



FISCAL YEAR MARCH 2015 FIRST HALF FINANCIAL RESULTS



2014-2015
日本カー・オブ・ザ・イヤー
受賞

1884-6744-111-8080018



New Mazda Demio

Mazda Motor Corporation
October 31, 2014

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PRESENTATION OUTLINE

- Highlights
- Fiscal Year March 2015 First Half Results
- Fiscal Year March 2015 Forecast
- Progress of Structural Reform Plan
- Summary



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HIGHLIGHTS

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HIGHLIGHTS (1) – FIRST HALF RESULTS

- Global sales volume was 669,000 units, up 6% from the prior year
- Combined with the continuing success of CX-5, new Mazda3/Axela contributed to sales globally
- Revenue was ¥1,453.9 billion. Operating profit was ¥104 billion. Net income was ¥93.3 billion.
- Introduced new Mazda2/Demio in Japan
 - Sales are strong, with orders of approximately 20,000 units (as of October 26)
 - Won 2014-2015 Car of the Year Japan
- Mexico Plant started two-shift operations in July

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HIGHLIGHTS (2) – FULL YEAR FORECAST

- Forecast global sales volume of 1,420,000 units, up 7% from the prior year
- Full year profit forecast remains unchanged: operating profit of ¥210 billion and net income of ¥160 billion
- Introduce new Mazda2/Demio in major markets including Australia, ASEAN and Europe, following Japan
- Started new Mazda2 production in Mexico, following Japan and Thailand
- Introduce new compact crossover SUV, Mazda CX-3

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FISCAL YEAR MARCH 2015 FIRST HALF RESULTS

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GLOBAL SALES VOLUME

(000)	First Half		Change from Prior Year		Change from July Forecast
	FY March 2014	FY March 2015	Volume	YOY(%)	Volume
Global sales volume					
Japan	111	90	(21)	(18)%	(4)
North America	199	226	27	14%	(1)
Europe	97	114	17	18%	5
China	79	94	15	19%	(6)
Other Markets	145	145	0	(1)%	3
Total	631	669	38	6%	(3)
<Breakdown>					
USA	142	163	21	15%	1
Australia	52	49	(3)	(4)%	(2)
ASEAN	39	37	(2)	(5)%	4

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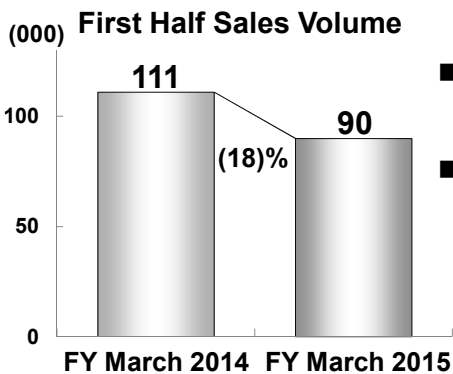
FY MARCH 2015 FINANCIAL METRICS

(Billion yen)	First Half		Change from Prior Year		Change from July Forecast
	FY March 2014	FY March 2015	Amount	YOY(%)	Amount
Revenue	1,254.3	1,453.9	199.6	16%	63.9
Operating profit	74.0	104.0	30.0	41%	4.0
Ordinary profit	36.3	107.1	70.8	195%	9.1
Profit before tax	33.9	107.0	73.1	215%	13.0
Net income	25.0	93.3	68.3	273%	18.3
Operating ROS	5.9%	7.2%	1.3pts		0.0pts
EPS (Yen)	41.8*	156.1	114.3*		30.6
Exchange rate (Yen)					
US Dollar	99	103	4		3
Euro	130	139	9		4

* Calculated as if shares were consolidated at the beginning of the prior fiscal year for purposes of comparison.

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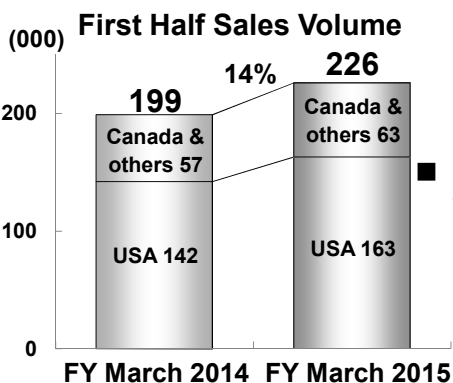
JAPAN



- Sales were down 18% year-on-year to 90,000 units
- As strong-selling Axela partially offset the impact of the consumption tax hike, year-on-year sales comparison is in an improving trend
- Orders for new Demio launched in September are strong
- Moving forward, increase overall sales of new generation products with new Demio and increased advertising, such as the 2nd wave of "Be a Driver" campaign

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NORTH AMERICA



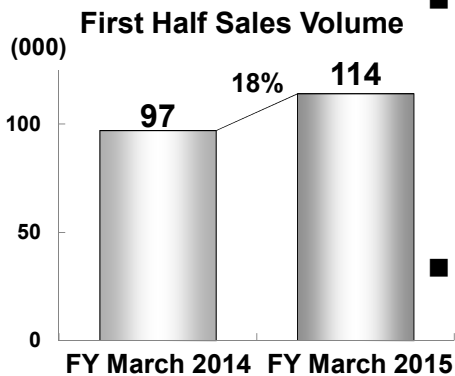
- Sales rose 14% year-on-year to 226,000 units
- USA: 163,000 units, up 15% year-on-year
 - Sales grew with a balanced mix of CX-5, Mazda6, and new Mazda3
 - Continued to suppress fleet sales
- Mexico: 20,000 units, up 17% year-on-year
 - Sales of locally-produced new Mazda3 were strong
 - Achieved record-high sales and market share

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EUROPE



CX-5 (European model)



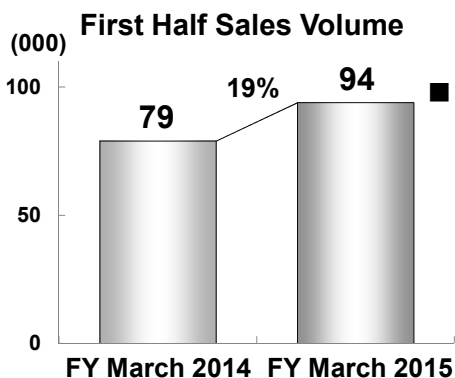
- Sales rose 18% year-on-year to 114,000 units
- New Mazda3 made a significant contribution to increased sales, CX-5 sales remained strong
- Sales in Europe (excluding Russia, etc.) rose 21% year-on-year, significantly outperforming growth in overall demand (up 4% year-on-year)
 - Germany: Up 21% to 27,000 units
 - UK: Up 12% to 19,000 units
- Despite a drop in demand in Russia, Mazda sales rose 14% year-on-year to 24,000 units

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CHINA



New Mazda3Axela



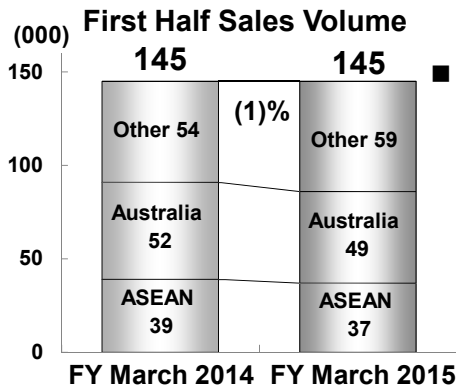
- Sales were up 19% year-on-year to 94,000 units
- New Mazda3 Axela and new Mazda6 Atenza launched in May saw strong sales
- CX-5 maintained strong sales momentum since its launch one year ago and contributed to sales

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OTHER MARKETS

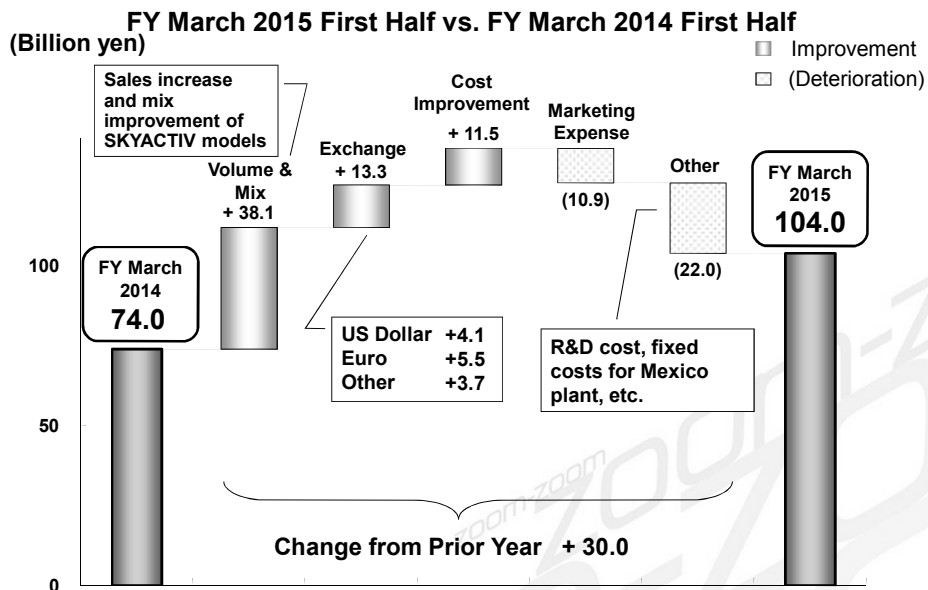


- Sales were 145,000 units
- Australia: Sales were down 4% year-on-year to 49,000 units due to weak demand
 - CX-5 remained the top seller in its segment
 - New Mazda3 sales were strong
- ASEAN: Sales were down 5% year-on-year to 37,000 units, largely due to low demand in Thailand
 - Thailand: Strong sales of SKYACTIV models partially offset the sales decline of other models
 - Sales were strong in Malaysia (up 26%) and Vietnam (up 140%)



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OPERATING PROFIT CHANGE



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FISCAL YEAR MARCH 2015 FORECAST

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GLOBAL SALES VOLUME

(000)	FY March 2015			Change from	
	1st Half	2nd Half	Full Year	Prior Year YOY(%)	July Forecast Volume
Global sales volume					
Japan	90	135	225	(8)%	(5)
North America	226	214	440	13%	0
Europe	114	116	230	11%	10
China	94	131	225	15%	(5)
Other Markets	145	155	300	2%	0
Total	669	751	1,420	7%	0
<Breakdown>					
USA	163	157	320	13%	0
Australia	49	54	103	(1)%	(2)
ASEAN	37	42	79	7%	(1)

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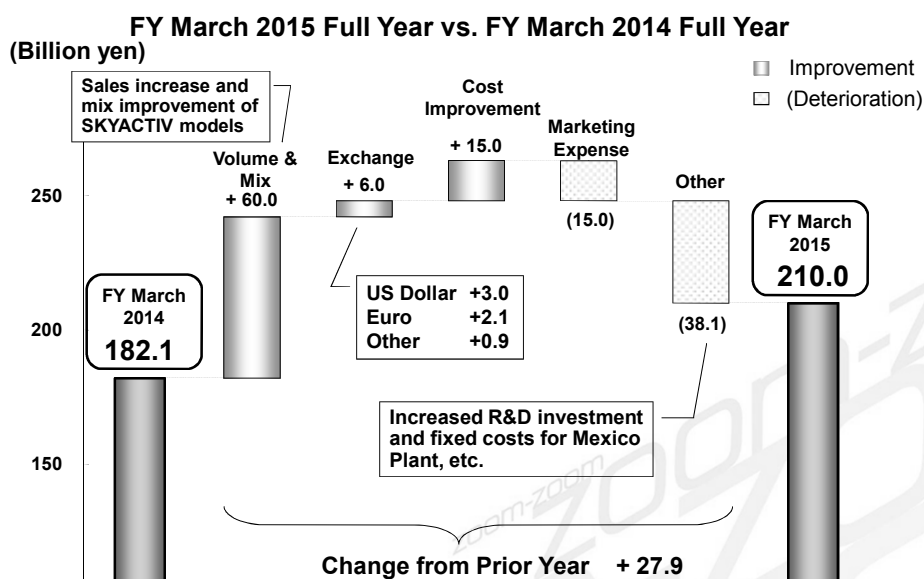
FY MARCH 2015 FINANCIAL METRICS

(Billion yen)	FY March 2015			Change from Prior Year	
	First Half	Second Half	Full Year	Amount	YOY(%)
Revenue	1,453.9	1,476.1	2,930.0	237.8	9%
Operating profit	104.0	106.0	210.0	27.9	15%
Ordinary profit	107.1	102.9	210.0	69.3	49%
Profit before tax	107.0	93.0	200.0	102.6	105%
Net income	93.3	66.7	160.0	24.3	18%
Operating ROS	7.2%	7.2%	7.2%	0.4pts	
EPS (Yen)	156.1	111.5	267.6	40.6*	
Exchange rate (Yen)					
US Dollar	103	100	102	2	
Euro	139	135	137	3	

* Calculated as if shares were consolidated at the beginning of the prior fiscal year for purposes of comparison.

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OPERATING PROFIT CHANGE



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PROGRESS OF STRUCTURAL REFORM PLAN

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PROGRESS OF STRUCTURAL REFORM PLAN

Business Innovation by SKYACTIV Technology

- Enhancing line-up of core models
 - New Mazda2/Demio orders in Japan are strong
To be introduced in Australia, ASEAN, Europe, etc.
 - Product upgrades for CX-5 and Mazda6/Atenza to maintain and further strengthen the competitiveness of SKYACTIV models
 - Plan to introduce 5th SKYACTIV model, new compact crossover SUV, Mazda CX-3
- Achieving volume growth while continuing to promote sales at right price and minimizing fleet sales
- Reinforcing advertising focusing on Mazda Brand

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PROGRESS OF STRUCTURAL REFORM PLAN

Accelerate further cost improvement through Monotsukuri Innovation

- **Maintain and improve quality and promote cost improvement on a global basis for new products following new Mazda2/Demio**

Reinforce business in emerging countries and establish global production footprint

- **Operation status of Mexico Plant**
 - Moved to two-shift operation in July
Produced 36,000 units in the second quarter
 - Started production of new Mazda2 and started operations at engine machining factory in October
 - Plan to increase annual production capacity to 250,000 units
- **Initiatives in other markets**
 - Will participate in Thai Eco-Car program with new Mazda2

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SUMMARY

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SUMMARY

[First Half Results]

- SKYACTIV models maintain global sales momentum. Global sales volume was 669,000 units, up 6% from the prior year
- Good progress in profitability: operating profit ¥104 billion and net income ¥93.3 billion

[Full Year Forecast]

- Forecast operating profit of ¥210 billion and net income of ¥160 billion
- Introduce new Mazda2/Demio in major markets
- Introduce new compact crossover SUV, Mazda CX-3
- Promote Structural Reform Plan
 - Increase ratio of SKYACTIV models to 70% by expanding line-up
 - Increase output at Mexico Plant

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mazda

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APPENDIX

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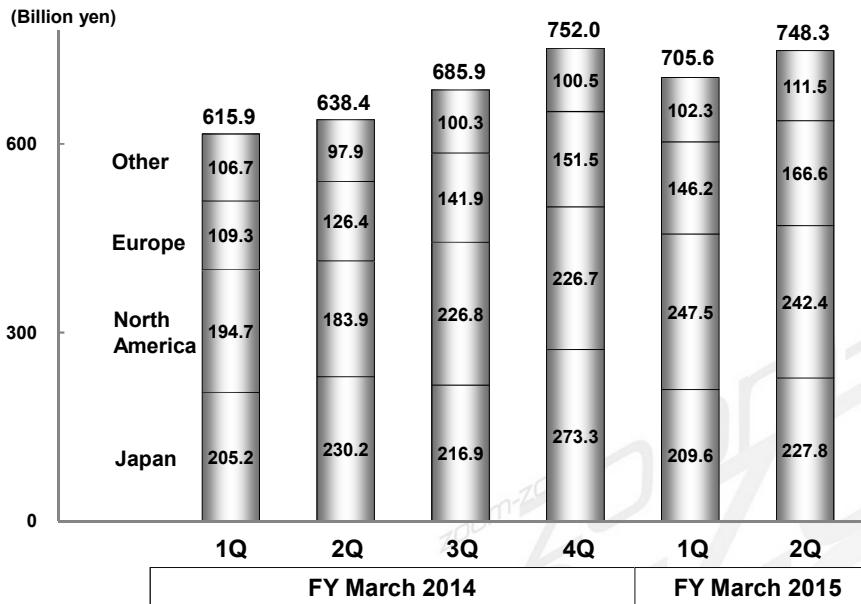
CASH FLOW AND NET DEBT

(Billion yen)	FY March 2015			Change from Prior FY End
	First Quarter	Second Quarter	First Half	
Cash Flow				
- From Operating activities	38.1	44.5	82.6	-
- From Investing activities	(36.5)	(26.7)	(63.2)	-
- Free Cash Flow	1.6	17.8	19.4	-
Cash and Cash Equivalents	476.6	488.8	488.8	9.0
Net Debt	263.6	250.7	250.7	12.3
Net Debt-to-equity Ratio	37 / 31* %	33 / 27* %	33 / 27* %	7 / 6* pts
Equity Ratio	31 / 33* %	32 / 34* %	32 / 34* %	3 / 3* pts

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

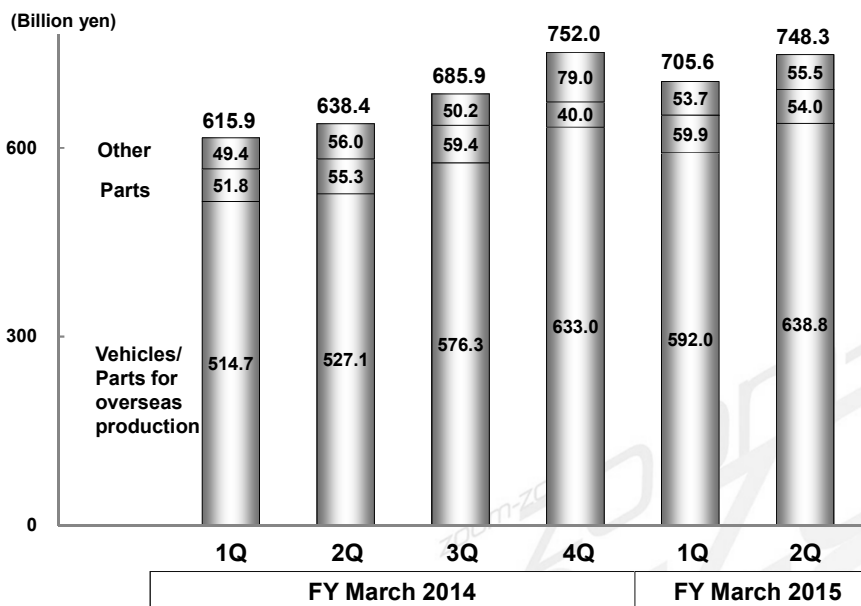
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REVENUE BY REGION



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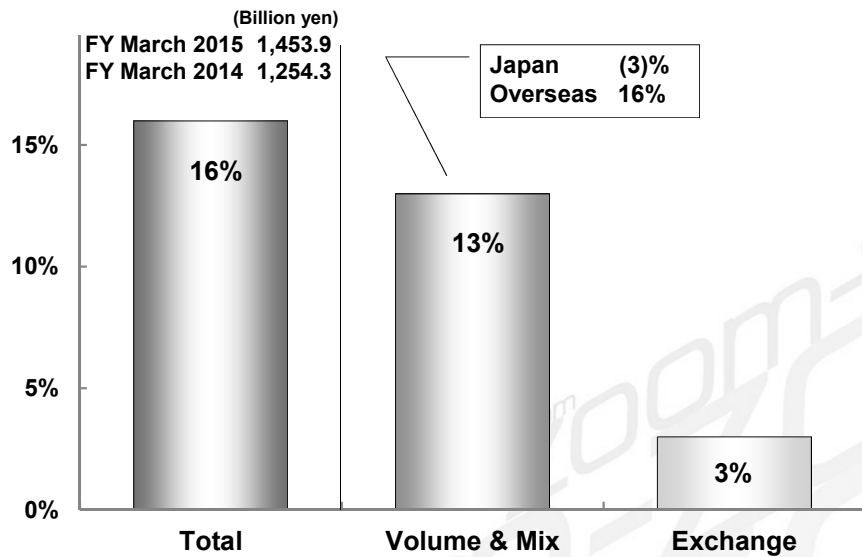
REVENUE BY PRODUCT



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REVENUE CHANGE

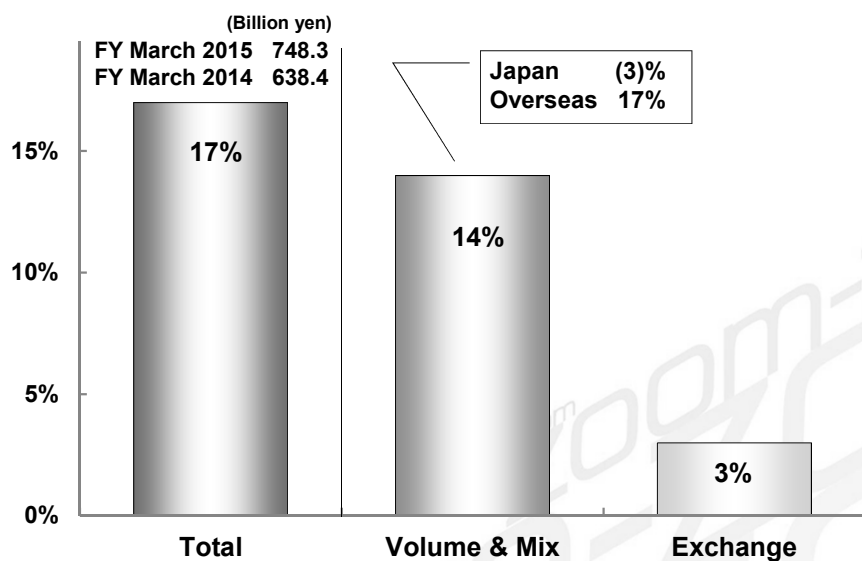
FY March 2015 First Half vs. FY March 2014 First Half



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REVENUE CHANGE

FY March 2015 Second Quarter vs. FY March 2014 Second Quarter



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FY MARCH 2015 FINANCIAL METRICS

(Billion yen)	Second Quarter		Change from Prior Year
	FY March 2014	FY March 2015	
Revenue	638.4	748.3	109.9
Operating profit	37.5	47.6	10.1
Ordinary profit	27.9	52.5	24.6
Profit before tax	25.7	54.2	28.5
Net income	19.5	44.4	24.9
Operating ROS	5.9%	6.4%	0.5pts
EPS (Yen)	32.7*	74.3	41.6*
* Calculated as if shares were consolidated at the beginning of the prior fiscal year for purposes of comparison.			
Exchange rate (Yen)			
US Dollar	99	104	5
Euro	131	138	7

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GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

(000)	Second Quarter		Change from Prior Year
	FY March 2014	FY March 2015	
Global sales volume			
Japan	61	50	(11)
North America	104	116	12
Europe	51	58	7
China	42	50	8
Other Markets	72	76	4
Total	330	350	20
Consolidated Wholesales			
Japan	62	51	(11)
North America	87	110	23
Europe	46	63	17
China	2	1	(1)
Other Markets	72	78	6
Total	269	303	34

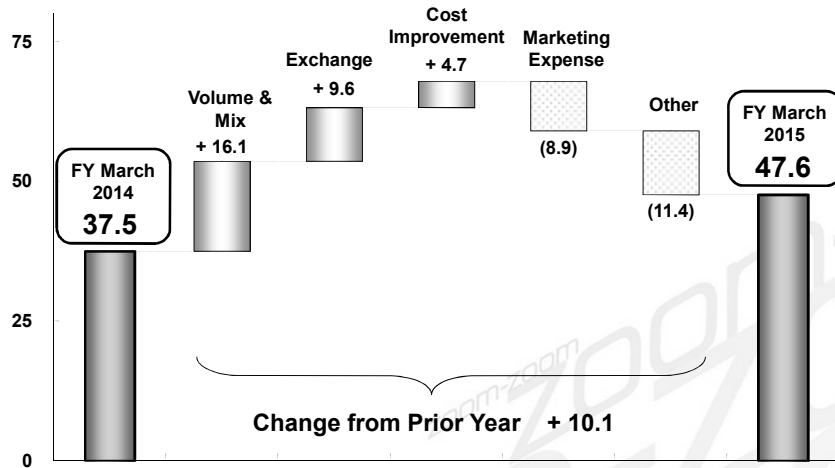
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OPERATING PROFIT CHANGE

FY March 2015 Second Quarter vs. FY March 2014 Second Quarter

(Billion yen)

■ Improvement
□ (Deterioration)



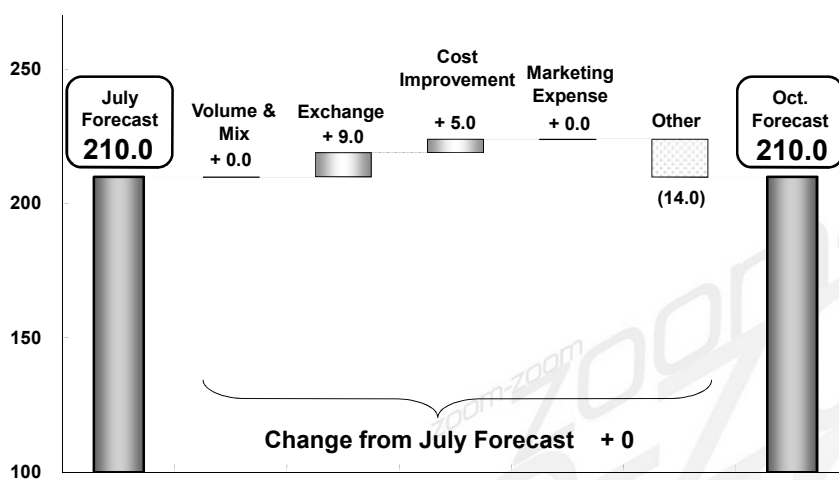
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OPERATING PROFIT CHANGE

FY March 2015 Full Year vs. July Forecast

(Billion yen)

■ Improvement
□ (Deterioration)



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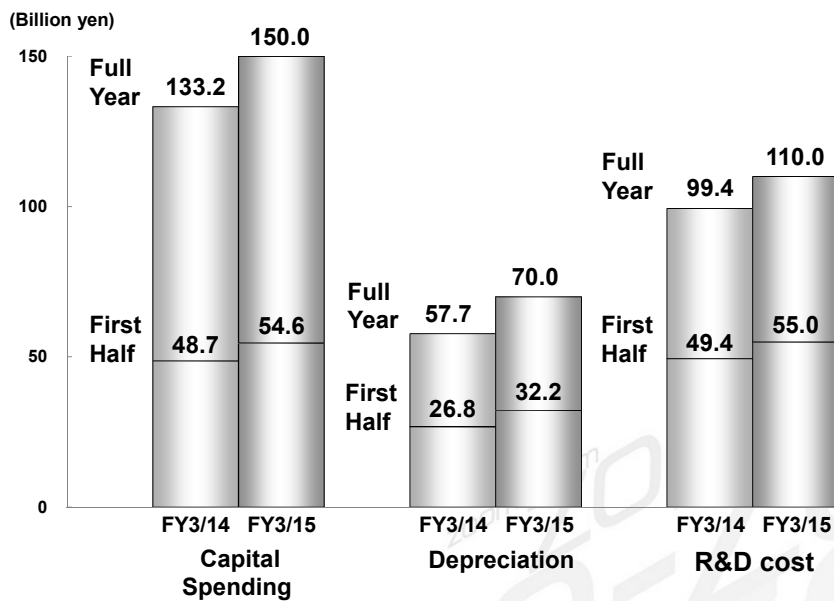
GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(000)	FY March 2015			Change from Prior Year			Change from Jul. Forecast
	First Half	Second Half	Full Year	First Half	Second Half	Full Year	Full Year
Global sales volume							
Japan	90	135	225	(21)	2	(19)	(5)
North America	226	214	440	27	22	49	0
Europe	114	116	230	17	6	23	10
China	94	131	225	15	14	29	(5)
Other Markets	145	155	300	0	7	7	0
Total	669	751	1,420	38	51	89	0
Consolidated Wholesales							
Japan	94	136	230	(22)	2	(20)	(5)
North America	221	219	440	43	14	57	0
Europe	115	110	225	30	1	31	5
China	2	2	4	(1)	(1)	(2)	0
Other Markets	150	156	306	8	16	24	5
Total	582	623	1,205	58	32	90	5

* Volume for FY March 2015 Full Year is forecast

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KEY DATA



* Data for FY March 2015 Full Year are forecast

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DIVIDEND AND SHARES

Dividend Forecast

- FY March 2015 year-end dividend ¥10* per share (Plan)
* After share consolidation
- Work to provide stable and steadily increasing dividends

Consolidation of shares and change in the number of shares per share unit

(Effective date was August 1, 2014)

- Consolidated 5 common shares into 1 share
- Changed the number of shares per share unit from 1,000 shares to 100 shares

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DISCLAIMER

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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