



## **FISCAL YEAR MARCH 2015 THIRD QUARTER FINANCIAL RESULTS**



Updated Mazda CX-5 (Japanese specification model)

**Mazda Motor Corporation  
February 4, 2015**

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## **PRESENTATION OUTLINE**

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- **Highlights**
- **Fiscal Year March 2015 Nine Month Results**
- **Fiscal Year March 2015 Forecast**
- **Summary**



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## HIGHLIGHTS

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### HIGHLIGHTS (1) – NINE MONTH RESULTS

- Global sales volume was 1,003,000 units, up 5% from the prior year
- Revenue was ¥2,193.6 billion. Operating profit was ¥152.0 billion. Net income was ¥131.5 billion
- Started production of the new Mazda2/Demio simultaneously at three factories in Hofu, Thailand, and Mexico. Market introductions began from Japan and Australia
- Following the start of two-shift operations at Mexico plant, the engine machining factory began operations in October

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## **HIGHLIGHTS (2) – FULL YEAR FORECAST**

- Forecast global sales volume of 1.4 million units, up 5% from the prior year
- Full year profit forecast remains unchanged: Operating profit of ¥210 billion and net income of ¥160 billion
- Significant updates to CX-5 and Mazda6/Atenza enhance product appeal
- Global launches of new compact crossover SUV, Mazda CX-3, start from Japan
- Establishment of global production footprint is on track; production started at new automatic transmission plant in Thailand in January as scheduled, and construction of new engine plant was announced

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## **FISCAL YEAR MARCH 2015 NINE MONTH RESULTS**

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## GLOBAL SALES VOLUME

(000)	Nine Month		Change from	
	FY March 2014	FY March 2015	Prior Year	
			Volume	YOY(%)
Global sales volume				
Japan	162	143	(19)	(12)%
North America	289	320	31	11%
Europe	144	167	23	16%
China	141	156	15	10%
Other Markets	217	217	0	0%
Total	953	1,003	50	5%
<Breakdown>				
USA	206	228	22	11%
Australia	76	73	(3)	(5)%
ASEAN	58	56	(2)	(3)%

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## FY MARCH 2015 FINANCIAL METRICS

(Billion yen)	Nine Month		Change from	
	FY March 2014	FY March 2015	Prior Year	
			Amount	YOY(%)
Revenue	1,940.2	2,193.6	253.4	13%
Operating profit	124.6	152.0	27.4	22%
Ordinary profit	93.1	160.5	67.4	72%
Profit before tax	90.0	160.9	70.9	79%
Net income	77.4	131.5	54.1	70%
Operating ROS	6.4%	6.9%	0.5pts	
EPS (Yen)	129.5*	219.9	90.4*	
Exchange rate (Yen)				
US Dollar	99	107	8	
Euro	132	140	8	

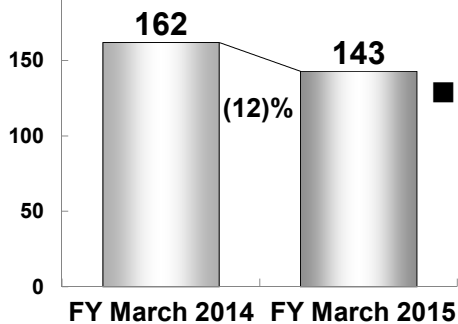
\* Calculated as if shares were consolidated at the beginning of the prior fiscal year for purposes of comparison.

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## JAPAN



(000) Nine Month Sales Volume



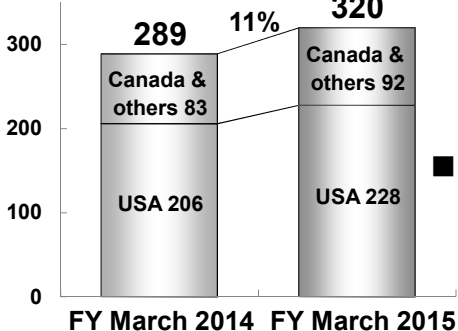
- Sales were down 12% year-on-year to 143,000 units
- Third quarter sales turned around and rose 2% over the prior year with strong sales of new Demio
- Sales set to increase from the fourth quarter with the introduction of updated Atenza and CX-5, and new compact crossover SUV, Mazda CX-3

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## NORTH AMERICA



(000) Nine Month Sales Volume



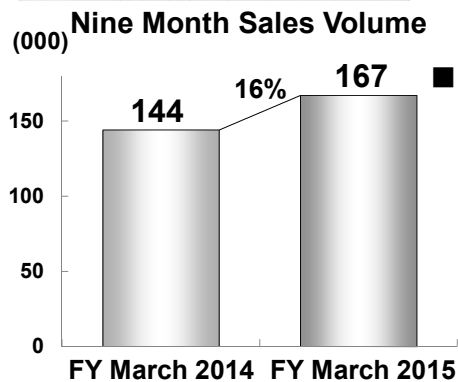
- Sales rose 11% year-on-year to 320,000 units
- USA: 228,000 units, up 11% year-on-year
  - Non-fleet sales of CX-5, Mazda6 and Mazda3 grew despite continued tough competition
  - Continued policy of "right-price" sales
- Mexico: 33,000 units, up 23% year-on-year
  - Achieved record-high sales

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## EUROPE



Mazda3 (European model)



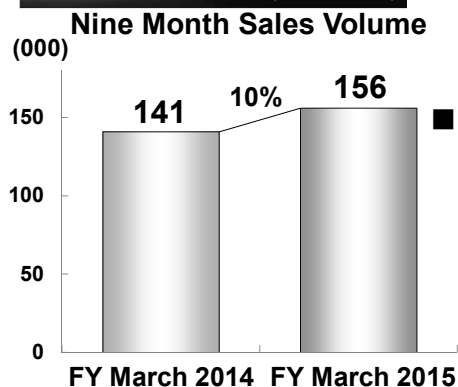
- Sales rose 16% year-on-year to 167,000 units
- CX-5 sales remained strong; and Mazda3 significantly contributed to higher sales
- Sales in Europe remained strong, significantly outperforming growth in overall demand
  - Germany: Up 14% to 37,000 units
  - UK: Up 14% to 25,000 units

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## CHINA



CX-5 (Chinese model)



- Sales rose 10% year-on-year to 156,000 units
- SKYACTIV models such as new Mazda3, new Mazda6, and CX-5 saw strong sales
- Calendar year sales grew 13% from the prior year, achieving year-on-year sales growth for the first time in four years

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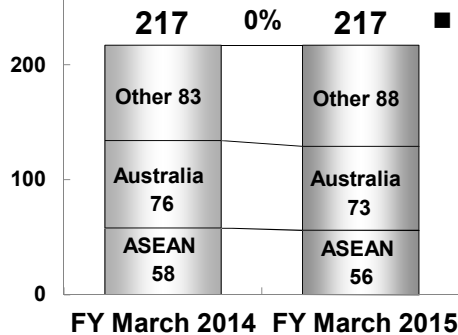
## OTHER MARKETS



Mazda3 (Australian model)

- Sales were 217,000 units
- Australia: Sales were down 5% year-on-year to 73,000 units due to weak demand
  - CX-5 remained the top seller in its segment
  - Remained the third best-selling brand in CY2014

(000) Nine Month Sales Volume

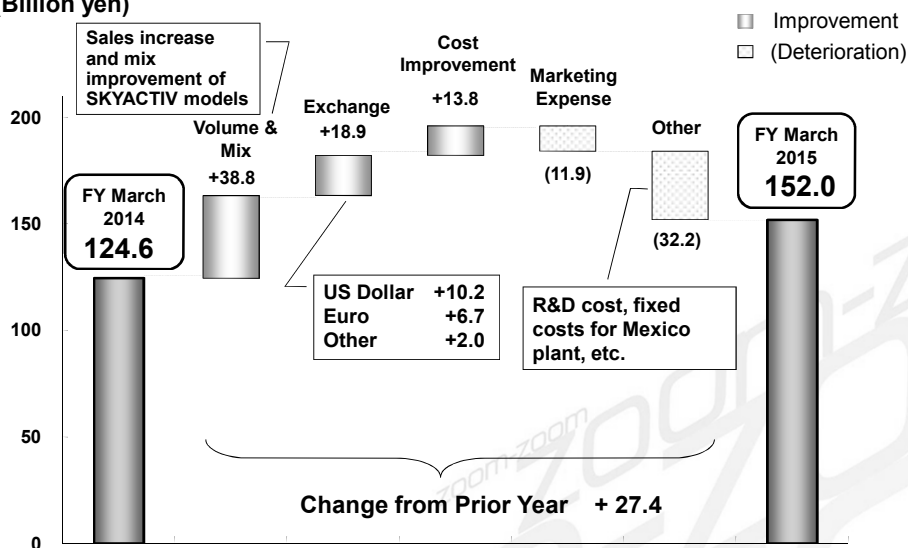


- ASEAN: Sales fell by 3% year-on-year to 56,000 units, mainly due to lower demand in Thailand
  - Thailand: SKYACTIV models saw strong sales. Sales to increase in the fourth quarter with introduction of new Mazda2
  - Sales were strong in Malaysia (up 33%) and Vietnam (up 116%)

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## OPERATING PROFIT CHANGE

FY March 2015 Nine Month vs. FY March 2014 Nine Month  
(Billion yen)



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## FISCAL YEAR MARCH 2015 FORECAST

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## GLOBAL SALES VOLUME

(000)	FY March 2015			Change from	
	First Half	Second Half	Full Year	Prior Year YOY (%)	October Forecast Volume
Global sales volume					
Japan	90	135	225	(7)%	0
North America	226	206	432	11%	(8)
Europe	114	114	228	10%	(2)
China	94	118	212	8%	(13)
Other Markets	145	158	303	3%	3
Total	669	731	1,400	5%	(20)
<Breakdown>					
USA	163	149	312	10%	(8)
Australia	49	53	102	(2)%	(1)
ASEAN	37	41	78	5%	(1)

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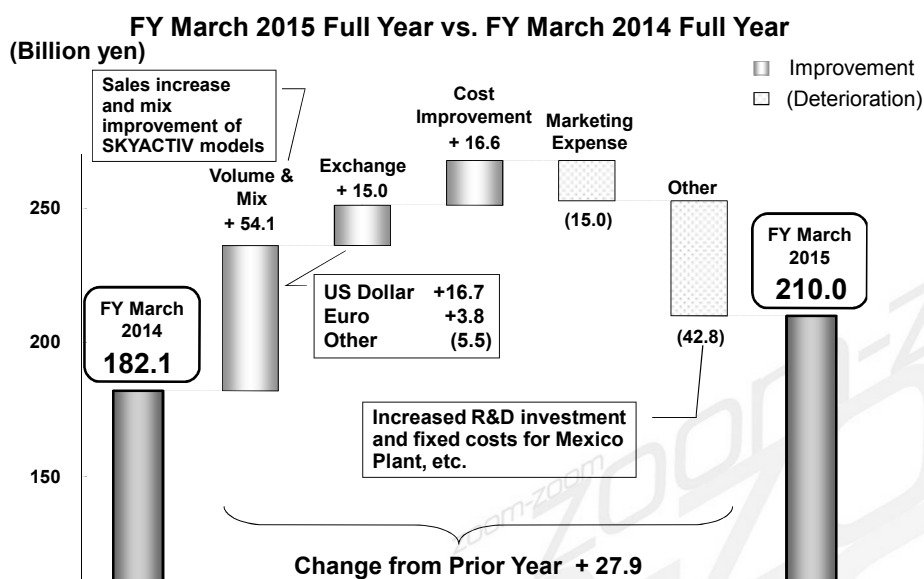
## FY MARCH 2015 FINANCIAL METRICS

(Billion yen)	FY March 2015			Change from Prior Year	
	First Half	Second Half	Full Year	Amount	YOY(%)
Revenue	1,453.9	1,526.1	2,980.0	287.8	11%
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%	6.9%	7.0%	0.2pts	
EPS (Yen)	156.1	111.5	267.6	40.6*	
Exchange rate (Yen)					
US Dollar	103	115	109	9	
Euro	139	137	138	4	

\* 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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## EXPANSION AND EVOLUTION OF SKYACTIV LINE-UP

### 【New Mazda2/Demio】

- Simultaneous launch at three factories in Hofu, Thailand, and Mexico
- Sales are strong with diesel engine accounting for over 60%
- High acclaim for the product and technology;  
*Japan Car Of The Year, Good Design Award, Golden Steering Wheel Award, Eco Products Award*

### 【Mazda6/Atenza, CX-5】

- Significantly updated for added depth and maturity
  - Evolution of i-ACTIVSENSE
  - Enhanced quality and comfort
  - Refined design
- Awarded 2015 Top Safety Pick+ by USA's IIHS



Updated Atenza (Japanese specification) 19

## EXPANSION AND EVOLUTION OF SKYACTIV LINE-UP

### 【New Compact Crossover SUV - Mazda CX-3】

- New core product introduced to fast-growing compact SUV market
- Production began at Hiroshima Plant in December, global launches start from late February
- Forecasting sales of 150,000 units per year



## **ESTABLISH GLOBAL PRODUCTION FOOTPRINT**

### **【Mexico Plant】**

- Production output is increasing as planned
  - 100,000 units produced in 11 months since operations began
  - In October, production of new Mazda2 began and engine machining factory started operations
  - Increase production capacity to 250,000 units by end of FY March 2016

### **【Thailand Plant】**

- New automatic transmission plant started operations in January, annual production capacity is 400,000 units
- Announced construction of new engine plant, will produce SKYACTIV-D 1.5 starting third quarter of FY March 2016

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## **SUMMARY**

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## SUMMARY

### 【Nine Month Results】

- Sales of SKYACTIV models stayed strong in global markets. Global sales volume was 1,003,000 units, up 5% from the prior year
- Operating profit was ¥152.0 billion and net income was ¥131.5 billion, progressing as planned

### 【Full Year Forecast】

- Forecast global sales volume of 1.4 million units, up 5% from the prior year
- Profit forecast remains unchanged: Operating profit of ¥210 billion and net income of ¥160 billion
- Launches of new compact crossover SUV, Mazda CX-3, start from Japan
- Establishment of global production footprint is on track; production started at new automatic transmission plant in Thailand in January as scheduled, and construction of new engine plant was announced

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## APPENDIX

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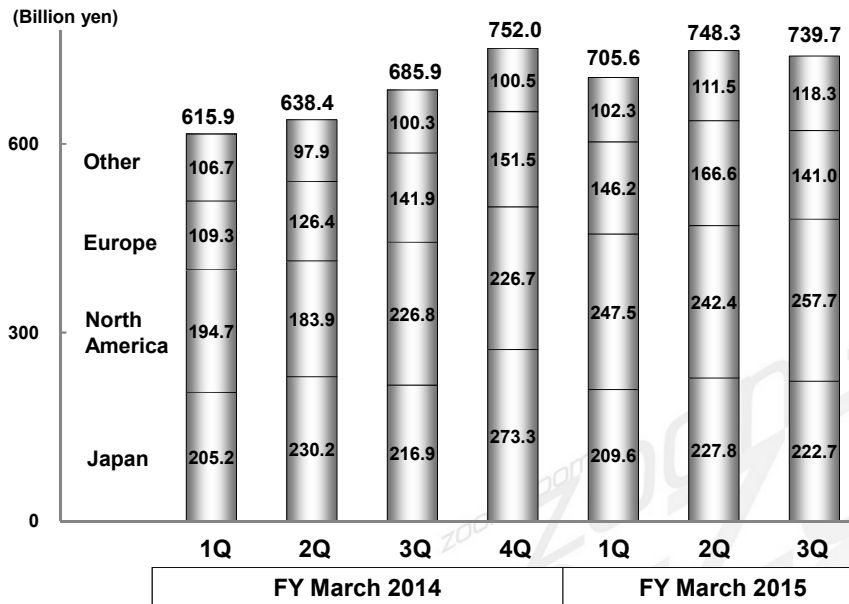
## CASH FLOW AND NET DEBT

(Billion yen)	FY March 2014 Full Year	FY March 2015 Nine Month	Change from prior FY End
<b>Cash Flow</b>			
- From Operating activities	136.4	108.2	-
- From Investing activities	(120.1)	(104.9)	-
- Free Cash Flow	16.3	3.3	-
<b>Cash and Cash Equivalents</b>	<b>479.8</b>	<b>432.8</b>	<b>(47.0)</b>
<b>Net Debt</b>	<b>263.0</b>	<b>273.1</b>	<b>(10.1)</b>
<b>Net Debt-to-equity Ratio</b>	<b>40 / 33*%</b>	<b>34 / 28*%</b>	<b>6 / 5*pts</b>
<b>Equity Ratio</b>	<b>29 / 31*%</b>	<b>34 / 36*%</b>	<b>5 / 5*pts</b>

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

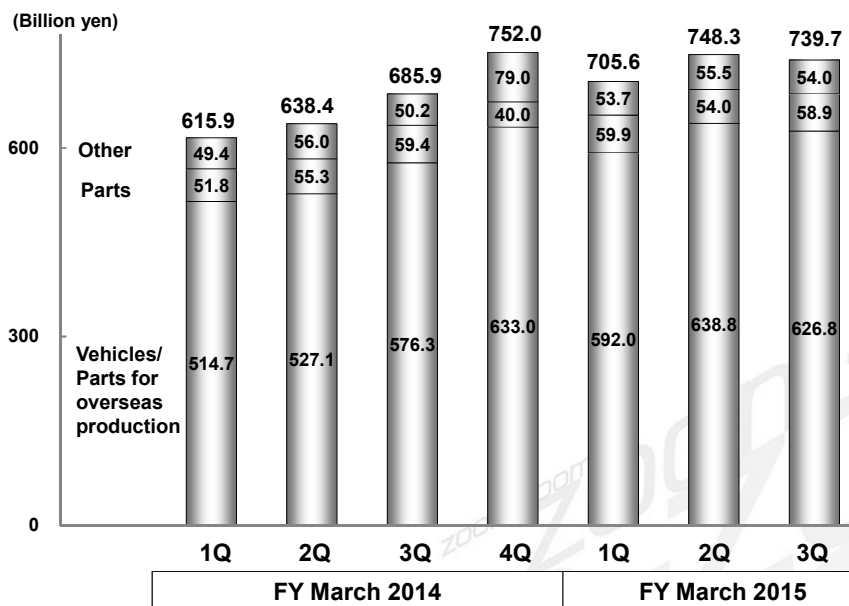
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## REVENUE BY PRODUCT



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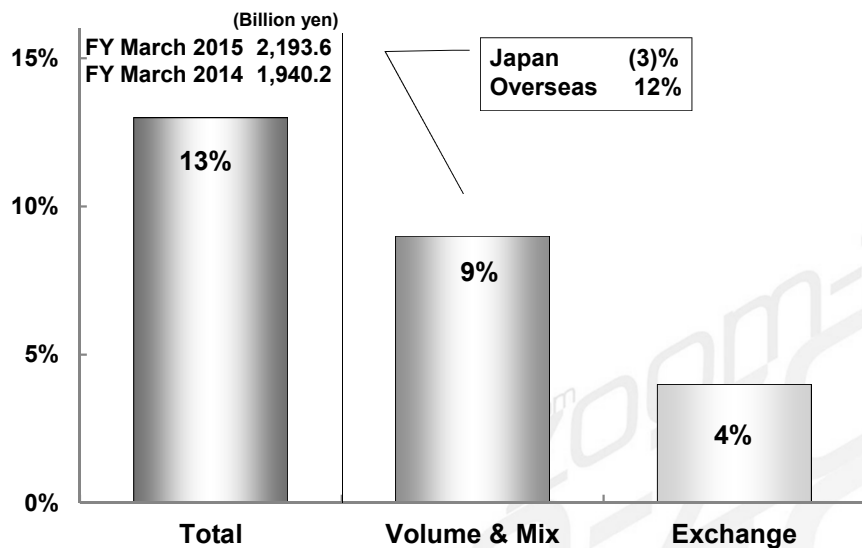
## REVENUE BY PRODUCT



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## REVENUE CHANGE

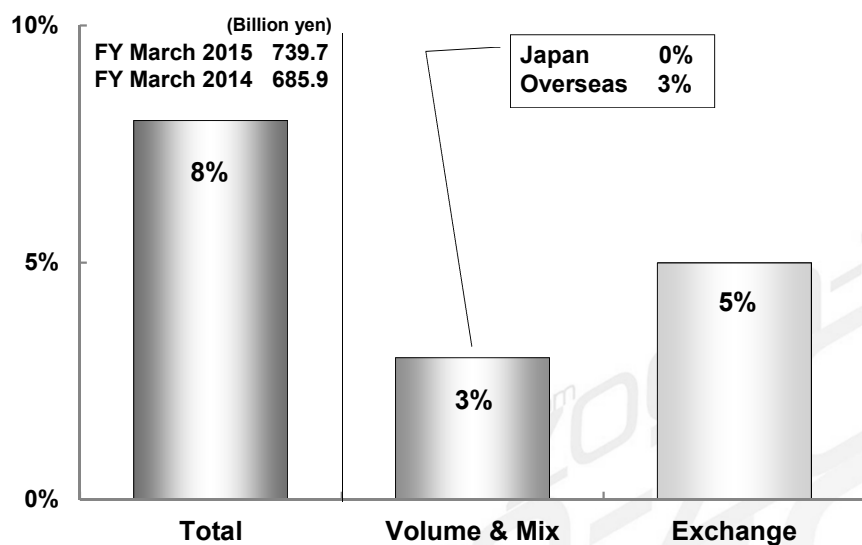
FY March 2015 Nine Month vs. FY March 2014 Nine Month



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## REVENUE CHANGE

FY March 2015 Third Quarter vs. FY March 2014 Third Quarter



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## FY MARCH 2015 FINANCIAL METRICS

(Billion yen)	Third Quarter		Change from Prior Year
	FY March 2014	FY March 2015	
Revenue	685.9	739.7	53.8
Operating profit	50.6	48.0	(2.6)
Ordinary profit	56.8	53.4	(3.4)
Profit before tax	56.1	53.9	(2.2)
Net income	52.4	38.2	(14.2)
Operating ROS	7.4%	6.5%	(0.9)pts
EPS (Yen)	87.7*	63.8	(23.9)*
* Calculated as if shares were consolidated at the beginning of the prior fiscal year for purposes of comparison.			
Exchange rate (Yen)			
US Dollar	100	114	14
Euro	137	143	6

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## GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

(000)	Third Quarter		Change from Prior Year
	FY March 2014	FY March 2015	
Global sales volume			
Japan	51	53	2
North America	90	94	4
Europe	47	53	6
China	62	62	0
Other Markets	72	72	0
Total	322	334	12
Consolidated Wholesales			
Japan	52	54	2
North America	103	103	0
Europe	53	52	(1)
China	2	0	(2)
Other Markets	70	76	6
Total	280	285	5

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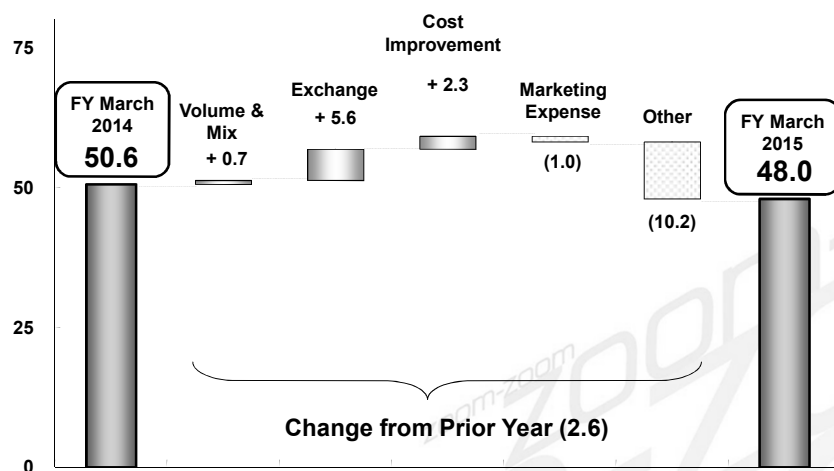


## OPERATING PROFIT CHANGE

FY March 2015 Third Quarter vs. FY March 2014 Third Quarter

(Billion yen)

■ Improvement  
□ (Deterioration)



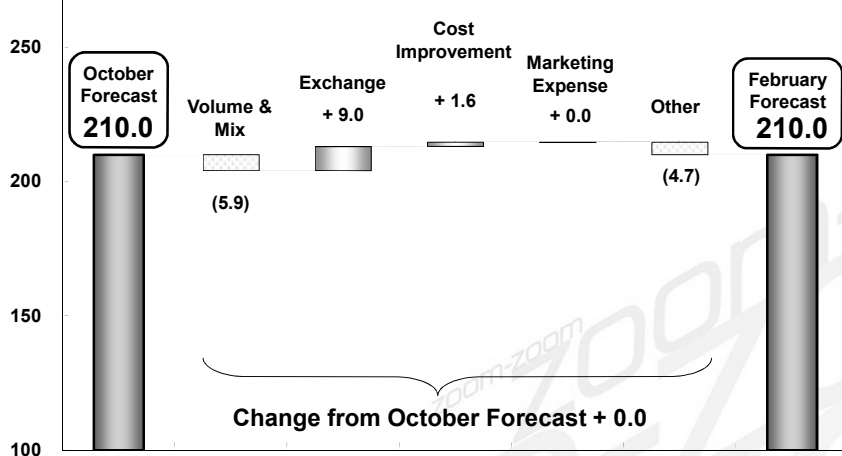
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## OPERATING PROFIT CHANGE

FY March 2015 Full Year vs. October Forecast

(Billion yen)

■ Improvement  
□ (Deterioration)



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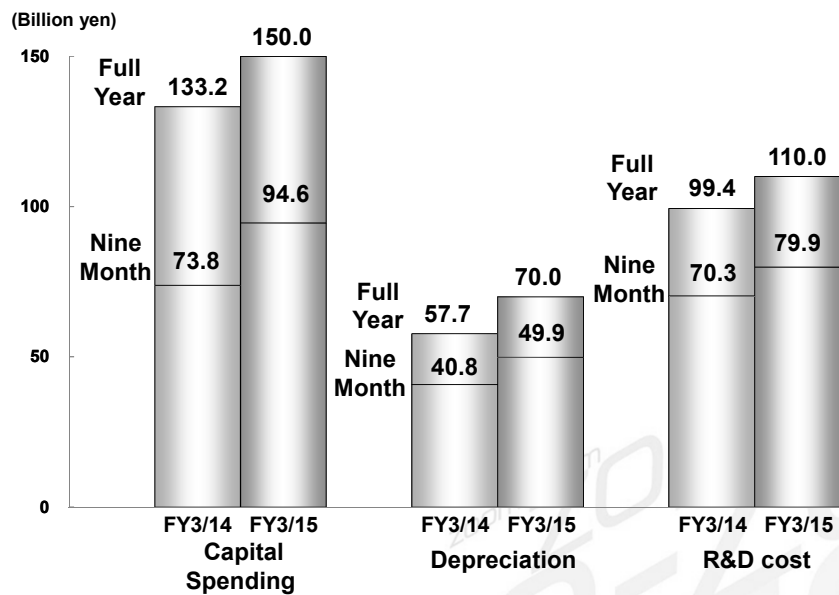
## GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

(000)	FY March 2015			Change from Prior Year			Change from Oct. Forecast
	First Half	Second Half	Full Year	First Half	Second Half	Full Year	Full Year
<b>Global sales volume</b>							
Japan	90	135	225	(21)	2	(19)	0
North America	226	206	432	27	14	41	(8)
Europe	114	114	228	17	4	21	(2)
China	94	118	212	15	1	16	(13)
Other Markets	145	158	303	0	10	10	3
<b>Total</b>	<b>669</b>	<b>731</b>	<b>1,400</b>	<b>38</b>	<b>31</b>	<b>69</b>	<b>(20)</b>
<b>Consolidated Wholesales</b>							
Japan	94	136	230	(22)	2	(20)	0
North America	221	216	437	43	11	54	(3)
Europe	115	110	225	30	1	31	0
China	2	0	2	(1)	(3)	(4)	(2)
Other Markets	150	166	316	8	26	34	10
<b>Total</b>	<b>582</b>	<b>628</b>	<b>1,210</b>	<b>58</b>	<b>37</b>	<b>95</b>	<b>5</b>

\* 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

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### 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

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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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