



# **FISCAL YEAR MARCH 2014 FIRST QUARTER FINANCIAL RESULTS**



**New Mazda3 (North American Model)**

**Mazda Motor Corporation  
July 31, 2013**

# PRESENTATION OUTLINE

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- **Highlights**
- **Fiscal Year March 2014  
First Quarter Results**
- **Summary**





# HIGHLIGHTS

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- **Achieved revenue growth and a substantial profit increase in all profit categories through sales expansion of vehicles equipped with SKYACTIV**
- **Revenue was ¥615.9 billion. Operating profit was ¥36.5 billion. Net income was ¥5.5 billion**
- **Global sales volume was 301,000 units**
- **Sales momentum of CX-5 and new Mazda6/Atenza is expanding globally**
- **Introduce new Mazda3/Axela in major markets, starting with North America, in the second half of this fiscal year**
- **No change to the first half and full fiscal year forecasts**



# **FISCAL YEAR MARCH 2014 FIRST QUARTER RESULTS**

# FY MARCH 2014 FINANCIAL METRICS

(Billion yen)	First Quarter		Change	
	FY March 2014	FY March 2013	Amount	YOY(%)
Revenue	615.9	506.6	109.3	22
Operating profit	36.5	1.8	34.7	-
Ordinary profit	8.4	(8.9)	17.3	-
Profit before tax	8.2	(9.7)	17.9	-
Net income	5.5	(6.5)	12.0	-
Operating ROS	5.9 %	0.4 %	5.5 pts	
EPS (Yen/Share)	1.8	(2.2)	4.0	
Exchange rate				
US\$ / Yen	99	80	19	
€/ Yen	129	103	26	

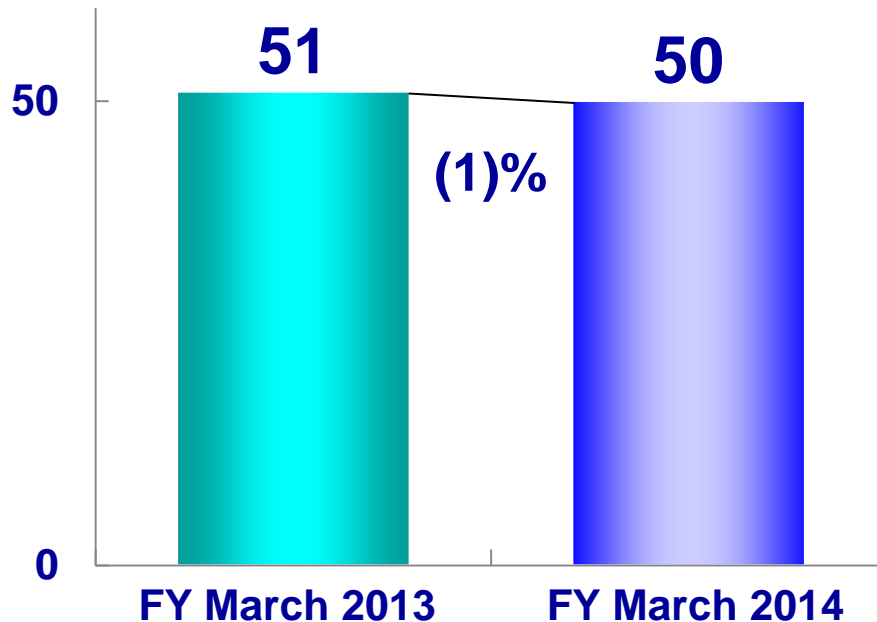
# GLOBAL SALES VOLUME

(000)	First Quarter		Change	
	FY March 2014	FY March 2013	Volume	YOY(%)
<b>Global sales volume</b>				
Japan	50	51	(1)	(1)
North America	95	90	5	6
Europe	46	44	2	4
China	37	46	(9)	(20)
Other Markets	73	69	4	5
<b>Total</b>	<b>301</b>	<b>300</b>	<b>1</b>	<b>0</b>
<b>&lt;Breakdown&gt;</b>				
USA	67	62	5	8
Australia	26	26	0	0
ASEAN	20	21	(1)	(5)

# JAPAN



(000) First Quarter Sales Volume



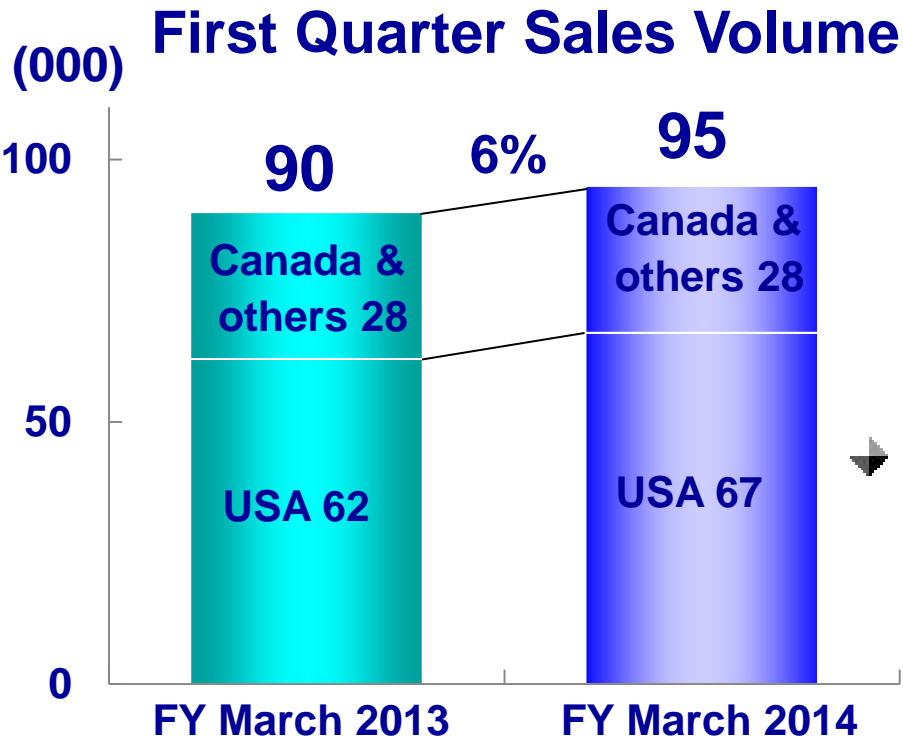
- Sales were 50,000 units, flat year over year despite the negative reaction of eco-car subsidy termination
- Share gained 0.3 points to 4.3% thanks to strong sales of SKYACTIV equipped models; CX-5, new Atenza, and minivans
- High acclaim for SKYACTIV-D continues. Sales mix of models equipped with diesel engine stays high, keeping the same level as during launch period



# NORTH AMERICA



- Sales were 95,000 units, up 6% year on year
- USA: 67,000 units, up 8% year on year
  - Continue to improve Brand Value by enhancing actions such as holding down fleet sales, etc.
  - CX-5 sales posted 68% increase year on year with the introduction of 2.5 liter model
  - New Mazda6 expanded sales as its full-scale launch began
- Mexico: 8,000 units, up 35% year on year
  - CX-5 drove sales. Achieved record volume and share

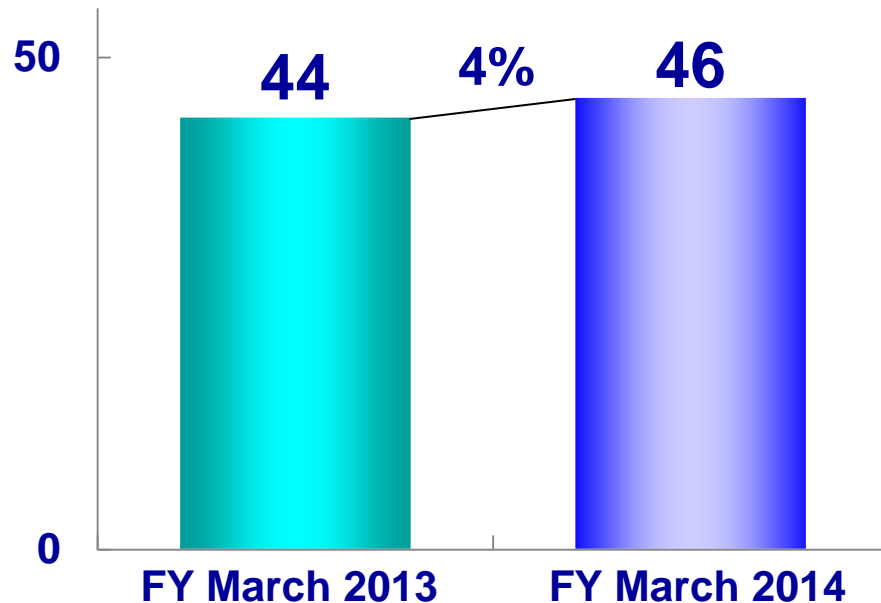


# EUROPE



- Sales were 46,000 units, up 4% year on year
- Although the tough market environment continued, CX-5 and new Mazda6 drove sales

## First Quarter Sales Volume (000)

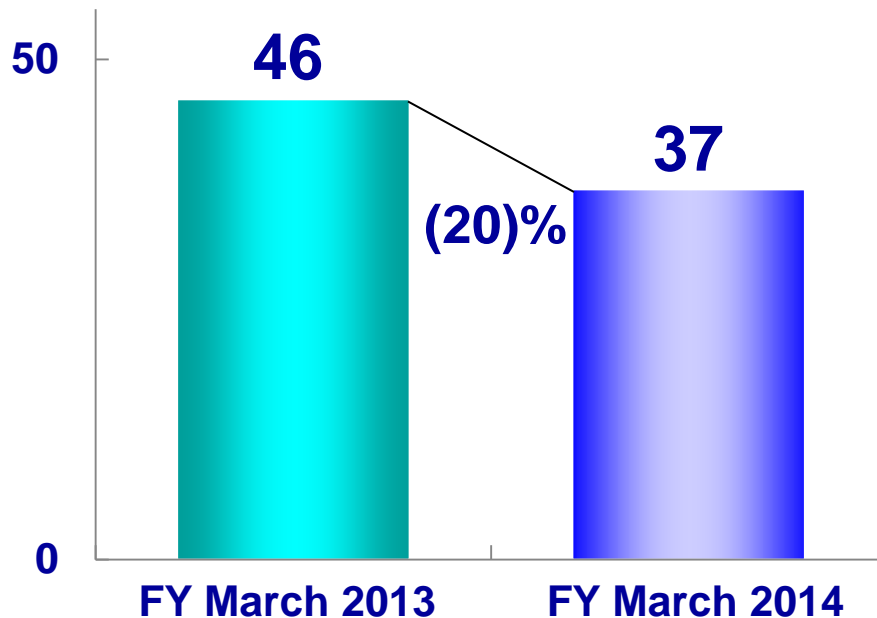


- Key markets, especially Germany and UK, enjoyed brisk sales
  - Germany: 11,000 units, up 16% year on year
  - UK: 7,000 units, up 23% year on year

# CHINA



(000) First Quarter Sales Volume



- Sales were 37,000 units
- Imported version of new ATENZA launched at the end of June
- Production of CX-5 started at Nanjing Plant in July
- Intensified sales promotion activities including participation in local motor shows

# OTHER MARKETS

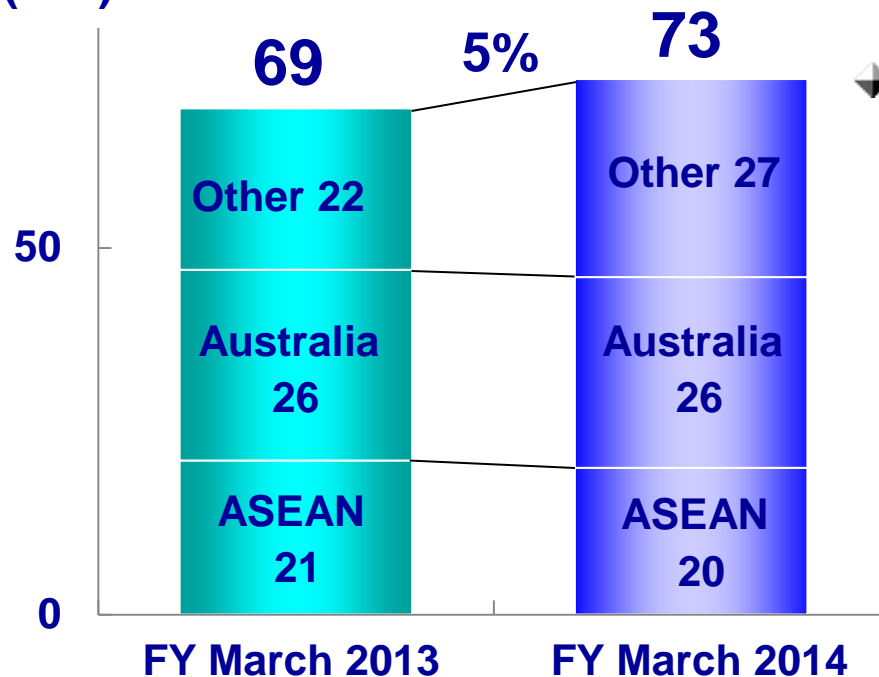


CX-9 (Australian model)

- ◆ Sales grew 5% year on year to 73,000 units
- ◆ Australia: Remained strong with 26,000 sales and 8.5% share
  - CX-5 remained the top seller in its segment as it was in the last fiscal year
  - Mazda remained in the 3<sup>rd</sup> position for sales among all makes
- ◆ ASEAN: Sales maintained a flat level year on year, despite declining demand in Thailand
  - Indonesia and Malaysia achieved record sales
  - VX-1 launched in Indonesia
  - Local assembly of CX-5 started in Malaysia

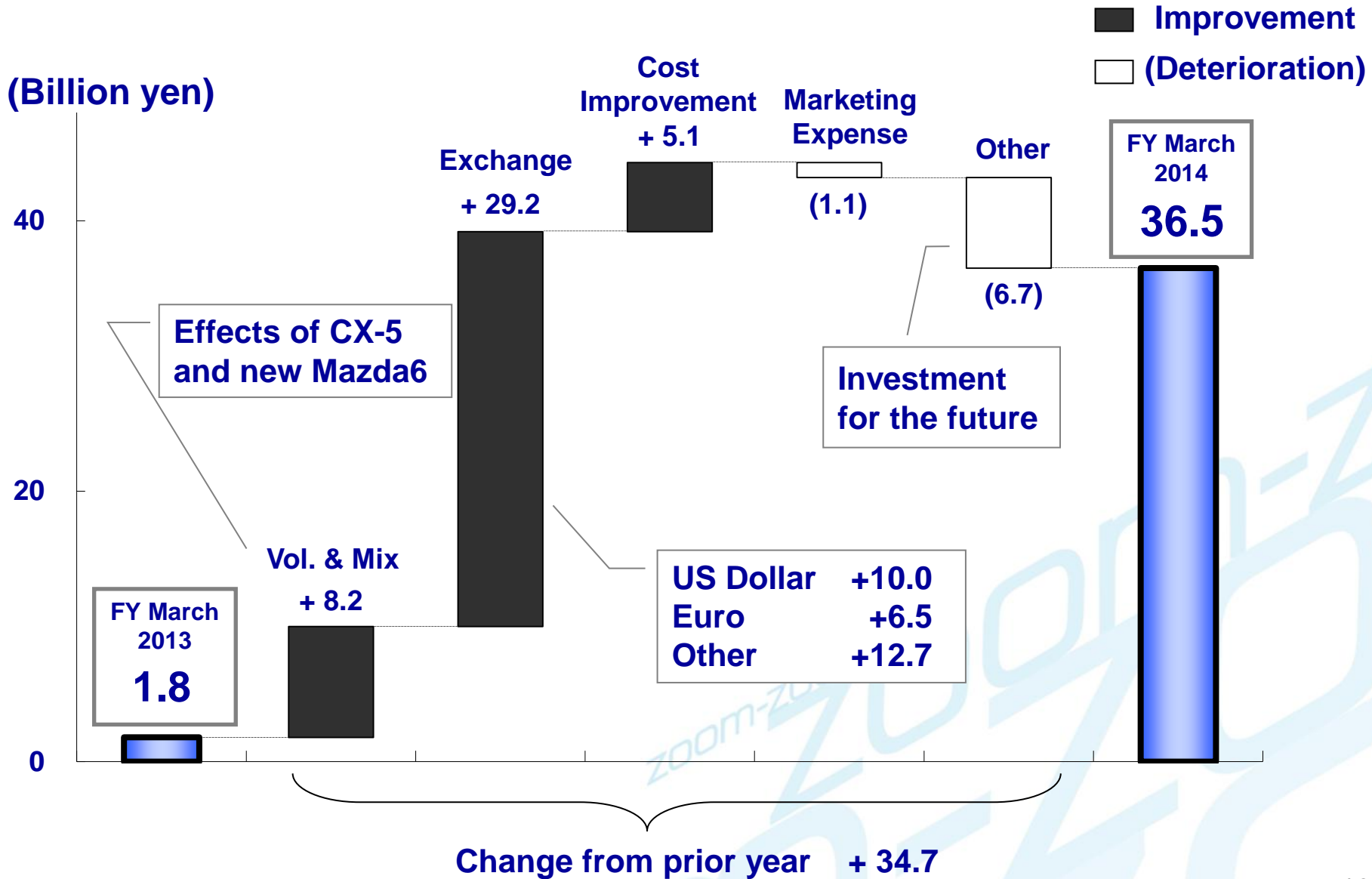
## First Quarter Sales Volume

(000)



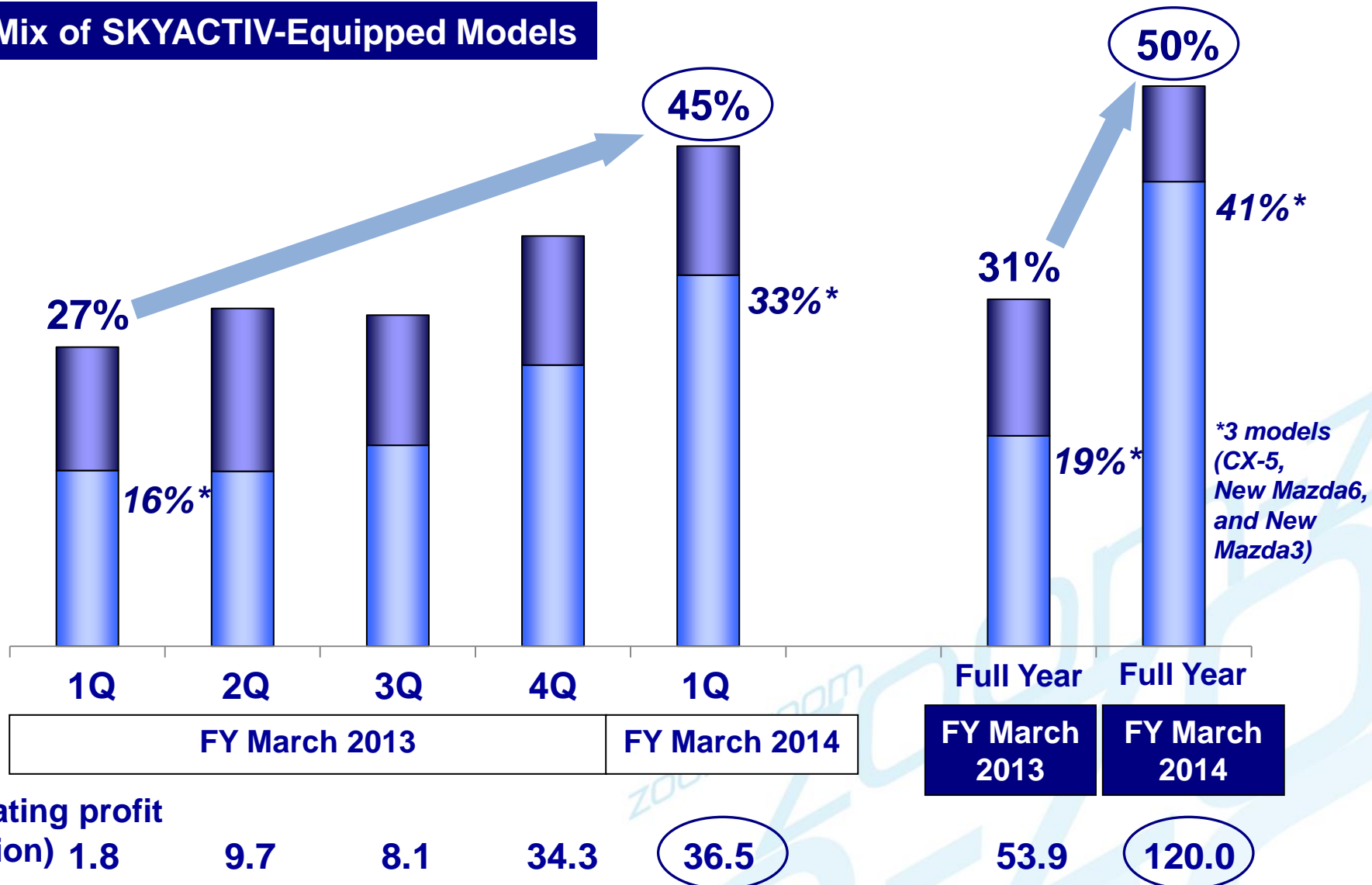
# OPERATING PROFIT CHANGE

FY March 2014 First Quarter vs. FY March 2013 First Quarter



# PROFIT INCREASE FROM SALES GROWTH OF SKYACTIV MODELS

## Mix of SKYACTIV-Equipped Models



# NEW MAZDA3/AXELA



New Mazda3 5-door hatch back  
(North American model)



New Mazda3 Sedan  
(North American model)

- **New Mazda3/Axela is the third SKYACTIV model that adopts new design theme “KODO”**
- **This model will be sold globally as a strategic model to lead Structural Reform Plan**
- **Sales launch will start in North America in the second half of this fiscal year followed by other major markets**
- **A Mazda3 sedan hybrid will be available in Japan in addition to gasoline and diesel engines**
- **Its strong product attributes will further realize incentive reduction and residual value improvement**
- **Contribution to profit and brand value improvement is expected**

# SUMMARY

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- **SKYACTIV-equipped models contributed greatly to better sales and profits**
- **Revenue was ¥615.9 billion. Operating profit was ¥36.5 billion. Net income was ¥5.5 billion. Achieved revenue growth and a substantial profit increase in all profit categories**
- **Structural Reform Plan is progressing steadily**
  - **New Mazda3/Axela will be launched into major markets starting with North America in the second half of this fiscal year**
  - **SKYACTIV model mix will substantially increase to 50%**
  - **Establishment of global production footprint is progressing steadily**
- **No change to the first half and full fiscal year forecasts**





**MAZDA**





# APPENDIX

# CASH FLOW AND NET DEBT

(Billion yen)	<u>FY March 2014</u> <u>First Quarter</u>	<u>FY March 2013</u> <u>Full Year</u>	<u>Change from</u> <u>Prior FY End</u>
<b>Cash Flow</b>			
- From operating activities	(7.1)	49.0	-
- From investing activities	(24.4)	(40.3)	-
- Free Cash Flow	(31.5)	8.7	-
<b>Cash and Cash Equivalents</b>	<b>399.7</b>	<b>444.9</b>	<b>(45.2)</b>
<b>Net Debt</b>	<b>(304.6)</b>	<b>(274.1)</b>	<b>(30.5)</b>
<b>Net Debt-to-equity Ratio</b>	<b>59 / 49* %</b>	<b>55 / 45* %</b>	<b>(4) / (4)* pts</b>
<b>Equity Ratio</b>	<b>27 / 28* %</b>	<b>25 / 27* %</b>	<b>2 / 1* pts</b>

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

# CONSOLIDATED WHOLESALLES

(000)	First Quarter		Change	
	FY March 2014	FY March 2013	Volume	YOY(%)
<b>Consolidated Wholesales</b>				
Japan	54	54	0	(1)
North America	91	89	2	2
Europe	39	32	7	24
China	1	2	(1)	(42)
Other Markets	70	70	0	1
<b>Total</b>	<b>255</b>	<b>247</b>	<b>8</b>	<b>4</b>

# FY MARCH 2014 FINANCIAL METRICS

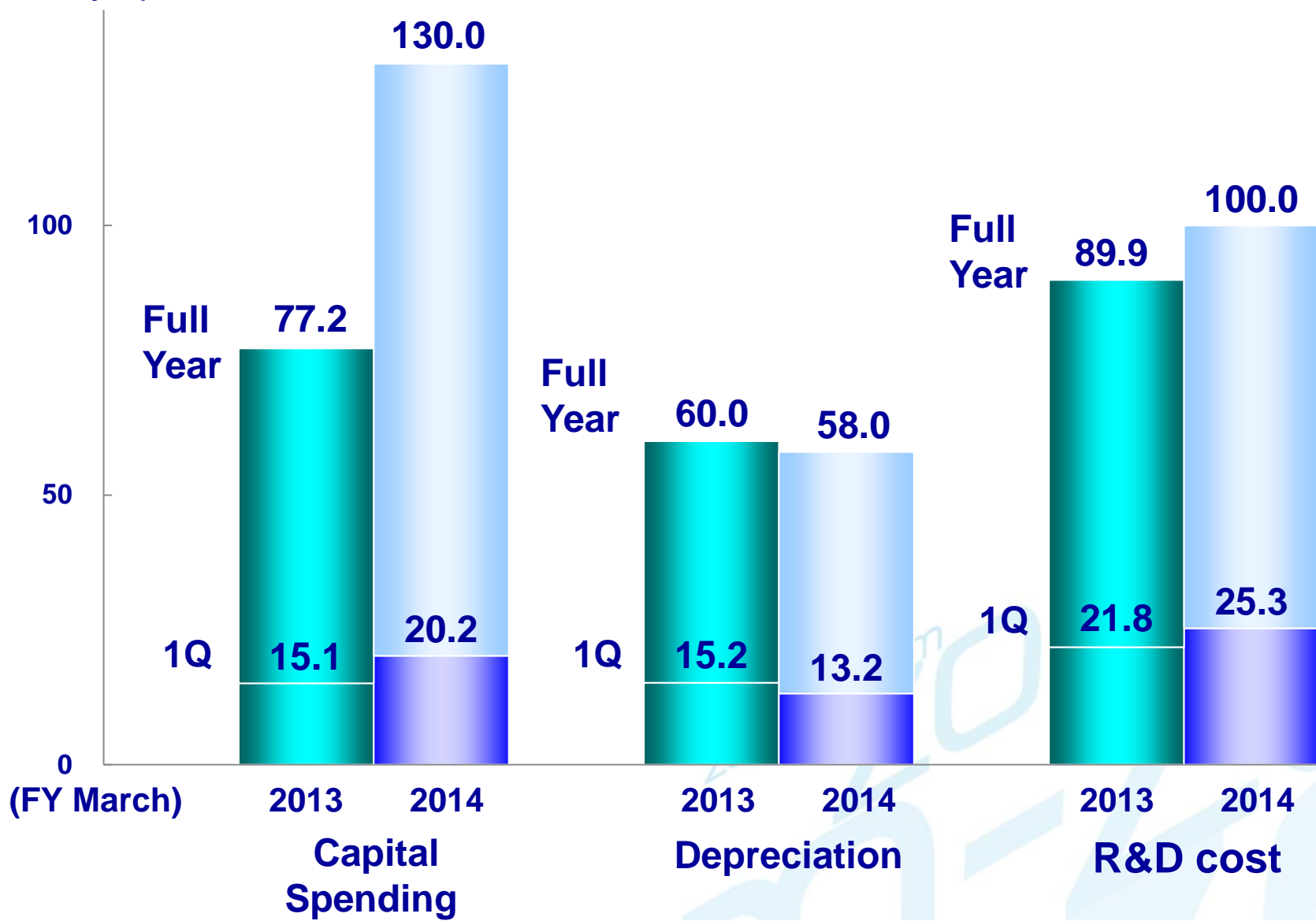
(Billion yen)	FY March 2014			Change from Prior Year	
	1st Half	2nd Half	Full Year	Amount	YOY(%)
Revenue	1,120.0	1,360.0	2,480.0	274.7	12
Operating profit	45.0	75.0	120.0	66.1	122
Ordinary profit	21.0	76.0	97.0	63.9	193
Profit before tax	17.0	71.0	88.0	48.9	125
Net income	10.0	60.0	70.0	35.7	104
Operating 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	

# GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

(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>

# KEY DATA

(Billion yen)



# 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.**