesale volume, sales of Large platform products, including the CX-90 in the US, contributed to the profit increase. That improvement was partially offset by increased marketing expenses, especially in the US reflecting a more competitive environment as industry supply recovered during the quarter.
- The yen was broadly weaker against major currencies, and this provided a net benefit of approximately 29 billion yen.
- Raw material prices deteriorated 10.8 billion yen, reflecting higher energy and labor costs for supplied parts. This was more than offset by cost improvement actions.
- Fixed and other costs were about 66 billion yen higher than year-ago levels. In addition to investments in advertising, particularly to launch the CX-90 in North America, as well as increased spending for R&D, we took a number of actions to improve vehicle quality in the field, including two recalls announced recently.
- All of these changes yielded a net improvement of about 91 billion yen compared with the prior year.

# FY MARCH 2024 FULL YEAR FORECAST

- Now let's talk about our full year forecast.

## TO ACHIEVE FY MARCH 2024 FULL YEAR FORECAST

- “Baseline” forecast unchanged from November announcement
- Risks & opportunities are under review
- Aim to achieve ¥250 billion operating income



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- As a baseline, our full year forecast remains unchanged from our November announcement.
- The appendix recaps slides presented in November which show absolute sales and profit information, but here, using this year-over-year analysis presented in November, I wanted to give you some texture of the various risks and opportunities we are working through to close out the fiscal year.
- Going from left to right, for the Noto Peninsula earthquake, we expect an impact on parts procurement and production later this quarter and beyond. Estimates of the severity of that impact change daily, but we hope to utilize our pipeline inventory as well as some substitute parts to minimize the profit impact on this fiscal year. We will continue to support the recovery and reconstruction of related companies as a member of JAMA (Japan Automobile Manufacturers Association, Inc.).
- As for fixed costs, while we anticipate an increase in cost due to our prompt actions against quality issues, we see potential offsets related to cost efficiency, exchange rates and raw material prices.

## CLOSING

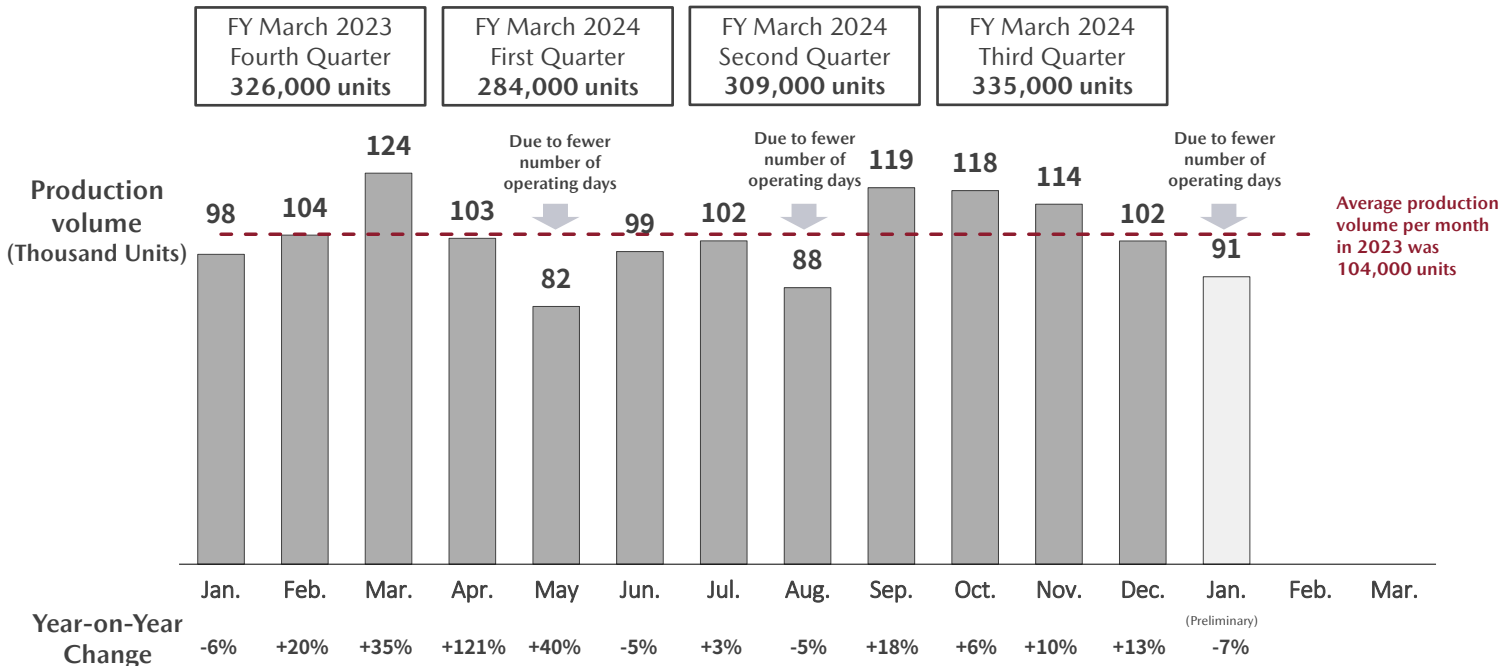
- Record nine-month profit at all levels
- Projected record fiscal year operating income of ¥250 billion
- Managing risks & opportunities through final weeks of fourth quarter

- In closing, let me summarize the financial results.
- We achieved record high third quarter and nine-month profits at all levels.
- Initiatives progressed in all areas and sales and production volumes improved steadily from the prior year.
- Our FY March 2024 full year forecast remains unchanged from our November announcement, projected fiscal year operating income of ¥250 billion, and we continue to work to achieve record high results at all profit levels.
- We will manage risks and opportunities, including the impact of the earthquake through the final weeks of the fourth quarter.
- This concludes my presentation.



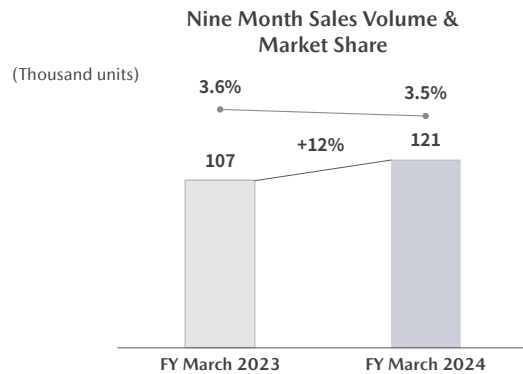
# APPENDIX

## PRODUCTION VOLUME



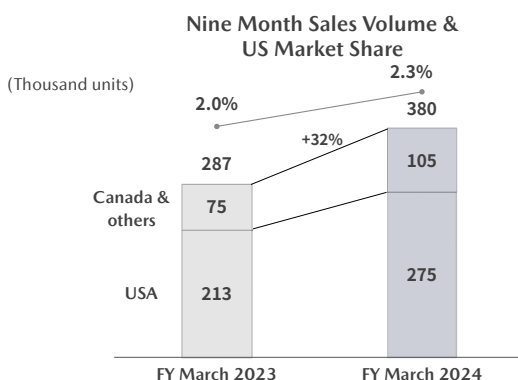


# JAPAN



- 121,000 units sold, up 12% year on year
- Crossover SUVs like CX-60 and CX-8 contributed to sales growth
- Market share was 3.5%, down 0.1 points year on year. Registered vehicle market share was 4.4%, down 0.3 points year on year
- Sales of the updated Roadster with enhanced dynamics performance and advanced safety technologies started in January. Orders remain strong

# NORTH AMERICA

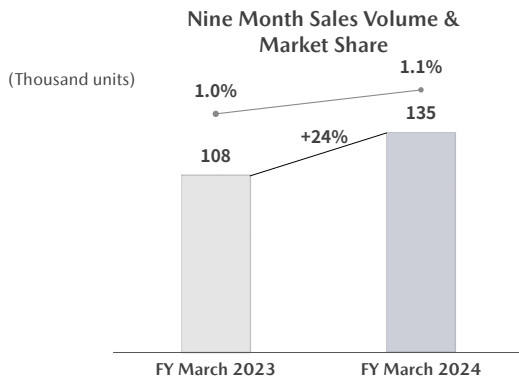


- USA:
  - 275,000 units sold, up 29% year on year. Crossover SUVs like CX-90, CX-5, CX-50, and CX-30 contributed to sales growth
  - Market share was 2.3%, up 0.3 points year on year
  - CX-90 sales were 14,000 units for the 3 months of the third quarter. Strong sales continued, especially for plug-in hybrid models
  - Achieved best-ever December sales
- Canada:
  - 47,000 units, up 28% year on year
- Mexico:
  - 57,000 units, up 54% year on year

## EUROPE



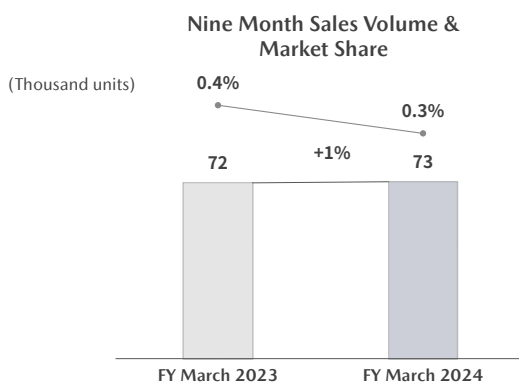
- 135,000 units sold, up 24% year on year  
CX-60 and CX-5 contributed to sales volume growth
- Sales of the CX-60 in the third quarter reached 7,000 units. Strong sales continued, especially for plug-in hybrid models
- Market share was 1.1%, up 0.1 points year on year
- Sales in main countries
  - Germany: 34,000 units, up 35% year on year
  - UK: 22,000 units, up 18% year on year



## CHINA



- 73,000 units sold, up 1% year on year
- Market share was 0.3%, down 0.1 points year on year
- Sales in the third quarter were 28,000 units, up 19% year on year.  
Sales of Mazda3, CX-5, and CX-50, which was launched in late May, contributed to the sales increase



## OTHER MARKETS



Nine Month Sales Volume & Australia Market Share

(Thousand units)	8.0%	7.9%
	220	222
		+1%
Other	92	89
Australia	66	75
ASEAN	62	58
	FY March 2023	FY March 2024

- 222,000 units sold, up 1% year on year
- Australia:
  - 75,000 units sold, up 13% year on year
  - CX-60, which was launched in the second quarter, as well as CX-3, CX-30, and BT-50 contributed to the sales growth
  - Market share was 7.9%, down 0.1 points year on year
- ASEAN:
  - 58,000 units sold, down 6% year on year
  - Thailand: 12,000 units, down 41% year on year
  - Vietnam: 24,000 units, down 1% year on year
  - Malaysia: 14,000 units, up 33% year on year

## CASH FLOW AND NET CASH

(Billion Yen)	FY March 2023	FY March 2024	Change from Prior FY End
	Full Year	Nine Month	
Cash Flow from Operating Activities	137.4	210.0	-
Cash Flow from Investing Activities	-99.4	-89.3	-
Free Cash Flow	38.0	120.7	-
Cash and Cash Equivalents	717.1	745.6	+28.5
Interest-bearing Debt	615.5	535.0	-80.5
Net Cash	101.6	210.7	+109.1
Total Assets	3,259.3	3,515.0	+255.7
Equity	1,439.6	1,622.2	+182.6
Equity Ratio	44 %	46 %	+2 pts

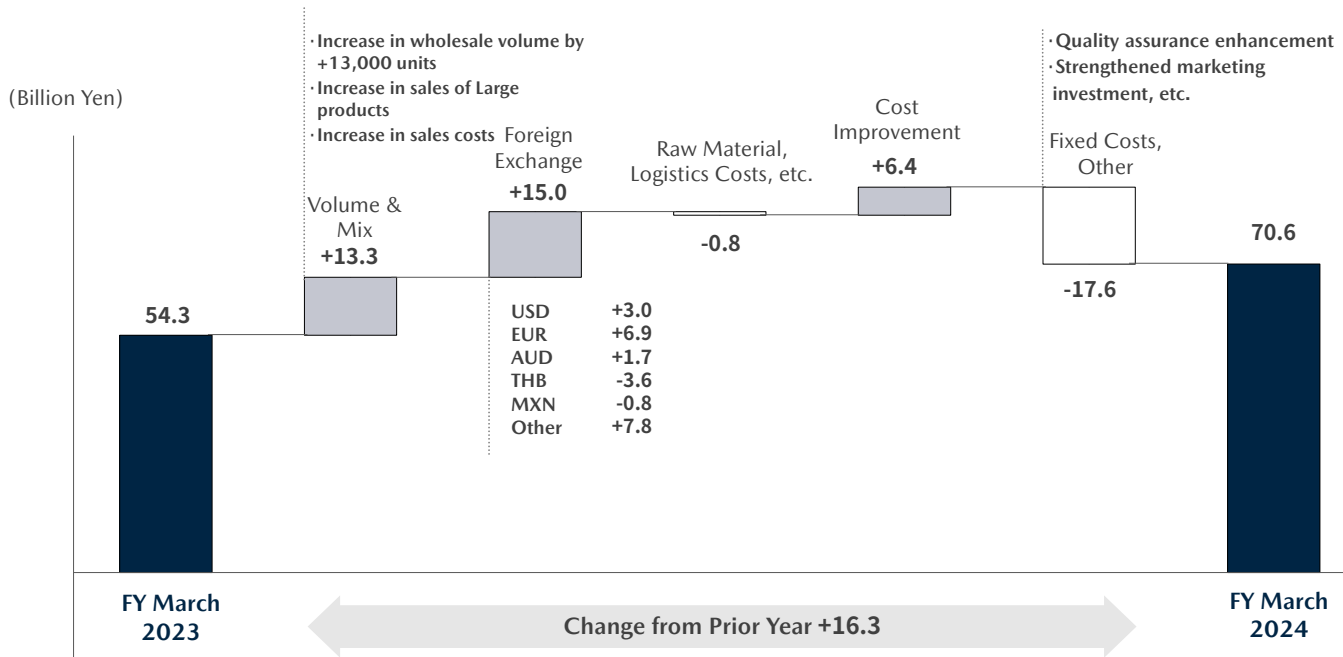
## FY MARCH 2024 THIRD QUARTER VOLUME RESULTS

(Thousand Units)	FY March 2023	FY March 2024	Change from Prior Year	
	3rd Quarter	3rd Quarter	3rd Quarter	
<b>Production Volume*</b>	<b>306</b>	<b>335</b>	<b>+29</b>	<b>+9%</b>
<b>Global Sales Volume</b>				
Japan	39	39	-1	-2%
North America	107	129	+22	+21%
Europe	41	45	+4	+9%
China	23	28	+4	+19%
Other Markets	70	73	+3	+4%
<b>Total</b>	<b>281</b>	<b>313</b>	<b>+32</b>	<b>+12%</b>
USA	80	91	+11	+14%
Australia	22	25	+3	+14%
ASEAN	16	20	+4	+24%

## FY MARCH 2024 THIRD QUARTER FINANCIAL METRICS

(Billion Yen)	FY March 2023	FY March 2024	Change from Prior Year	
	3rd Quarter	3rd Quarter	3rd Quarter	
<b>Consolidated Wholesales</b> (Thousand Units)	<b>287</b>	<b>300</b>	<b>+13</b>	<b>+5%</b>
<b>Net Sales</b>	<b>1,053.8</b>	<b>1,249.2</b>	<b>+195.4</b>	<b>+19%</b>
<b>Operating Income</b>	<b>54.3</b>	<b>70.6</b>	<b>+16.3</b>	<b>+30%</b>
Ordinary Income	25.0	59.8	+34.8	+139%
<b>Net Income</b>	<b>17.7</b>	<b>57.4</b>	<b>+39.7</b>	<b>+224%</b>
Operating Return on Sales	5.1 %	5.7 %	+0.6 pts	
EPS (Yen)	28.1	91.1	+63.0	
<b>Exchange Rate (Yen)</b>				
US Dollar	141	148	+6	
Euro	144	159	+15	
Thai Baht	3.89	4.15	+0.26	
Mexican Peso	7.19	8.42	+1.23	

## DIFFERENCE IN FY MARCH 2024 THIRD QUARTER OPERATING INCOME (vs. FY MARCH 2023 3<sup>rd</sup> QUARTER)



## FY MARCH 2024 FULL YEAR VOLUME FORECAST

(Thousand Units)	FY March 2023		FY March 2024		Change from Prior Year		Change from Nov. Forecast
	Full Year	Full Year	Full Year	Full Year	Full Year	Full Year	Full Year
<b>Global Sales Volume</b>							
Japan	165	176	+12	+7%	0		
North America	407	537	+131	+32%	0		
Europe	160	193	+33	+20%	0		
China	84	91	+7	+8%	0		
Other Markets	294	289	-5	-2%	0		
<b>Total</b>	<b>1,110</b>	<b>1,286</b>	<b>+176</b>	<b>+16%</b>	<b>0</b>		
USA	301	389	+88	+29%	0		
Australia	91	100	+8	+9%	0		
ASEAN	78	70	-8	-10%	0		

## FY MARCH 2024 FULL YEAR FINANCIAL METRICS

(Billion Yen)	FY March 2023		FY March 2024		Change from Prior Year		Change from Nov. Forecast
	Full Year	Full Year	Full Year		Full Year		Full Year
<b>Consolidated Wholesales</b> (Thousand Units)	<b>1,059</b>	<b>1,220</b>	<b>+161</b>	<b>+15%</b>			0
<b>Net Sales</b>	<b>3,826.8</b>	<b>4,800.0</b>	<b>+973.2</b>	<b>+25%</b>			0
<b>Operating Income</b>	<b>142.0</b>	<b>250.0</b>	<b>+108.0</b>	<b>+76%</b>			0
Ordinary Income	185.9	254.0	+68.1	+37%			0
<b>Net Income</b>	<b>142.8</b>	<b>170.0</b>	<b>+27.2</b>	<b>+19%</b>			0
Operating Return on Sales	3.7 %	5.2 %	+1.5 pts				0 pts
EPS (Yen)	226.7	269.8	+43.1				0
<b>Exchange Rate (Yen)</b>							
US Dollar	136	140	+5				0
Euro	141	151	+10				0
Thai Baht	3.84	3.95	+0.11				0.00
Mexico Peso	6.90	8.02	+1.12				0.00

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\*Net income indicates net income attributable to owners of the parent 28

## EXCHANGE RATE

(Yen)	FY March 2024				Change from Prior Year				Change from Nov. Forecast
	1Q	2Q	3Q	Full Year	1Q	2Q	3Q	Full Year	Full Year
US Dollar	138	145	148	140	+8	+6	+6	+5	0
Euro	150	157	159	151	+11	+18	+15	+10	0
Canadian Dollar	102	108	109	104	+1	+2	+4	+1	0
Australian Dollar	92	95	96	91	-1	0	+3	-1	0
British Pound	172	183	184	175	+9	+20	+18	+11	0
Thai Baht	3.99	4.12	4.15	3.95	+0.22	+0.31	+0.26	+0.11	0.00
Mexican Peso	7.79	8.48	8.42	8.02	+1.31	+1.65	+1.23	+1.12	0.00

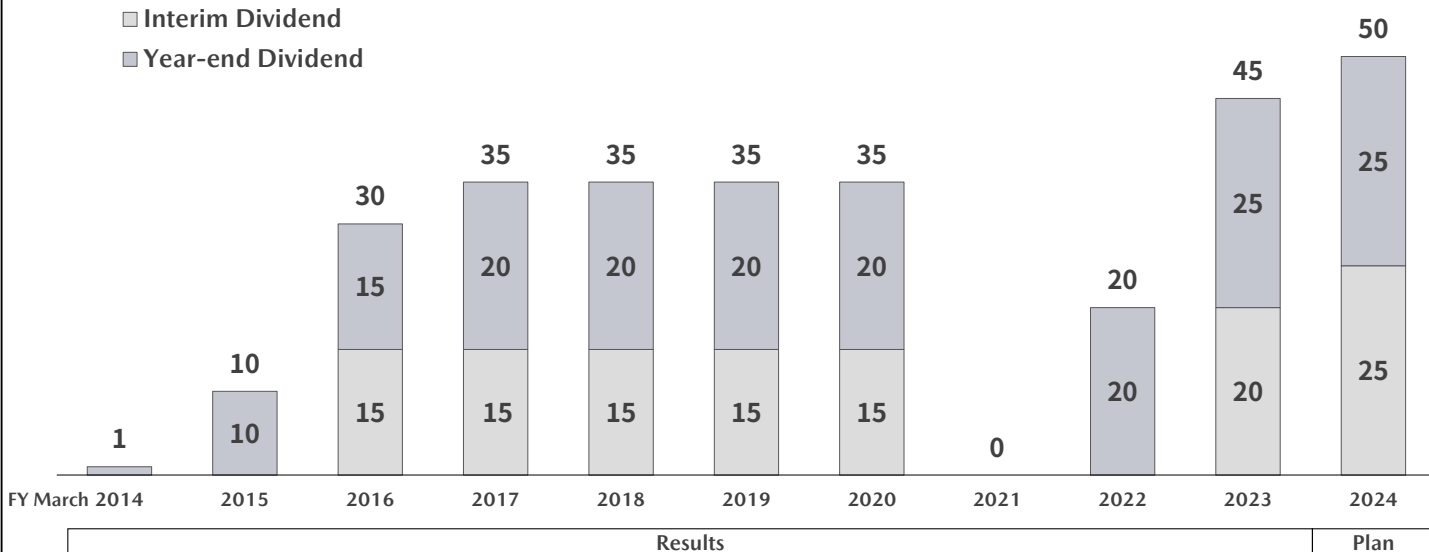
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# DIVIDEND PAYMENT

## Dividends Per Share (Yen)

- Interim Dividend
- Year-end Dividend



Note: A share consolidation of common stock was implemented at a ratio of 5 shares to 1 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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