



## **FISCAL YEAR MARCH 2013 FINANCIAL RESULTS**



New Mazda6 (North American model)

**Mazda Motor Corporation  
April 26, 2013**

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## **PRESENTATION OUTLINE**

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- **Highlights**
- **Fiscal Year March 2013 Results**
- **Fiscal Year March 2014 Forecast**
- **Structural Reform Plan Update**
- **Summary**



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## HIGHLIGHTS

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### HIGHLIGHTS (1) – FY MARCH 2013 RESULTS

- Revenue and profits in all profit categories exceeded February forecast
- Revenue was ¥2,205.3 billion. Operating profit was ¥53.9 billion. Net income was ¥34.3 billion
- SKYACTIV products such as CX-5 and new Mazda6/Atenza significantly contributed to the profit improvement
- Global sales volume was 1,235,000 units
- Sales of CX-5 were 200,000 units, greatly exceeding the initial forecast
- New Mazda6/Atenza, the second of our SKYACTIV products, also enjoyed favorable sales in markets where the model was launched

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## **HIGHLIGHTS (2) – FY MARCH 2014 FORECAST**

- Profits are projected to more than double FY March 2013 levels in all profit categories
- Forecast revenue of ¥2,480 billion, operating profit of ¥120 billion and net income of ¥70 billion
- SKYACTIV products greatly contribute to profit enhancement
- Forecast global sales volume of 1,335,000 units, up 8% from the prior year, driven by sales increase of SKYACTIV products
- Expand investments for the future
- Accelerate Structural Reform Plan initiatives

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## **FISCAL YEAR MARCH 2013 RESULTS**

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## FY MARCH 2013 FINANCIAL METRICS

(Billion yen)	Full Year		Change from Prior Year	(Memo)
	FY March 2013	FY March 2012		FY Mar. 2013 Feb. Forecast
Revenue	2,205.3	2,033.1	172.2	2,190.0
Operating profit	53.9	(38.7)	92.6	45.0
Ordinary profit	33.1	(36.8)	69.9	28.0
Profit before tax	39.1	(55.3)	94.4	33.0
Net income	34.3	(107.7)	142.0	26.0
Operating ROS	2.4 %	(1.9) %	4.3 pts	2.1 %
EPS (Yen/Share)	11.5	(57.8)	69.3	8.7
Exchange rate				
US\$ / Yen	83	79	4	81
€ / Yen	107	109	(2)	104

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## GLOBAL SALES VOLUME

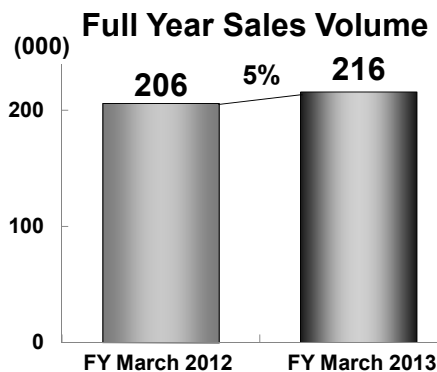
(000)	Full Year		Change from Prior Year	(Memo)
	FY March 2013	FY March 2012		FY Mar. 2013 Feb. Forecast
Global sales volume				
Japan	216	206	10	217
North America	372	372	0	380
USA	273	268	5	280
Europe	172	183	(11)	177
China	175	223	(48)	170
Other Markets	300	263	37	306
Australia	104	92	12	104
ASEAN	101	66	35	106
Total	1,235	1,247	(12)	1,250

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## JAPAN



New Atenza Wagon



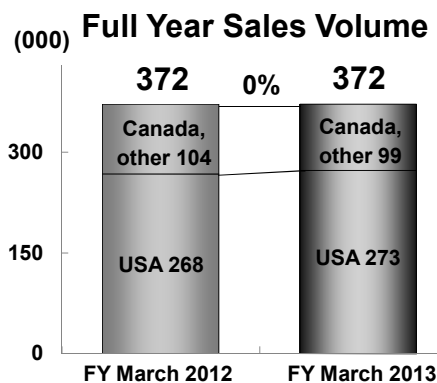
- Sales increased 5% year on year to 216,000 units
- CX-5 and new Atenza contributed to the growth. CX-5 had the highest sales in SUV segment in FY2012
- New Atenza was launched in November and achieved higher than expected sales
- Following CX-5, the new Atenza with SKYACTIV-D also won high acclaim. Sales mix of models equipped with diesel engine was about 70%

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## NORTH AMERICA



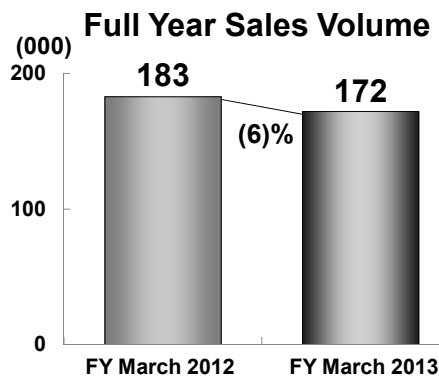
CX-9 (North American model)



- Sales were 372,000 units, same level with prior year
- USA: 273,000 units, up 2% year on year
  - CX-5 sales were strong after 2.5L model launch
  - New Mazda6 off to a good start, receiving high acclaim
  - Continue to hold down incentives and fleet mix

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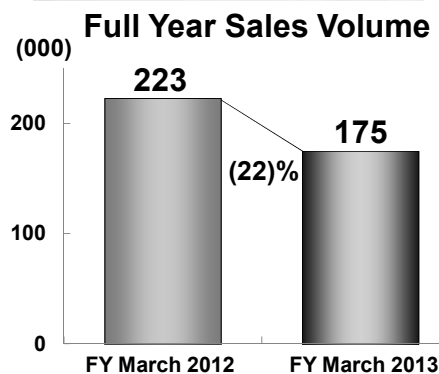
## EUROPE



- ➔ Sales were 172,000 units
- ➔ As supply constraints of CX-5 were removed, its sales increased substantially in the fourth quarter
- ➔ New Mazda6 was highly evaluated in Germany, UK, Russia, and Switzerland
- ➔ Sales were recovering due to new model introductions in major markets such as UK

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## CHINA



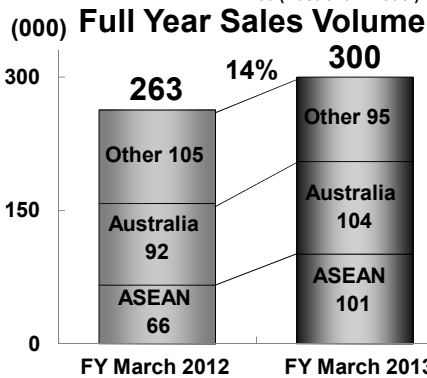
- ➔ Sales were 175,000 units
- ➔ Sales in the fourth quarter dropped 22% from the prior year, less than the decline of 33% in the third quarter
- ➔ Sales outlet count increased 25 from the end of March 2012 to 396 stores (as of the end of March 2013)

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## OTHER MARKETS



BT-50 (Australian model)

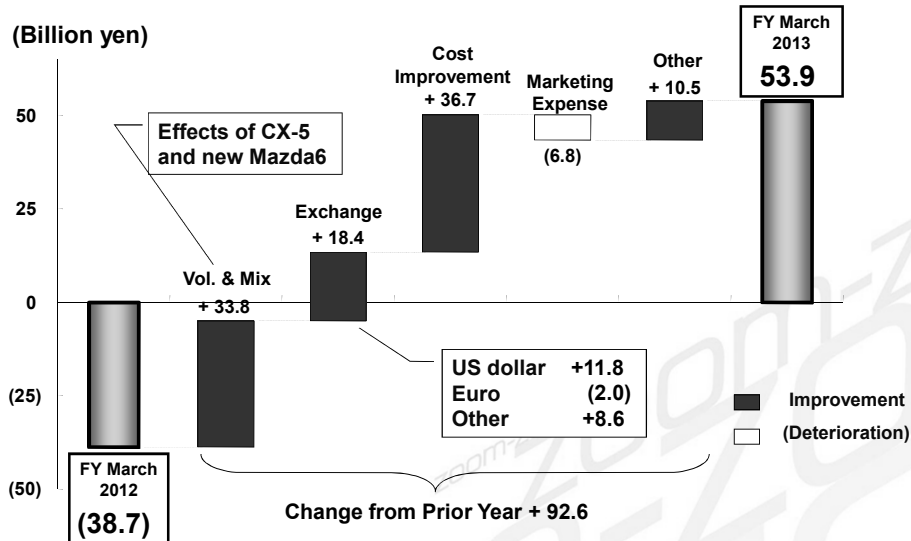


- ➔ Sales grew 14% year on year to 300,000 units
- ➔ Australia: Achieved a record 104,000 sales and 9.3% market share
  - Mazda3 became the best-selling model for two consecutive fiscal years
  - CX-5 achieved the highest sales in its segment
  - Mazda remained in 3<sup>rd</sup> position for sales among all makes for two consecutive fiscal years
- ➔ ASEAN: Sales grew 54% year on year to 101,000 units
  - In Thailand, achieved record sales of 78,000 units
  - In Indonesia and Malaysia also, achieved record sales

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## OPERATING PROFIT CHANGE

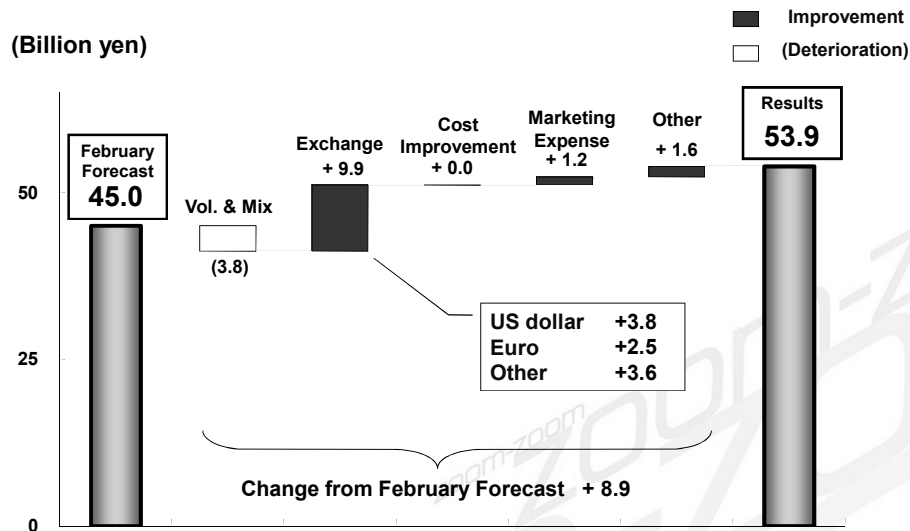
FY March 2013 Full Year vs. FY March 2012 Full Year



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## OPERATING PROFIT CHANGE

### FY March 2013 Full Year vs. February Forecast



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## SALES STATUS OF SKYACTIV PRODUCTS

### <CX-5>

- Achieved sales of 200,000 units, exceeding initial sales forecast of 160,000 units
- Increased annual production capacity to 240,000 units due to its worldwide success
- Won high praise in all markets including the “2012-2013 Car of the Year Japan”

### <New Mazda6/Atenza>

- Sales and acclaim in markets where the new Mazda6/Atenza was introduced exceeded our expectation
- Sold 10,000 units in Japan in five months after the launch, which is twice the target
- Created a new diesel market in Japan following the suit of CX-5
- Earned “Top Safety Pick+”, the highest possible safety ranking, from the Insurance Institute for Highway Safety (IIHS) in the US
- Implementing measures to strengthen sales in main markets for full-scale launch

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## FISCAL YEAR MARCH 2014 FORECAST

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### FY MARCH 2014 FINANCIAL METRICS

(Billion yen)	FY March 2014			Change from Prior Year	
	1st Half	2nd Half	Full Year	Amount	YOY(%)
Revenue	1,120.0	1,360.0	2,480.0	274.7	12
Operating profit	45.0	75.0	120.0	66.1	122
Ordinary profit	21.0	76.0	97.0	63.9	193
Profit before tax	17.0	71.0	88.0	48.9	125
Net income	10.0	60.0	70.0	35.7	104
Operating ROS	4.0 %	5.5 %	4.8 %	2.4 pts	-
EPS (Yen/Share)	3.3	20.1	23.4	11.9	-
Exchange rate					
US\$ / Yen	90	90	90	7	
€ / Yen	120	120	120	13	

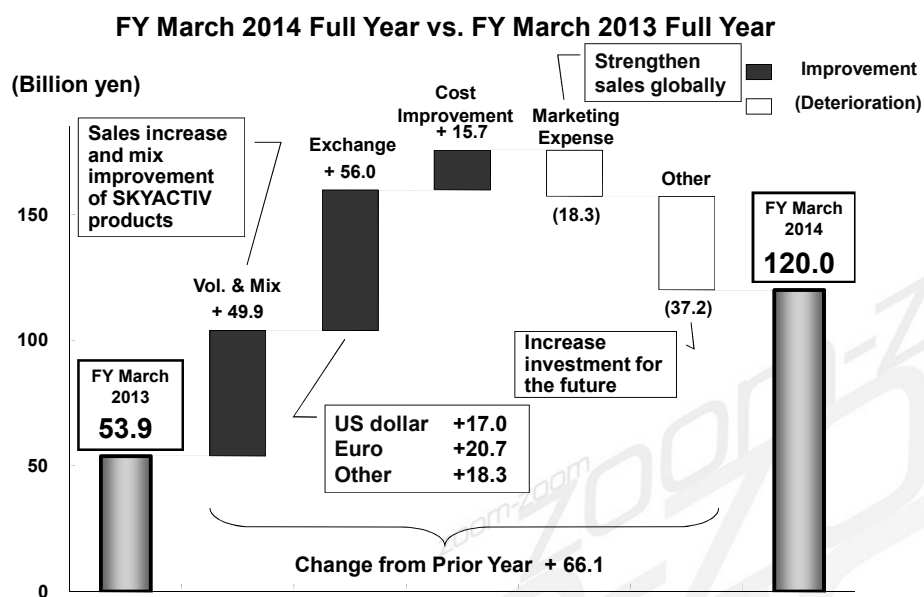
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## GLOBAL SALES VOLUME

	FY March 2014			Change from	
(000)	1st Half	2nd Half	Full Year	Prior Year	
				Volume	YOY(%)
Global sales volume					
Japan	106	114	220	4	2
North America	204	211	415	43	11
USA	142	158	300	27	10
Europe	93	107	200	28	17
China	82	118	200	25	14
Other Markets	142	158	300	0	0
Australia	52	54	106	2	2
ASEAN	46	55	101	0	0
Total	627	708	1,335	100	8

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## OPERATING PROFIT CHANGE



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## **GLOBAL SALES INITIATIVES IN FY MARCH 2014**

- **Increase sales worldwide by increasing CX-5 sales, continuing the regional roll-out of the new Mazda6/Atenza and introducing the third SKYACTIV product**
- **Enhance fixed marketing to increase sales of SKYACTIV products and improve brand image**
- **Maintain sales trend of existing models by enhancing marketing initiatives**
- **Continue to strengthen brand value and residual value by minimizing incentive spending and fleet sales mix**
- **Enhance sales networks**

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## **STRUCTURAL REFORM PLAN UPDATE**

### **[Structural Reform Plan]**

- 1. Business innovation by SKYACTIV TECHNOLOGY**
- 2. Accelerate further cost improvement through Monotsukuri Innovation**
- 3. Reinforce business in emerging countries and establish a global production footprint**
- 4. Promote global alliances**

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## STRUCTURAL REFORM PLAN UPDATE - SUMMARY

### ➔ Steadily implemented Structural Reform Plan

- Strong sales of SKYACTIV products improved volume and mix significantly and contributed to substantial profit improvements
- Cost improvement through Monotsukuri Innovation is progressing steadily
- Actions to strengthen production and sales, mainly in emerging countries, are making progress as planned
- Promoting alliances to complement products, technologies and regions

#### Future actions

- ➔ Ensure to implement the four initiatives
- ➔ Aim to achieve Medium- and Long-term Forecast

### ➔ Steady progress towards achievement Medium-and Long-term Forecast

	FY March 2016 Medium- and Long- term Forecast
Operating profit	¥150 billion
ROS	6% or more
Global sales volume (units)	1.7 million

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## 1. BUSINESS INNOVATION BY SKYACTIV TECHNOLOGY



- ➔ Introduced CX-5 and new Mazda6 which adopt SKYACTIV TECHNOLOGY and new design theme “KODO”
- ➔ CX-5 has been highly acclaimed and won Japan Car Of The Year, becoming a big hit in global markets
- ➔ Demand for the new Mazda6 has been strong in markets where it was launched. Enhance sales actions toward full-scale worldwide launches
- ➔ Strong product marketability resulted in a reduction in incentive spending as well as improvements in residual value
- ➔ Significantly contributed to profit and brand value improvements

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## 2. ACCELERATE FURTHER COST IMPROVEMENT THROUGH MONOTSUKURI INNOVATION

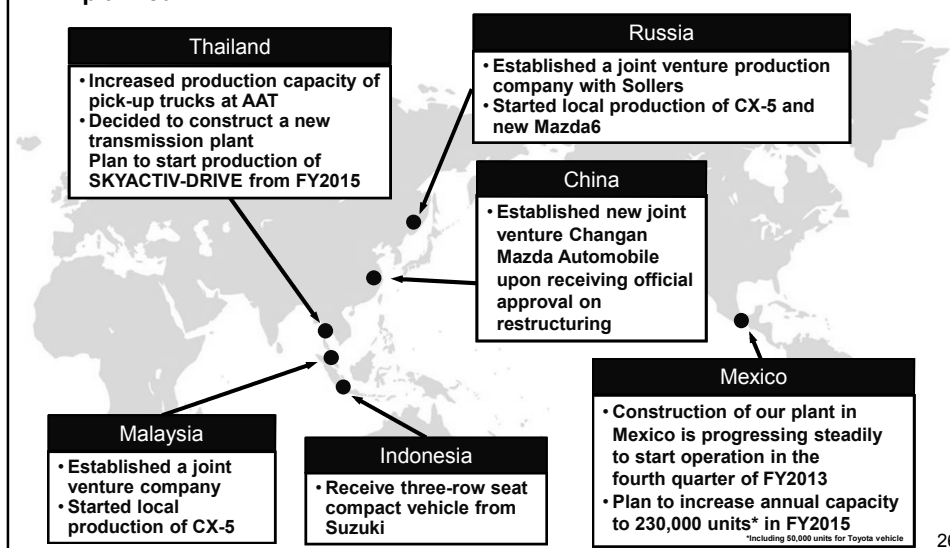
- ➔ Cost improvement of new generation products, starting with CX-5 and continuing with the new Mazda6, is proceeding according to plan
- ➔ Investment efficiency, cost improvement and purchase denominated in foreign currency are making progress as planned

		Improve Cost / Efficiency
R&D Efficiency		30% or more
Investment in Production Facilities	SKYACTIV-G/D	60% or more -> 70% or more
	Vehicles	20% or more
Cost Improvement	Vehicle (excl. additional equipment)	20% or more -> 30% (Target)
	SKYACTIV-D	Better than current engine
	SKYACTIV-G	Better than current direct-injection engine
	SKYACTIV-DRIVE	Same as current transmission

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## 3. REINFORCE BUSINESS IN EMERGING COUNTRIES AND ESTABLISH GLOBAL PRODUCTION FOOTPRINT

- ➔ Actions to strengthen production and sales in emerging countries such as ASEAN, Russia and Central and South America are progressing as planned



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## 4. PROMOTE GLOBAL ALLIANCES

### ➔ Promoting alliances to complement products, technology and regions

#### Toyota

- Receive hybrid system technology license, and start selling hybrid vehicle powered by SKACTIV in FY2013
- Produce and supply sub-compact vehicle in Mexico. Start production in summer of 2015



#### Suzuki

- Receive three-row seat compact vehicle in Indonesia (From Spring 2013)

#### Nissan

- Supply vehicle with SKYACTIV TECHNOLOGY



#### Fiat

- Signed agreement to produce an open-top two-seater sports car for Alfa Romeo



#### Sollers

- Established a joint venture production company in Russia  
Started local production of CX-5 and new Mazda6



Mazda Sollers Joint Venture Ceremony

#### Bermaz

- Established a joint venture company in Malaysia  
Started local production of CX-5

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## SUMMARY

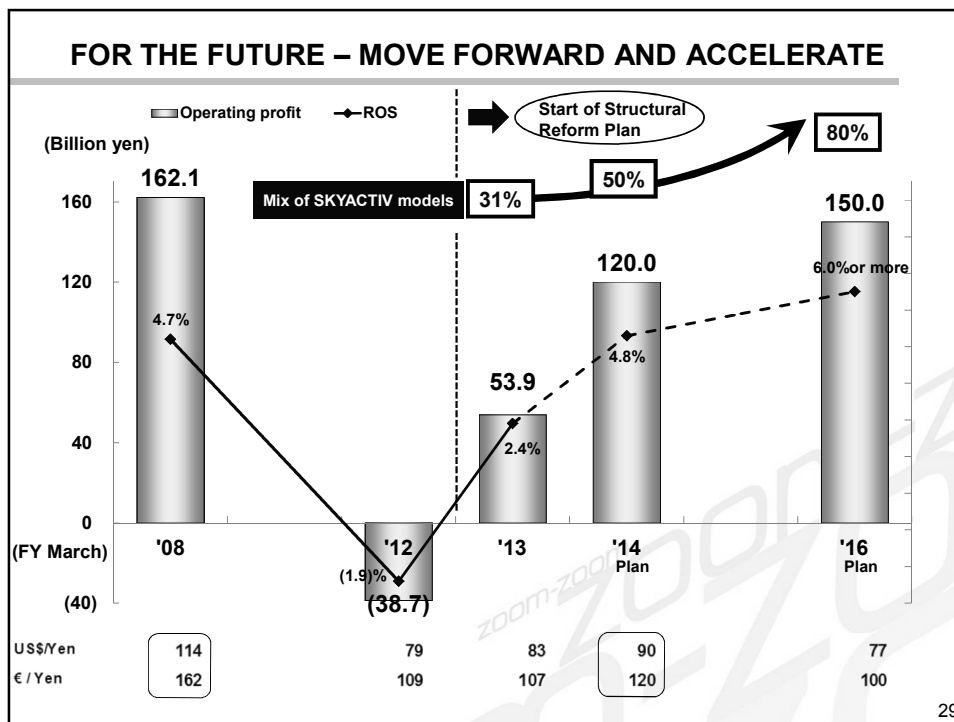
### <FY March 2013 Results>

- ➔ Revenue and profits in all profit categories exceeded February forecast
- ➔ Revenue was ¥2,205.3 billion. Operating profit was ¥53.9 billion. Net income was ¥34.3 billion.
- ➔ Strong selling CX-5 and new Mazda6 have largely contributed to the improvement

### <FY March 2014 Forecast>

- ➔ Profits are projected to more than double FY March 2013 levels in all profit categories
- ➔ Forecast revenue of ¥2,480 billion, operating profit of ¥120 billion and net income of ¥70 billion
- ➔ Accelerate Structural Reform Plan initiatives

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## APPENDIX

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## CASH FLOW AND NET DEBT

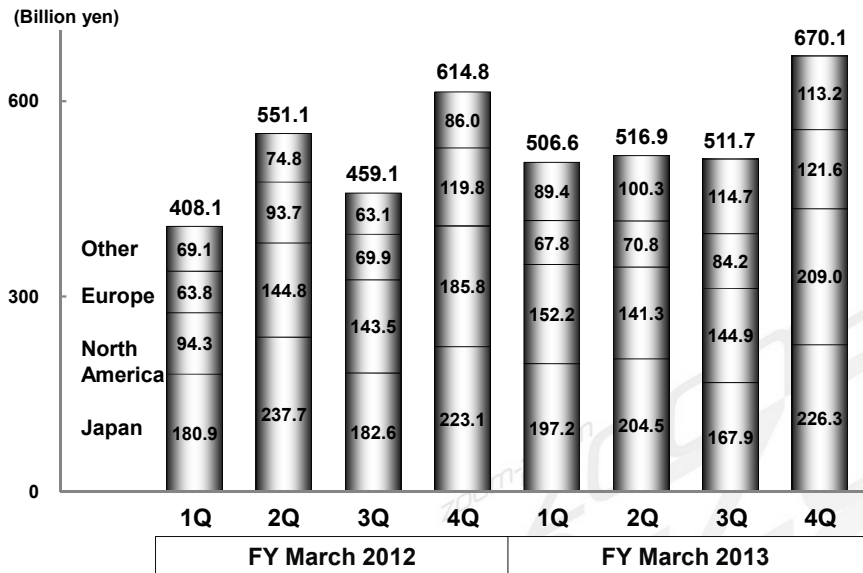
(Billion yen)	Full Year		Change from Prior FY End
	FY March 2013	FY March 2012	
<b>Cash Flow</b>			
- From operating activities	49.0	(9.1)	-
- From investing activities	(40.3)	(70.3)	-
- Free Cash Flow	8.7	(79.4)	-
Cash and Cash Equivalents	444.9	477.3	(32.4)
<b>Net Debt</b>	(274.1)	(300.8)	26.7
<b>Net Debt-to-equity Ratio</b>	55 / 45* %	64 / 53* %	9 / 8* pts
<b>Equity Ratio</b>	25 / 27* %	24 / 26* %	1 / 1* pts

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

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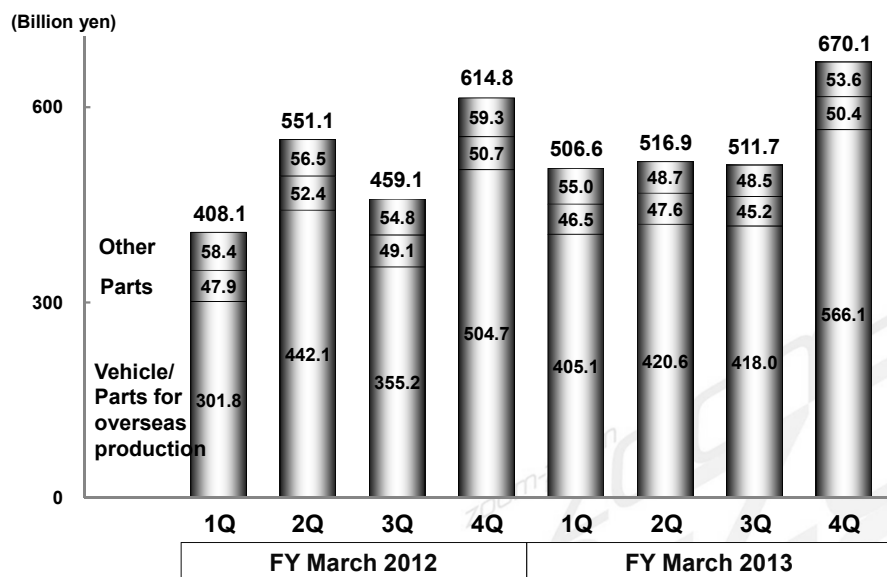


## REVENUE BY GEOGRAPHIC AREA



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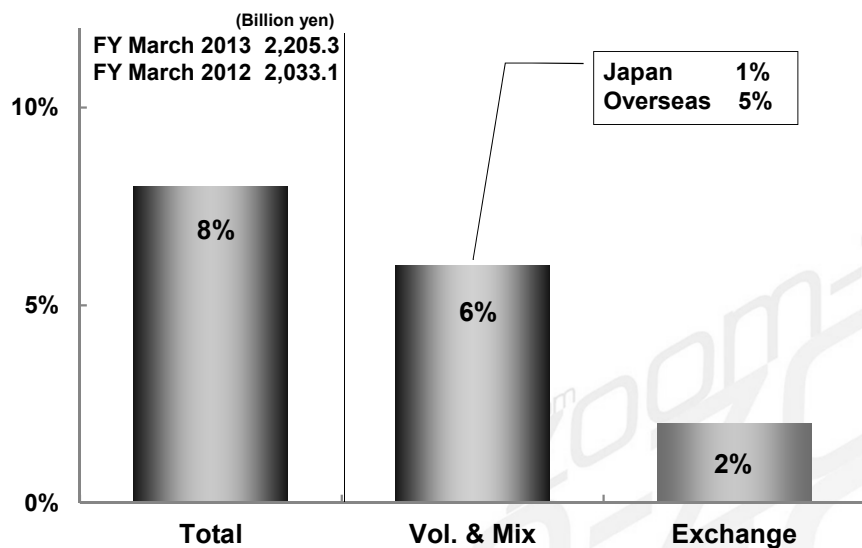
## REVENUE BY PRODUCT



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## REVENUE CHANGE

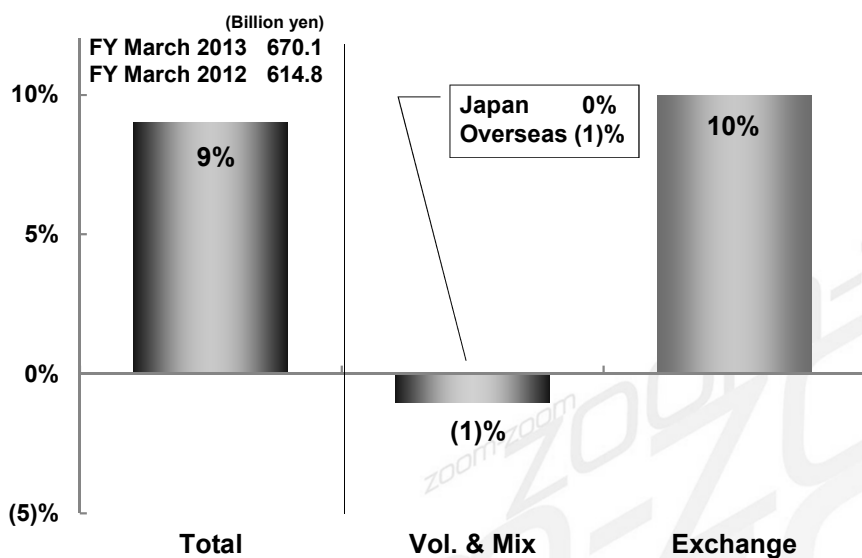
FY March 2013 Full Year vs. FY March 2012 Full Year



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## REVENUE CHANGE

FY March 2013 4<sup>th</sup> Quarter vs. FY March 2012 4<sup>th</sup> Quarter



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## FY MARCH 2013 FINANCIAL METRICS

(Billion yen)	Fourth Quarter		Change
	FY March 2013	FY March 2012	
Revenue	670.1	614.8	55.3
Operating profit	34.3	15.6	18.7
Ordinary profit	11.7	21.3	(9.6)
Profit before tax	9.0	11.2	(2.2)
Net income	8.7	5.1	3.6
Operating ROS	5.1 %	2.5 %	2.6 pts
EPS (Yen/Share)	2.9	2.5	0.4
Exchange			
US\$ / Yen	92	79	13
€ / Yen	122	104	18

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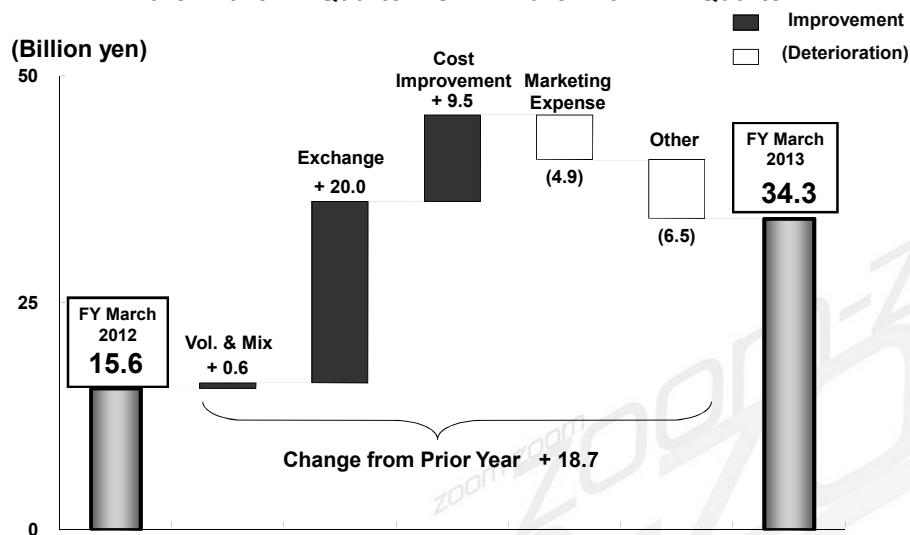
## GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(000)	Fourth Quarter		Change
	FY March 2013	FY March 2012	
<b>Global Sales Volume</b>			
Japan	66	69	(3)
North America	102	106	(4)
Europe	53	54	(1)
China	46	58	(12)
Other Markets	75	69	6
Total	342	356	(14)
<b>Consolidated Wholesales</b>			
Japan	69	71	(2)
North America	109	118	(9)
Europe	52	60	(8)
China	1	1	0
Other Markets	76	65	11
Total	307	315	(8)

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## OPERATING PROFIT CHANGE

FY March 2013 4<sup>th</sup> Quarter vs. FY March 2012 4<sup>th</sup> Quarter



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## GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

(000)	FY March 2013			Change from Prior Year			(Memo) FY Mar. 2013
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Feb. Forecast
<b>Global Sales Volume</b>							
Japan	110	106	216	15	(5)	10	217
North America	182	190	372	0	0	0	380
Europe	85	87	172	(6)	(5)	(11)	177
China	90	85	175	(17)	(31)	(48)	170
Other Markets	146	154	300	17	20	37	306
<b>Total</b>	<b>613</b>	<b>622</b>	<b>1,235</b>	<b>9</b>	<b>(21)</b>	<b>(12)</b>	<b>1,250</b>
<b>Consolidated Wholesales</b>							
Japan	115	111	226	6	(6)	0	227
North America	175	195	370	23	(15)	8	376
Europe	68	90	158	(6)	(7)	(13)	165
China	2	2	4	(6)	0	(6)	4
Other Markets	142	153	295	15	33	48	298
<b>Total</b>	<b>502</b>	<b>551</b>	<b>1,053</b>	<b>32</b>	<b>5</b>	<b>37</b>	<b>1,070</b>

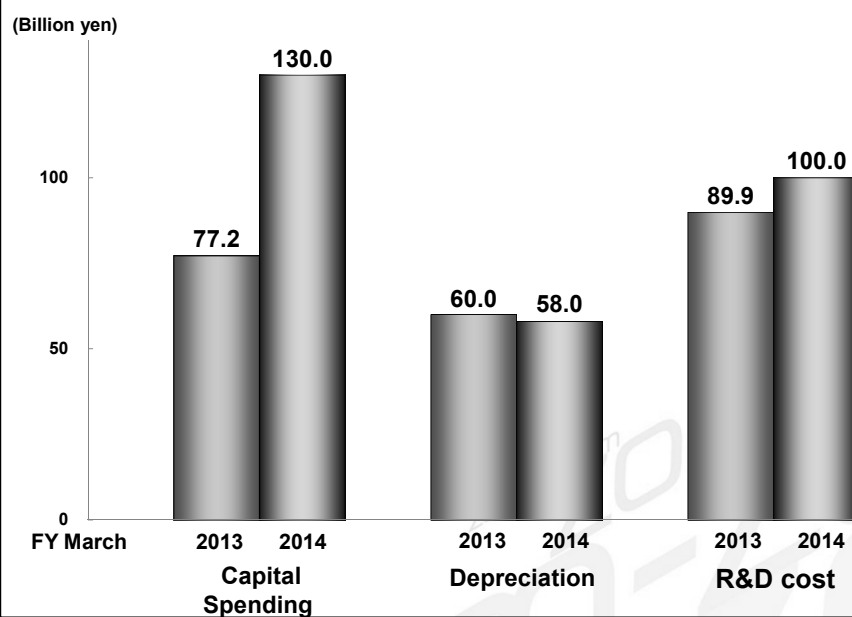
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## GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(000)	FY March 2014			Change from Prior Year		
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year
<b>Global Sales Volume</b>						
Japan	106	114	220	(4)	8	4
North America	204	211	415	22	21	43
Europe	93	107	200	8	20	28
China	82	118	200	(8)	33	25
Other Markets	142	158	300	(4)	4	0
<b>Total</b>	<b>627</b>	<b>708</b>	<b>1,335</b>	<b>14</b>	<b>86</b>	<b>100</b>
<b>Consolidated Wholesales</b>						
Japan	109	119	228	(6)	8	2
North America	174	222	396	(1)	27	26
Europe	79	112	191	11	22	33
China	7	7	14	5	5	10
Other Markets	141	150	291	(1)	(3)	(4)
<b>Total</b>	<b>510</b>	<b>610</b>	<b>1,120</b>	<b>8</b>	<b>59</b>	<b>67</b>

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## KEY DATA



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## **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.**

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