



## **FISCAL YEAR ENDING MARCH 2012 THIRD QUARTER FINANCIAL RESULTS**



New Mazda CX-5

**Mazda Motor Corporation**  
**February 2, 2012**

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### **PRESENTATION OUTLINE**

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- **Highlights**
- **Fiscal Year Ending March 2012**
  - **First Nine Months Results**
  - **Full Year Forecast**
- **Structural Reform Plan to Reinforce the Framework for Medium- and Long-term Initiatives**
- **In Summary**

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## HIGHLIGHTS

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### FIRST NINE MONTHS HIGHLIGHTS

- **First nine months results**
  - Operating loss was ¥54.3 billion, due to historical yen's appreciation, the Earthquake impact, crisis in Europe and the flood in Thailand.  
Net loss was ¥112.8 billion due to the provision of valuation allowance for our deferred tax assets
  - Global sales volume was 891,000 units
- In the third quarter, global sales volume was 287,000 units, achieving year-on-year sales growth in major markets such as Japan, US and Australia.  
We achieved record sales or share in Mexico, Australia, Thailand, Indonesia, Malaysia, and Chile, and we maintained good sales in other ASEAN markets
- Following the new Demio powered by SKYACTIV-G, we launched the new Mazda3 in major markets such as Japan, US and Australia.  
SKYACTIV is globally well received and these models have received press and industry accolades. The technology has already won 24 awards globally

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## **FULL YEAR FORECAST HIGHLIGHTS**

- Full year operating loss is projected at ¥40.0 billion and net loss at ¥100.0 billion
- Bottoming out in the third quarter and expect to achieve positive results in all profit categories in the fourth quarter
- Global sales projection is 1.25 million units
- As a first model to fully adopt SKYACTIV TECHNOLOGY, the new CX-5 will be launched globally
- Continue to strengthen the sales efforts and build on momentum generated by launch of SKYACTIV products

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## **FISCAL YEAR ENDING MARCH 2012 FIRST NINE MONTHS RESULTS**

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## FY ENDING MARCH 2012 FINANCIAL METRICS

(Billion yen)	Nine Months Total		Change	
	FY March 2012	FY March 2011	Amount	YOY(%)
Revenue	1,418.3	1,717.9	(299.6)	(17)
Operating profit	(54.3)	13.2	(67.5)	-
Ordinary profit	(58.1)	23.1	(81.2)	-
Profit before tax	(66.5)	18.7	(85.2)	-
Net income	(112.8)	2.8	(115.6)	-
Operating ROS	(3.8) %	0.8 %	(4.6) pts	-

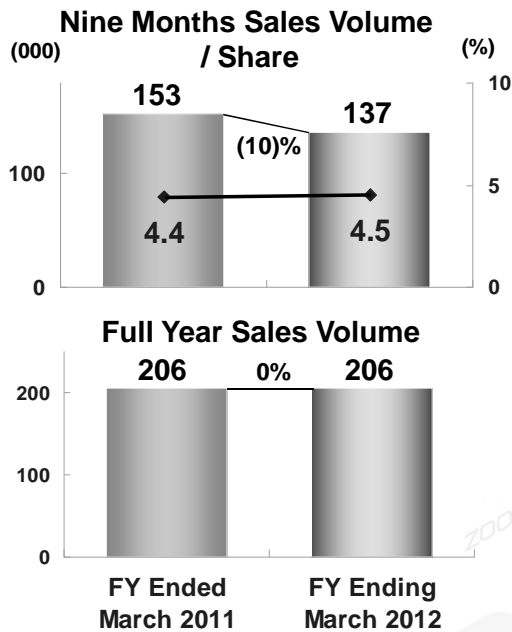
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## KEY DATA

	Nine Months Total		Change	
	FY March 2012	FY March 2011	Volume	YOY(%)
Global sales volume (000)				
Japan	137	153	(16)	(10)
North America	266	257	9	4
USA	186	174	12	7
Europe	129	155	(26)	(17)
China	165	186	(21)	(11)
Other Markets	194	206	(12)	(6)
Total	891	957	(66)	(7)
Exchange rate				
US\$ / Yen	79	87	(8)	
€ / Yen	111	113	(2)	

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## JAPAN

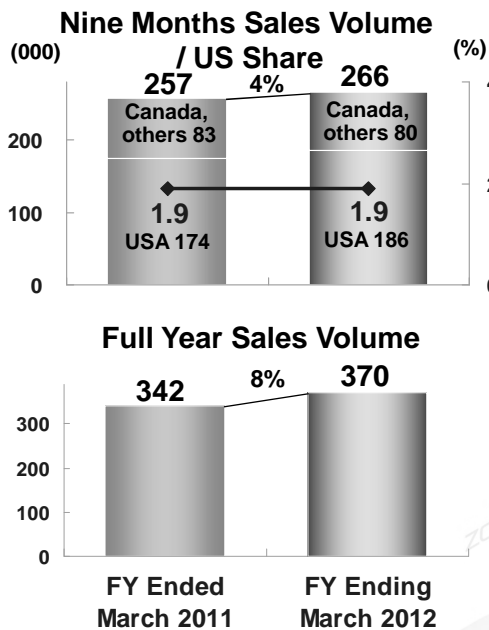


New Mazda Demio 13-SKYACTIV

- For nine months total, sold 137,000 units. Share was up 0.1 point to 4.5% despite lower industry demand
- For three months, posted a year-over-year increase of 51% to 42,000 units led by sales of new Demio and new Axela with the SKYACTIV TECHNOLOGY
- SKYACTIV TECHNOLOGY gained high acclaim, including winning awards such as 2012 RJC Technology of the Year for 'SKYACTIV-G 1.3' installed in new Mazda Demio

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## NORTH AMERICA

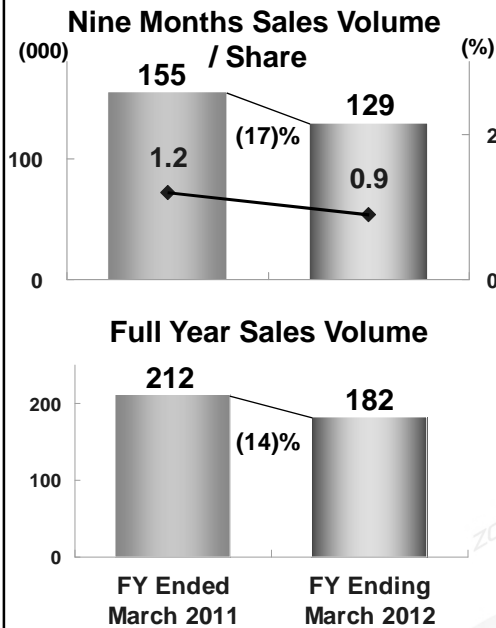


New Mazda3

- Achieved 266,000 units, up 4% year-over-year for nine months total, thanks to brisk sales of CX-7, CX-9, and incremental sales of Mazda2
- Started sales of new Mazda3 with SKYACTIV TECHNOLOGY in the third quarter
- Won the ALG's Residual Value Award in the US three years in a row (Mazda3 in 2010, CX-9 in 2011, Mazdaspeed3 in 2012)
- Continued to do well in Mexico, attaining record sales volume and share for the FY nine months as well as CY2011 total

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## EUROPE

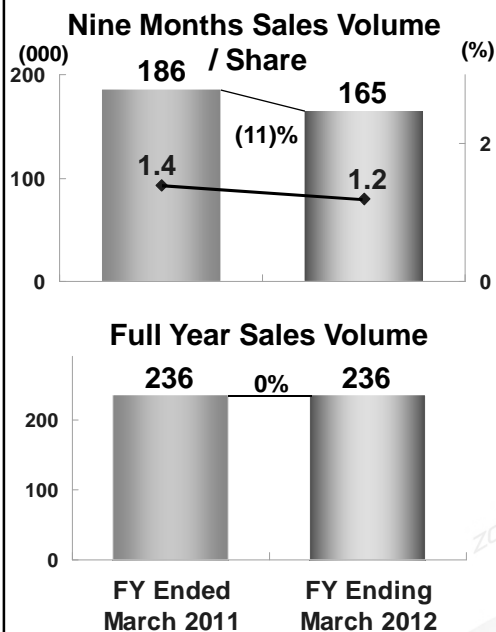


Mazda CX-7

- Nine months total sales were 129,000 units, with 0.9% share, due to the impact of economic crisis and increasing competition in major countries
- Sold 31,000 units in Russia, up 11,000 units year-over-year, thanks to the recovery of demand as well as sales growth of Mazda3, Mazda6, and CX-7. Share was up 0.2 points to 1.4%
- Started restructuring the dealer network in Germany, one of our key markets, to increase efficiency

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## CHINA

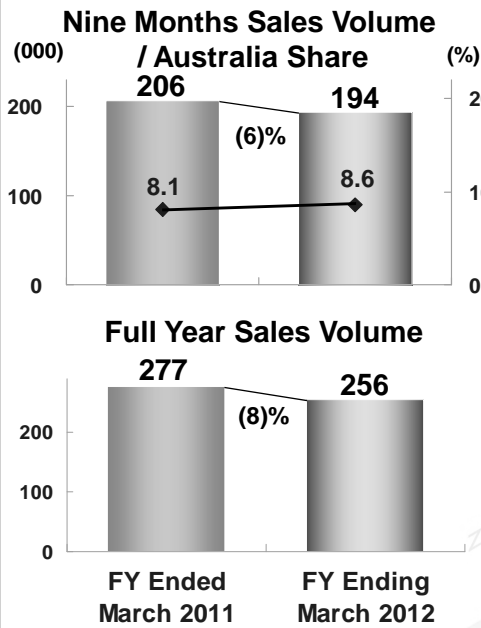


New Mazda3 Xingcheng

- Sold 165,000 units for nine months total due to the impact of increasing competition and lower demand of small-sized vehicles. Share was 1.2%
- Expanded product lineup by adding the new Mazda3 5 door hatch back to sedan
- Number of dealer outlets increased to 365 at end of December, up 53 versus end of the last fiscal year

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## OTHER MARKETS

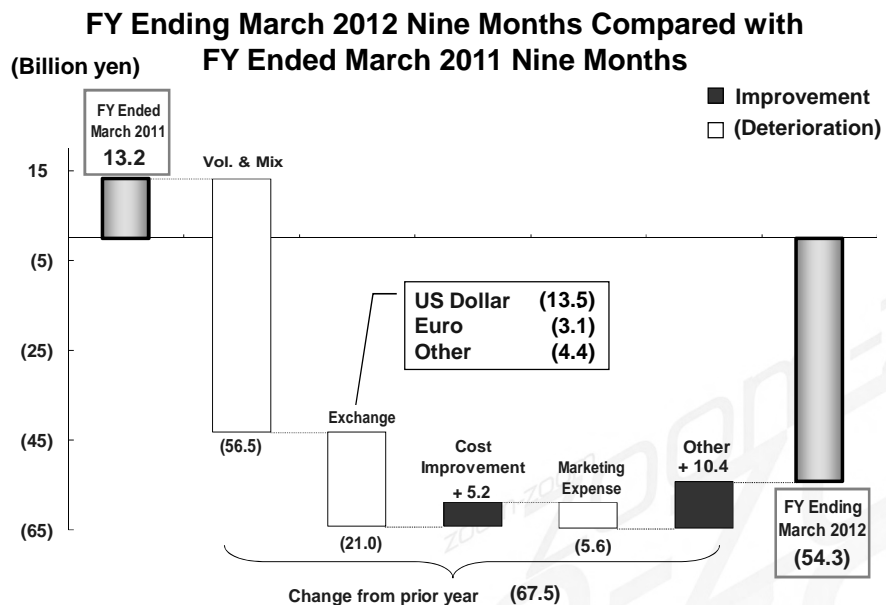


New BT-50

- Nine months total volume was 194,000 units, due to the impact of flood in Thailand and export volume declines because of yen's appreciation
- Achieved the record high volumes and/or share for the FY nine months as well as total CY2011 in Australia, Thailand, Indonesia, Malaysia and Chile
- Mazda3 became the top selling model amongst all carlines in Australia in CY2011
- Launched New BT-50 in Australia in October

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## OPERATING PROFIT CHANGE



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## BREAKDOWN OF NON-OPERATING AND EXTRAORDINARY PROFIT/LOSS

(Billion yen)	FY March 2012 Nine Months Total	
Operating profit	(54.3)	
Non-operating profit/(expense)	(3.8)	<b>Main items</b> <b>Exchange loss</b> (5.7) (including devaluation of receivables in foreign currencies) <b>Equity method profit</b> 8.1 <b>Interest paid and received</b> (6.9)
Ordinary profit	(58.1)	
Extraordinary profit/(loss)	(8.4)	<b>Main item</b> <b>Loss on disaster</b> (3.7)
Profit before tax	(66.5)	
Corporate tax	(46.3)	<b>Main items</b> <b>Valuation allowance for DTA</b> (36.0)
Net income	(112.8)	

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## FISCAL YEAR ENDING MARCH 2012 FULL YEAR FORECAST

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## FY ENDING MARCH 2012 FINANCIAL METRICS

(Billion yen)	FY Ending March 2012				Full Year Change from	
	1H	3Q	4Q	Full Year	Prior year	Nov. FCST
Revenue	959.2	459.1	631.7	2,050.0	(275.7)	(110.0)
Operating profit	(21.6)	(32.7)	14.3	(40.0)	(63.8)	(40.0)
Ordinary profit	(30.6)	(27.5)	15.1	(43.0)	(79.9)	(41.0)
Profit before tax	(36.7)	(29.8)	14.5	(52.0)	(68.1)	(44.0)
Net income	(39.9)	(72.9)	12.8	(100.0)	(40.0)	(81.0)
Operating ROS	(2.3) %	(7.1) %	2.3 %	(2.0) %	(3.0) pts	(2.0) pts

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## KEY DATA

	FY Ending March 2012				Full Year Change from	
	1H	3Q	4Q	Full Year	Prior year	Nov. FCST
<b>Global sales volume (000)</b>						
Japan	95	42	69	206	0	(3)
North America	182	84	104	370	28	(6)
Europe	91	38	53	182	(30)	(22)
China	107	58	71	236	0	(24)
Other Markets	129	65	62	256	(21)	(5)
Total	604	287	359	1,250	(23)	(60)
<b>Consolidated wholesales (000)</b>						
Japan	109	46	70	225	19	(7)
North America	152	92	118	362	(5)	(4)
Europe	74	37	62	173	(35)	(24)
China	8	1	1	10	(10)	(3)
Other Markets	127	55	68	250	(49) *	(2)
Total	470	231	319	1,020	(80)	(40)

\* Consolidated wholesales volume for FY ended March 2011 includes the 16,000 units impact of 15 month results at overseas subsidiaries which changed their fiscal year periods.

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## **FOURTH QUARTER INITIATIVES BY REGION (1)**

### **→ Japan**

- Enhance sales initiatives mainly with eco-car such as the new Demio and the new Axela equipped with SKYACTIV TECHNOLOGY
- Launch the new CX-5 and increase dealer traffic by focusing on carlines with SKYACTIV TECHNOLOGY

### **→ North America**

- Improve awareness of the new Mazda3 with SKYACTIV TECHNOLOGY to expand sales
- Introduce the new CX-5 crossover SUV, together with further increased sales of strong performing CX-7 and CX-9

### **→ Europe**

- Expand sales by launching special version models and implementing region-oriented initiatives focused on the best selling models
- Conduct launch campaigns for the new CX-5, the very first SKYACTIV TECHNOLOGY equipped model in Europe
- Introduce the new CX-5 in Russia, where market growth is expected, ahead of other European countries

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## **FOURTH QUARTER INITIATIVES BY REGION (2)**

### **→ China**

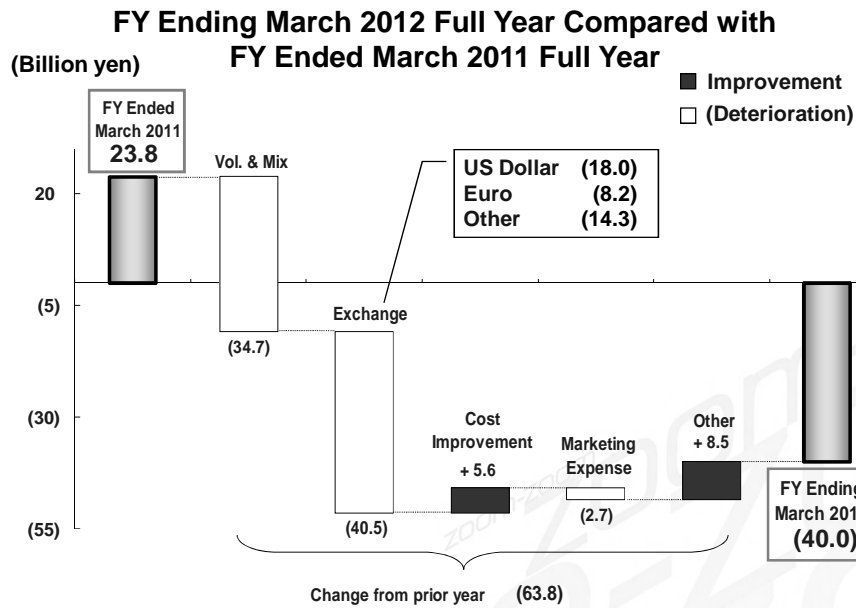
- Further increase volume by the new Mazda3 sedan and the new Mazda3 hatchback launched in last year
- Conduct product enhancement and strengthen the sales initiatives for Mazda6 to increase sales
- Further expand sales network (plan to increase to 387 outlets by the end of this fiscal year)

### **→ Other markets**

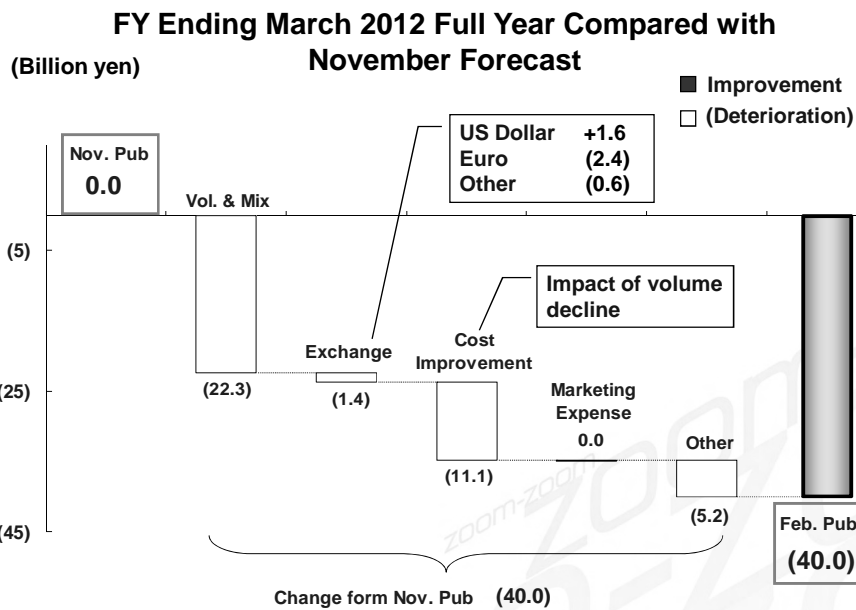
- In Australia where sales are strong, expand sales further by leveraging introduction of the new BT-50 and new CX-5
- Increase volume in ASEAN region by fully utilizing AAT production recovery and KD production in Malaysia and Vietnam
- Start to prepare for introduction of the new CX-5 across all markets

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## OPERATING PROFIT CHANGE



## OPERATING PROFIT CHANGE





## STRUCTURAL REFORM PLAN TO REINFORCE THE FRAMEWORK FOR MEDIUM- AND LONG-TERM INITIATIVES

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### BACKGROUND AND STRUCTURAL REFORM PLAN

#### Background/Environment

- Historical appreciation of yen that has persisted for a long time
- Deterioration of external environment including unstable economy in major countries due to financial crisis in Europe, the Great East Japan Earthquake, and the flood in Thailand
- Change in global automotive industry demand

#### Mazda Response Plan

- ✦ SKYACTIV TECHNOLOGY, which is a game changer, has been launched successfully, and sales in major markets are increasing
- ✦ Using SKYACTIV TECHNOLOGY as the product base, implement structural reform to reinforce the Framework for Medium- and Long-term Initiatives and to address the rapid environmental changes
  - (1) Business innovation by SKYACTIV TECHNOLOGY
  - (2) Accelerate further cost improvement through Monotsukuri Innovation
  - (3) Reinforce business in emerging countries and establish global production footprints
  - (4) Promote global alliances



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## MEDIUM- AND LONG-TERM OUTLOOK

➤ FY March 2013 - Achieve profitability at all profit levels

➤ Revision of Medium- and Long-term Outlook  
(FY March 2016)

Prior

New

Operating profit ¥170 billion -> ¥150 billion

ROS 5% or more -> 6% or more

Global sales 1.7 million units -> 1.7 million units

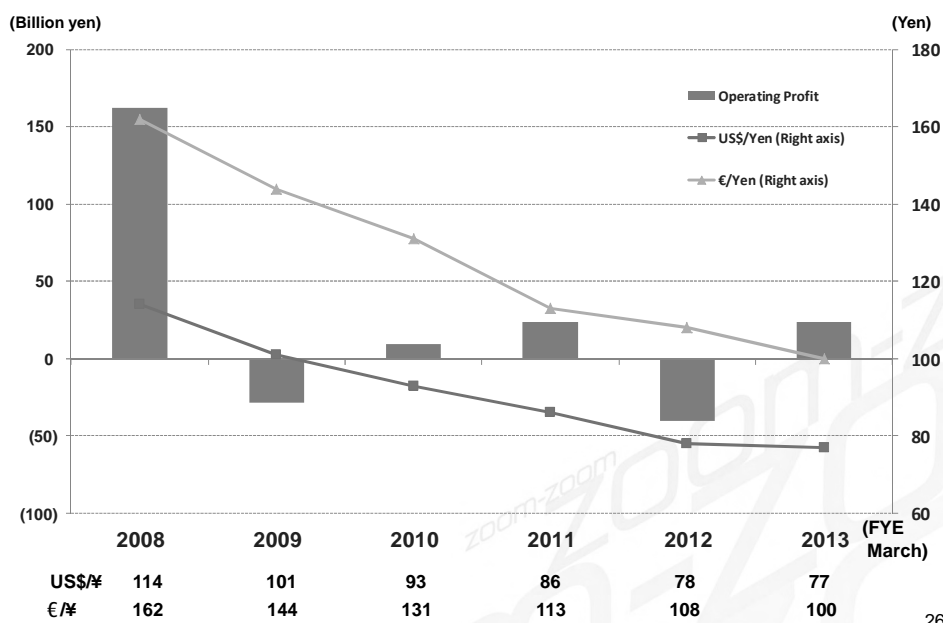
\* Exchange Rate Assumptions

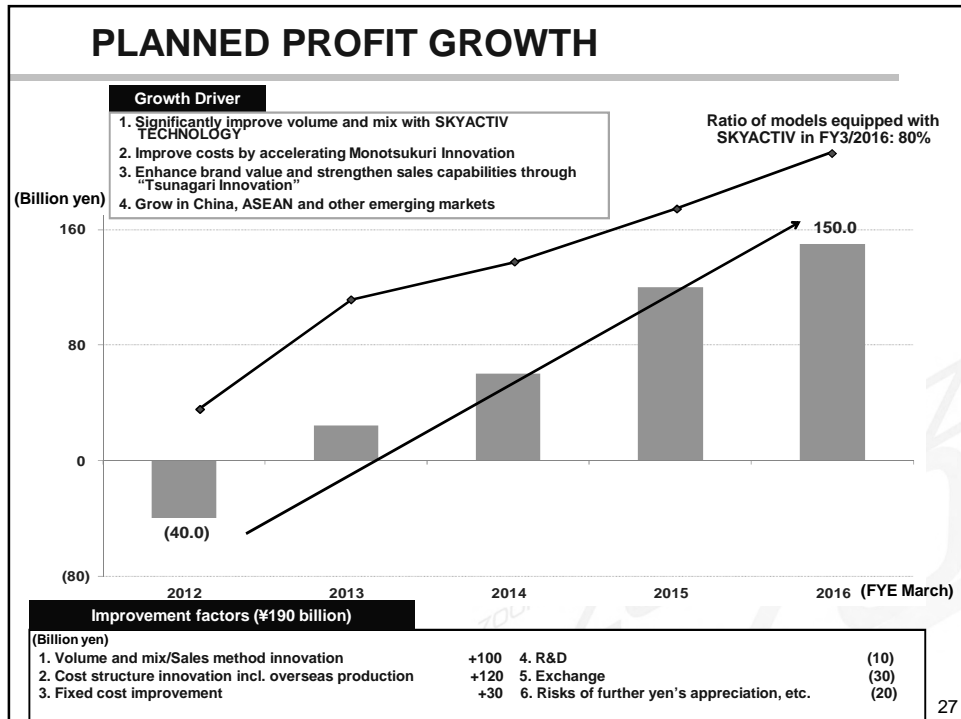
US Dollar: ¥90 -> ¥77

Euro: ¥125 -> ¥100

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## HISTORICAL PROFIT TREND DUE TO CHANGING EXTERNAL ENVIRONMENT AND BUSINESS STRUCTURE





## - 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 global production footprints
- (4) Promote global alliances

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## (1) TECHNICAL ADVANTAGE OF SKYACTIV

- ➔ Provide a wide range of customers with environmentally-friendly vehicles which realize evolution of Zoom-Zoom driving performance

### SKYACTIV (to 2015)

#### Fuel Economy Improvement by Engine (10-15 mode)

New-generation gasoline engine	SKYACTIV-G	+ 15%
New-generation diesel engine	SKYACTIV-D	+ 20%

#### Fuel Economy Improvement by Transmission

New-generation automatic transmission	SKYACTIV-DRIVE	+ 4 - 7%
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#### Fuel Economy Improvement by Weight Reduction

Reduce weight by 100 kg or more from prior model	+ 3 - 5%
Other	+ α%

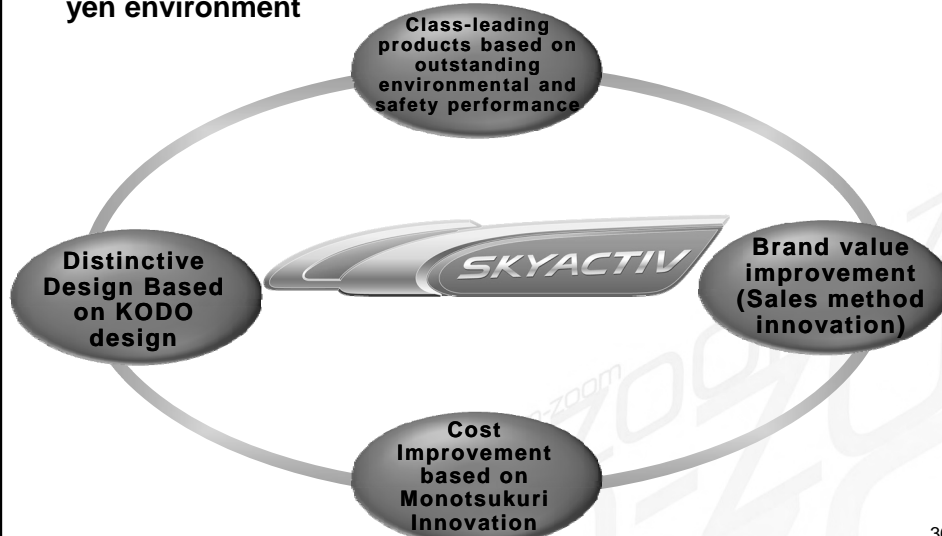
Total + 20 - 30%

Realize "Zoom-Zoom" driving performance and outstanding environmental performance at high levels

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## (1) BUSINESS INNOVATION BY SKYACTIV

- ➔ Drive structural reform by achieving product competitiveness, brand, design and cost structure which can cope with strong yen environment



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## (1) FURTHER IMPROVEMENT OF BRAND VALUE BY SKYACTIV

- High acclaim in major market immediately after SKYACTIV introductions

### Evaluations in major markets

- Brand value and residual value improved in major markets

USA	ALG Residual Value Award: Mazda3 (2010 MY) CX-9 (2011 MY) Mazda3 MPS (2012 MY) J.D.P IQS: Brand 5 <sup>th</sup> place (18 <sup>th</sup> last year) J.D.P APEAL: Mazda2 2 <sup>nd</sup> place
	J.D.P VOSS (Germany): Mazda2 1 <sup>st</sup> Place Mazda3 1 <sup>st</sup> Place (2 years in a row)
	J.D.P IQS: Mazda6 1 <sup>st</sup> Place (2 years in a row)
Europe	
China	
J.D.P:	J.D. Power and Associates
IQS:	Initial Quality Study
APEAL:	Automotive Performance, Execution and Layout
VOSS:	Vehicle Ownership Satisfaction Study
ALG:	Automotive Lease Guide Inc.

### Market evaluation on SKYACTIV

- Won 24 awards<sup>1</sup> globally

Japan	Demio 13-SKYACTIV 2011- 2012 JAHFA Car Technology of The Year  SKYACTIV RJC Technology of The Year  Total 15 awards
	SKYACTIV-G Ward's 10 Best Engines WARDS AUTO Total 5 awards
	SKYACTIV Fleet World Honours 2011 -the Innovation Award Total 4 awards
N. America	
Europe	

Source: Homepage of each award  
<sup>1</sup> As of January, 2012

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## (1) LAUNCH OF SKYACTIV

- As a first model to fully adopt SKYACTIV TECHNOLOGY, the new CX-5 will be launched globally

### CX-5 fully adopts SKYACTIV TECHNOLOGY



- New Design Theme “KODO - Soul of Motion”
- Fuel economy of 18.6km/L (JC08 mode) of the model powered by new-generation highly-efficient diesel engine is the top among all SUV models.  
In US, 26/35 (city/highway) mpg (SKYACTIV-G FWD MT model)
- Launch schedule (Japan)
  - Feb. 16 (Thu.) CX-5 Announcement event
- Global sales target: 160,000 units
  - Expect to achieve 4% share of 4 million units market globally

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## (1) MAZDA TAKERI

New-generation Sedan Concept TAKERI



- Mazda's new-generation large sedan
- Drastically improve driving and environmental performance by new-generation clean diesel engine SKYACTIV-D and i-ELOOP, Mazda's unique regenerative braking system

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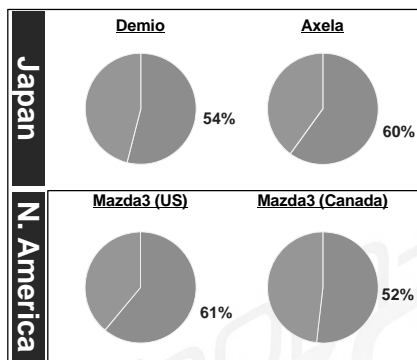
## (1) SALES METHOD INNOVATION BY SKYACTIV

- Realize sales at the price without discount utilizing high brand value

"Sales method innovation" – a new marketing strategy with starts with SKYACTIV products

- |                                    |   |
|------------------------------------|---|
| <b>1.<br/>Test Drive</b>           | <ul style="list-style-type: none"> <li>The maker globally promotes test-drive events in major regions</li> <li>Inspire customers globally by superb SKYACTIV experience</li> </ul>                  |
| <b>2.<br/>Advertise-ment</b>       | <ul style="list-style-type: none"> <li>Utilizing digital media and social media, promote transmission and expansion of information</li> </ul>   |
| <b>(3)<br/>Inside-out strategy</b> | <ul style="list-style-type: none"> <li>Distributor and dealer members will perform as influencers after they gain confidence through test-drive and training</li> </ul>                             |
| <b>(4)<br/>Pricing strategy</b>    | <ul style="list-style-type: none"> <li>Reduce the gap between catalog price and transaction price by selling at price without discounting</li> <li>Maintain residual value at high level</li> </ul> |
| <b>(5)<br/>Grade/Spec strategy</b> | <ul style="list-style-type: none"> <li>Simple grade structure</li> <li>Strategic selection of specification to distinguish the brand</li> </ul>   |

### Mix of SKYACTIV models



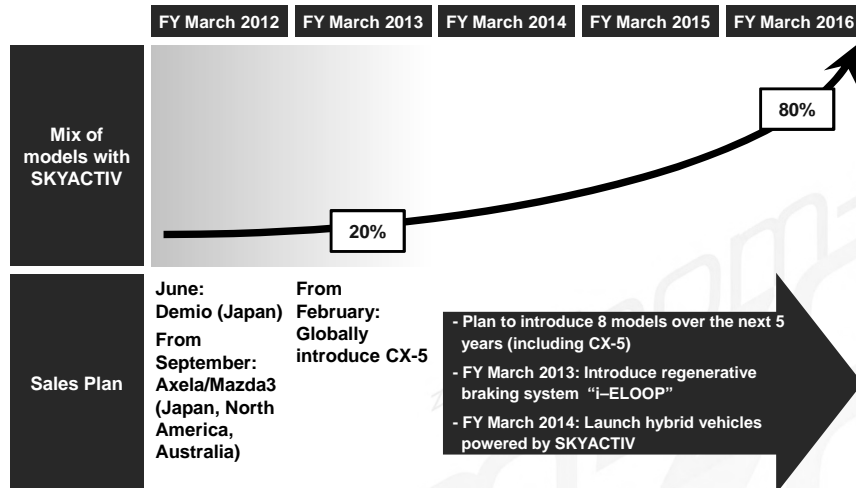
- SKYACTIV TECHNOLOGY received great response from customers, dealers and media
- Expect to achieve profitability improvement at Mazda and dealers by realizing sales without discounting

Note: Japan: Total from launch for Demio and Axela. (flash)  
N. America: 2012MY on a single month basis of January. (flash)

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## (1) SKYACTIV SALES STRATEGY

- ➔ Globally launch models equipped with SKYACTIV TECHNOLOGY building on initial great feedback



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## (2) COST IMPROVEMENT THROUGH MONOTSUKURI INNOVATION

- ➔ Project to achieve original targets, and aim at improving vehicle costs by 30%
- ➔ The CX-5 can generate profits even at exchange rates of ¥77/US dollar and ¥100/Euro and its variable profit is ¥150,000 better than that of CX-7

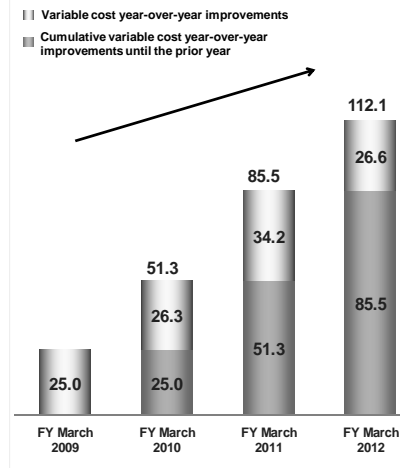
		Performance	Improve Cost / Efficiency
<b>R&amp;D Efficiency</b>			30% or more
<b>Investment in Production Facilities</b>	SKYACTIV-G		60% or more
	Vehicle		20% or more
<b>Cost Improvement</b>	Vehicle (excl. additional equipment)	100kg or more weight reduction (equivalent to 5% fuel economy improvement)	20% or more -> 30% (Target)
	SKYACTIV-D	20% better fuel economy / Euro6 compliance	Better than current engine
	SKYACTIV-G	15% better fuel economy and torque. Possible to comply with Euro6	Better than current direct-injection engine
	SKYACTIV-DRIVE	4-7% better fuel economy Direct feeling improvement	Same as current transmission

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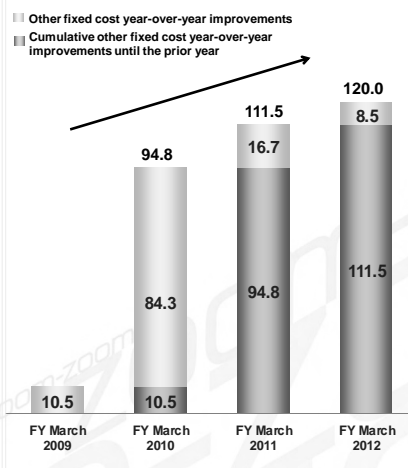
## (2) COST IMPROVEMENT THROUGH MONOTSUKURI INNOVATION - TREND OF COST IMPROVEMENT

- ➔ Project to achieve cost improvement of approximately ¥230 billion in total over the 4 years from FY March 2009

**Trend of Improvement in Variable Cost  
(Billion yen)**



**Trend of Improvement in Other Fixed Cost  
(Billion yen)**



Note: Improvements excluding impact of material price hikes

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## (2) ADDITIONAL INITIATIVES TO COUNTERACT STRONG YEN

- ➔ In addition to present cost improvements, promote changes in cost structure in which we can make profits even in a strong-yen environment

### Additional Initiatives

#### Improvement in variable cost

- ➔ Reinforce Monotsukuri Innovation to further improve cost
  - Vehicle cost improvement target raised from 20% to 30%
- ➔ Promote procurement strategy for cost structure resistant to exchange rate fluctuations
  - Raise overseas sourcing ratio at domestic plants and transactions in foreign currencies from the current 20% to 25% in 2013 and 30% or more in 2014
  - Increase local sourcing ratio at overseas production sites

#### Improvement in other fixed cost

- ➔ Reform fixed cost structure
  - Improve efficiency of indirect departments at Mazda HQ by 10% (Administration staff by 30%)
  - Raise ability of overseas sales and manufacturing by shifting indirect employees to overseas and front line
  - Second Career Development Support System
  - Reduce recruitment (from FY March 2013)
- ➔ Improve efficiency of global sales network

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### (3) ACHIEVEMENT AND FUTURE INITIATIVES IN BUSINESS IN EMERGING MARKETS

#### ➤ Reinforce business in emerging markets through further initiatives

	Achievement	Future Initiatives
China	<ul style="list-style-type: none"> <li>➤ Increase sales volume through expansion of sales network <ul style="list-style-type: none"> <li>• Sales volume (FY 3/2008) -&gt; (FY 3/2012) 101,000 units -&gt; 236,000 units(plan)</li> <li>• Sales outlets (End 2007) -&gt; (End 2011) 156 outlets -&gt; 365 outlets</li> </ul> </li> <li>➤ Mazda6 received 1st place awards in the J.D. Power Asia Pacific China Initial Quality Study (IQS) for the second consecutive year</li> <li>➤ Nanjing Plant capacity increase (160,000 units -&gt; 240,000 units)</li> <li>➤ Local production model (2007) -&gt; (Now) 3 models -&gt; 6 models</li> </ul>	<ul style="list-style-type: none"> <li>➤ Establish consistent production and sales framework (Change our equity in CFMA)</li> <li>➤ Start local production of SKYACTIV</li> <li>➤ Expand sales network for 400,000-unit sales structure (Accelerate to open outlets in in-land areas and open areas in coastal regions) Increase outlets (End 2011) -&gt; (End 2015) 365 -&gt; 600</li> <li>➤ Expand product line-up Local production models 6 -&gt; 10 models</li> </ul>
Russia	<ul style="list-style-type: none"> <li>➤ Steady recovery from substantial volume decline after the Lehman Shock</li> <li>➤ FY March 2011: 29,000 units sales <ul style="list-style-type: none"> <li>• Up approx. 29% from prior year</li> </ul> </li> <li>➤ In addition to industry volume recovery, sales of Mazd3 and CX-7 are strong as a result of product enhancements</li> </ul>	<ul style="list-style-type: none"> <li>➤ Establish local production footprints <ul style="list-style-type: none"> <li>• Talks are underway to establish joint production facilities with Sollers (2 local production models)</li> <li>• Sales volume: 50,000 units or more (to be achieved by FY March 2016)</li> </ul> </li> </ul>

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### (3) ACHIEVEMENT AND FUTURE INITIATIVES IN BUSINESS IN EMERGING MARKETS

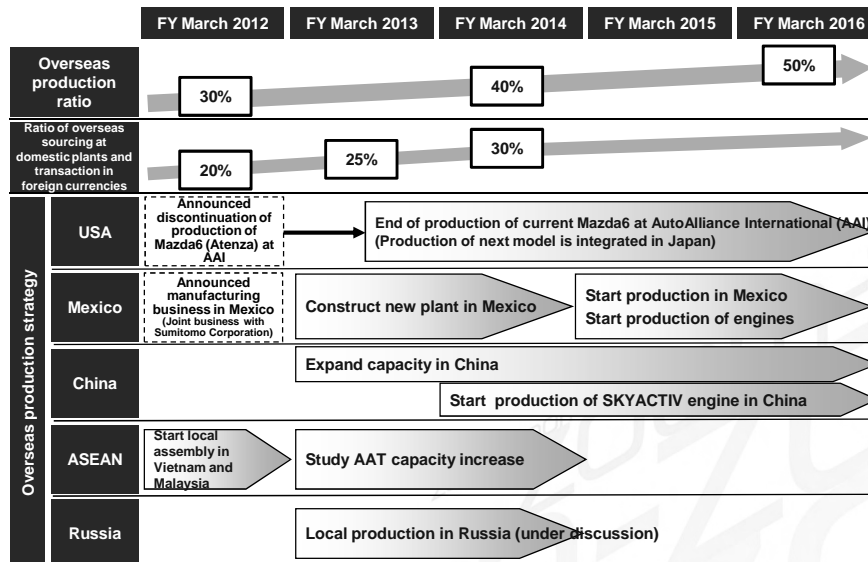
#### ➤ Reinforce business in emerging markets through further initiatives

	Achievement	Future Initiatives
ASEAN	<ul style="list-style-type: none"> <li>➤ Utilize AutoAlliance (Thailand) (AAT) and reinforce sales network in ASEAN <ul style="list-style-type: none"> <li>• Thailand: Started local assembly of Mazda2 and Mazda3 at AAT. Achieved record high volume and share in CY2011</li> <li>• Malaysia: Started local assembly of Mazda3</li> <li>• Vietnam: Started production of Mazda2 (Oct. 2011)</li> <li>• Indonesia: Achieved record high volume and share in CY2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Thailand: Studying capacity expansion at AAT</li> <li>➤ ASEAN Region <ul style="list-style-type: none"> <li>• Local production model (FY 3/2012) -&gt; (FY3/2016) 3 -&gt; 6 models</li> <li>• Sales volume (FY3/2011) -&gt; (FY3/2016) 55,000 units -&gt; 150,000 units</li> <li>• Share (CY2011) -&gt; (CY2015) 2.4% -&gt; 4.7%</li> <li>• Number of outlets (CY2011) -&gt; (CY2015) 236 -&gt; 330 outlets</li> </ul> </li> </ul>
Central and South America	<ul style="list-style-type: none"> <li>➤ Mexico: <ul style="list-style-type: none"> <li>• With introductions of Mazda3 (in 2009) and Mazda2, and strong sales of CX-7 (in 2011), share in CY2010 was 3.1% and in CY2011 was 3.3% (record high)</li> </ul> </li> <li>➤ Other Central and South America: <ul style="list-style-type: none"> <li>• Achieved record sales in Chile in CY2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Construct vehicle and engine assembly plants in Mexico (Operation starts in FY March 2014)</li> <li>• Strengthen sales performance in North America and Central and South America by utilizing FTA, etc. for vehicles to be produced in Mexico</li> <li>➤ Studying entry into Brazilian market</li> </ul>

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### (3) ESTABLISH GLOBAL PRODUCTION FOOTPRINTS

➔ Accelerate to establish production footprints highly resistant to exchange fluctuations



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### (3) REFORM PROFIT STRUCTURE IN BUSINESS IN NORTH AMERICA AND EUROPE

➔ Reform structures to be profitable in North America and Europe even in a strong-yen environment

➔ Turnaround by launching SKYACTIV products

#### Reconstruct business in North America

1. Effect of fixed cost reduction at AAI is about ¥15 billion by the transfer of Mazda6 production to Japan
2. Maximum use of new plant in Mexico
  - Transfer production of Mazda2 and Mazda3 for North American market from Japan to Mexico and ship to North America utilizing NAFTA

#### Reconstruct business in Europe

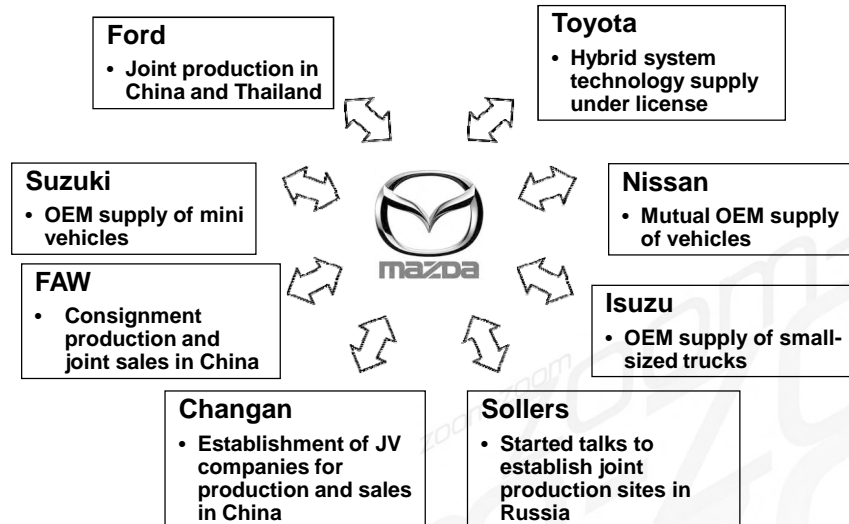
1. Significantly improve sales momentum by launching SKYACTIV products. Expect to improve volume and mix particularly by SKYACTIV-D
2. Focus on priority markets
3. Improve efficiency of sales network  
(For Example: Restructuring of sales network in Germany)
4. Volume expansion from KD production and wholesales in Russia
  - Reduce tariffs
  - Reduce inventory length by utilizing Siberian Railway

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#### (4) PROMOTION OF GLOBAL ALLIANCES

- Currently promoting individual business with various partners

##### Various Partners



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#### (4) PROMOTION OF GLOBAL ALLIANCES

- To reinforce Mazda Brand, strongly promote business and technology alliances

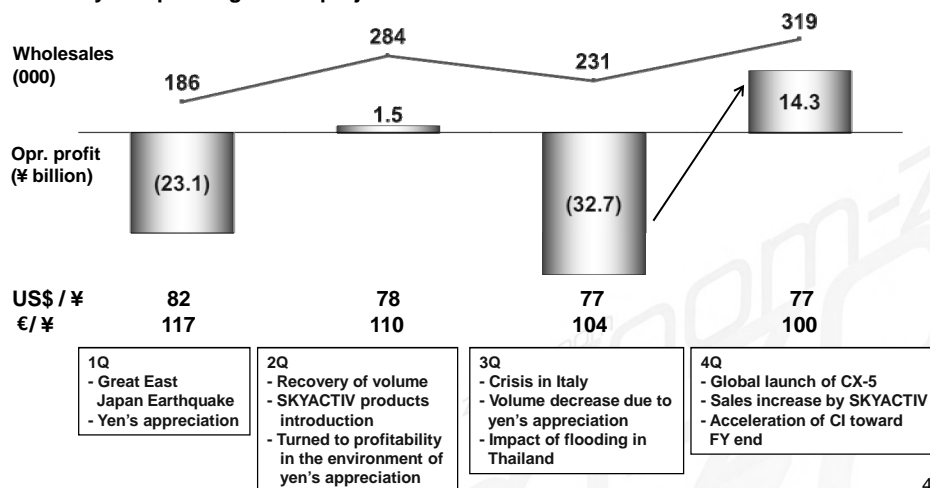
1. Actively pursue alliances for product, technology and production opportunities to increase portfolio, drive efficiencies and share expertise
2. Offer Mazda products and technologies including SKYACTIV powertrains to OEM's for mutual benefits

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## IN SUMMARY (1)

<FY Ending March 2012>

- ➔ Bottoming out in the third quarter and expect to generate positive results in all profit categories in the fourth quarter with contribution of mainly volume increase
- ➔ Full year operating loss is projected at ¥40.0 billion



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## IN SUMMARY (2)

- ➔ FY March 2013 - Achieve profitability at all profit levels through turnaround by SKYACTIV
- ➔ Medium- and long-term outlook (FY March 2016)
 

Operating profit	¥150 billion
ROS	6% or more
Global sales	1.7 million units
- ➔ 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 global production footprints
  - (4) Promote global alliances

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## APPENDIX

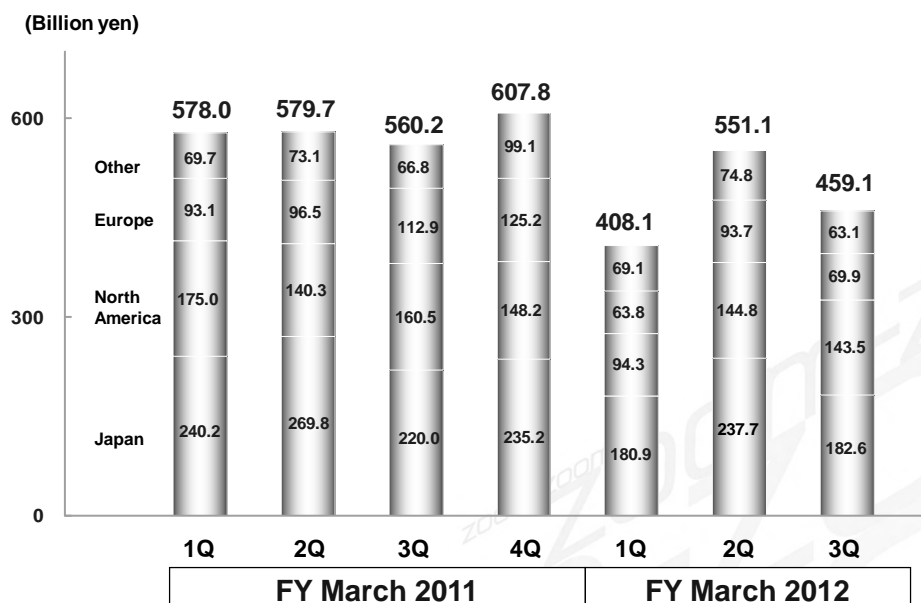
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## CASH FLOW AND NET DEBT

(Billion yen)	FY Ending March 2012 Nine Months	FY Ended March 2011 Full Year	Change from prior FY End
Free Cash Flow	(128.7)	1.6	-
Cash and Cash Equivalents	236.9	322.8	(85.9)
Net Debt	(501.5)	(370.2)	(131.3)
Net Debt-to-equity Ratio	155 %	86 %	69 pts
Equity Ratio	19 %	24 %	(5) pts

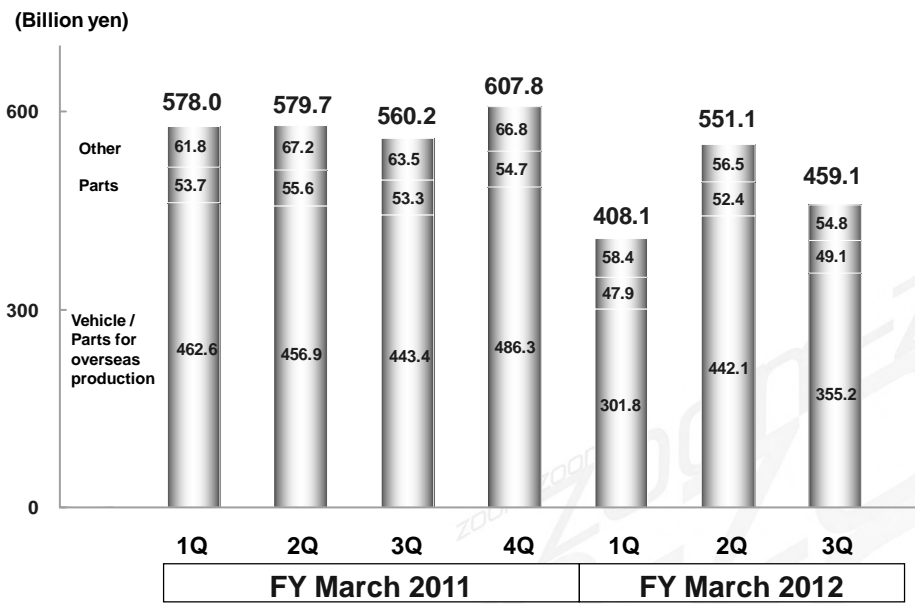
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## REVENUE BY GEOGRAPHIC AREA



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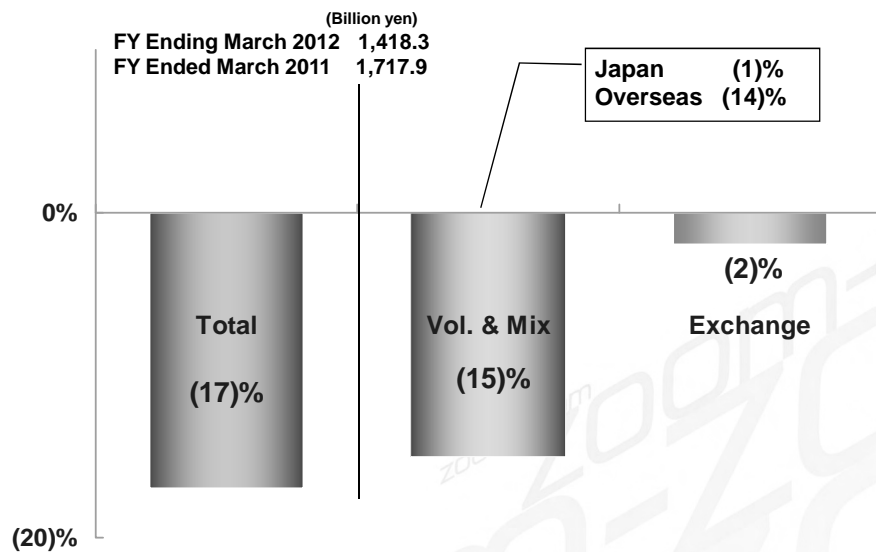
## REVENUE BY PRODUCT



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## REVENUE CHANGE

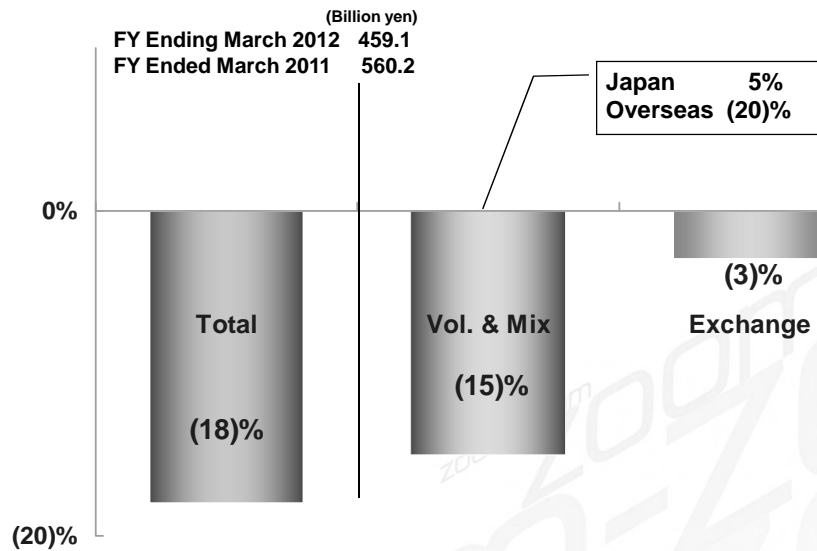
FY Ending March 2012 Nine Months Compared with  
FY Ended March 2011 Nine Months



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## REVENUE CHANGE

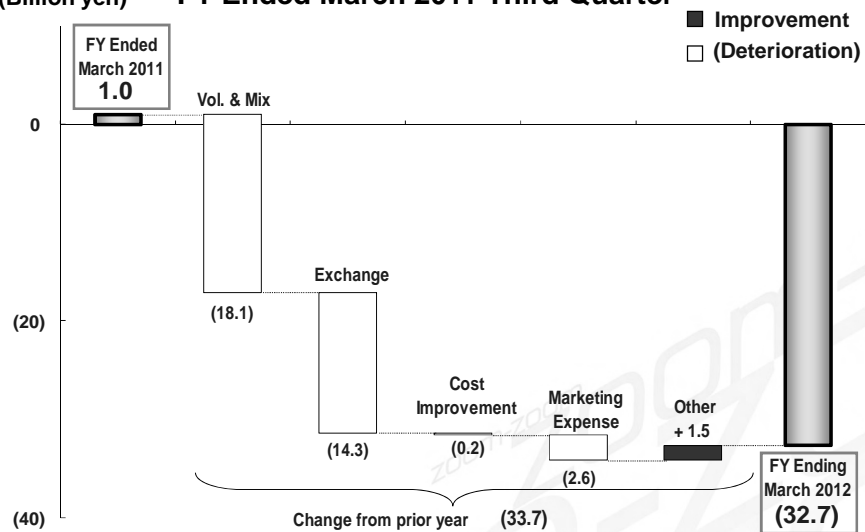
FY Ending March 2012 Third Quarter Compared with  
FY Ended March 2011 Third Quarter



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## OPERATING PROFIT CHANGE

FY Ending March 2012 Third Quarter Compared with  
(Billion yen) FY Ended March 2011 Third Quarter



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## KEY DATA

	FY Ending March 2012		Change from Prior Year	
	3Q	9 months	3Q	9 months
Global sales volume (000)				
Japan	42	137	14	(16)
North America	84	266	4	9
Europe	38	129	(9)	(26)
China	58	165	(16)	(21)
Other Markets	65	194	(4)	(12)
Total	287	891	(11)	(66)
Consolidated wholesales (000)				
Japan	46	155	16	0
North America	92	244	(5)	(34)
Europe	37	111	(19)	(35)
China	1	9	(3)	(7)
Other Markets	55	182	(18)	(33)
Total	231	701	(29)	(109)
Exchange Rate				
US\$ / Yen	77	79	(6)	(8)
€ / Yen	104	111	(8)	(2)

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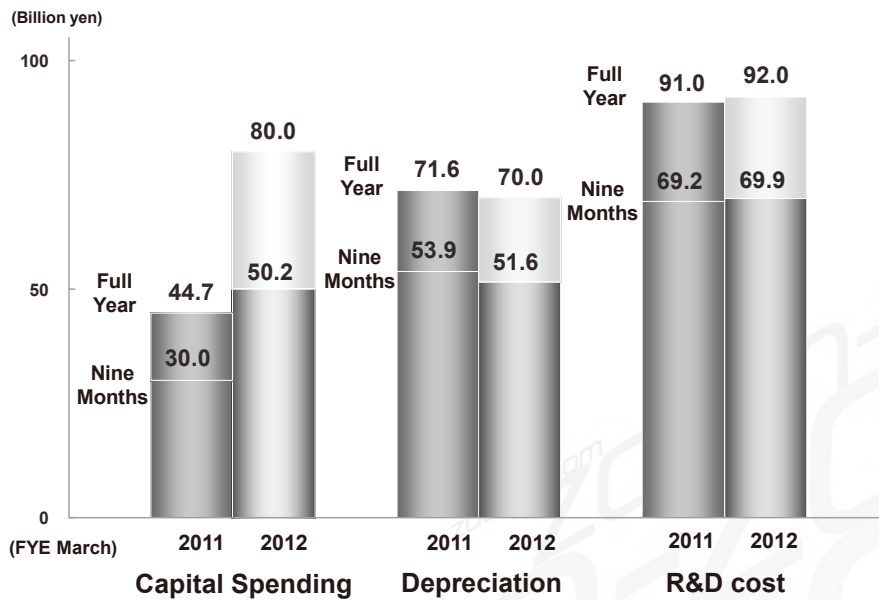
## KEY DATA

	FY Ending March 2012			Change from prior year			Change from Nov. Pub
	1H	2H	Full Year	1H	2H	Full Year	Full Year
Global sales volume (000)							
Japan	95	111	206	(30)	30	0	(3)
North America	182	188	370	5	23	28	(6)
Europe	91	91	182	(17)	(13)	(30)	(22)
China	107	129	236	(5)	5	0	(24)
Other Markets	129	127	256	(8)	(13)	(21)	(5)
Total	604	646	1,250	(55)	32	(23)	(60)
Consolidated wholesales (000)							
Japan	109	116	225	(16)	35	19	(7)
North America	152	210	362	(29)	24	(5)	(4)
Europe	74	99	173	(16)	(19)	(35)	(24)
China	8	2	10	(4)	(6)	(10)	(3)
Other Markets	127	123	250	(15)	(34)	(49) *	(2)
Total	470	550	1,020	(80)	0	(80)	(40)
Exchange Rate							
US\$ / Yen	80	77	78	(9)	(5)	(8)	0
€ / Yen	114	102	108	0	(10)	(5)	(2)

\* Consolidated wholesales volume for FY ended March 2011 includes the 16,000 units impact of 15 month results at overseas subsidiaries which changed their fiscal year periods.

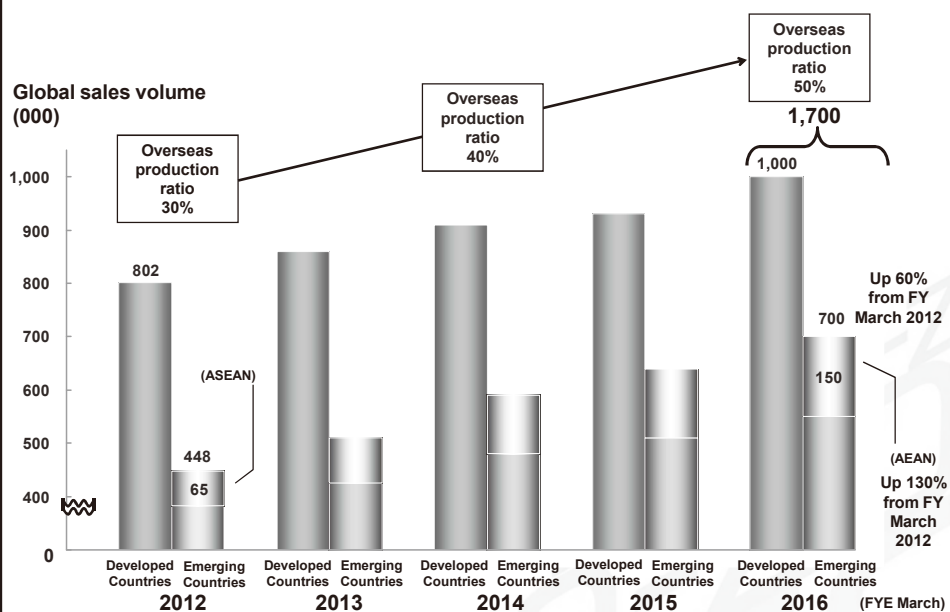
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## KEY DATA



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## VOLUME GROWTH



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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.**

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