

FISCAL YEAR MARCH 2016 FIRST HALF FINANCIAL RESULTS



Rotary-powered RX-VISION sports car concept
(Displayed at Tokyo Motor Show 2015)

**Mazda Motor Corporation
November 5, 2015**

1

PRESENTATION OUTLINE



- **Highlights**
- **Fiscal Year March 2016 First Half Results**
- **Fiscal Year March 2016 Full Year Forecast**
- **Progress of Key Initiatives**
- **Summary**

2



HIGHLIGHTS

3

HIGHLIGHTS (1) - FIRST HALF RESULTS



- Global sales were up 14% over the prior year to 764,000 units, a record high for the first half
 - New Mazda2/Demio is now on sale in most major markets and introduction of new CX-3 and new MX-5/Roadster also contributed to volume growth
 - Sales of updated Mazda6/Atenza and CX-5 remained strong
- Revenue was ¥1 trillion 700.5 billion, operating profit was ¥125.9 billion and net income was ¥88.3 billion
- Interim dividend of ¥15 (Annual dividend of ¥30 is planned)

4

HIGHLIGHTS (2) - FULL YEAR FORECAST



- Global sales volume forecast is upwardly revised 25,000 units to 1,515,000 units
- Operating profit forecast is revised to ¥230 billion and net income to ¥155 billion
- Enhance utilization ratio at major facilities in Japan and overseas to support global sales growth
 - Start production of new CX-3 in AAT in Thailand in response to increasing demand of crossover models
- Add new models (GEN1) and advance SKYACTIV technologies and design
- Development of technologies (GEN2 and beyond) for next-generation products gets into full swing
- Exhibit Mazda KOERU and RX-VISION at Tokyo Motor Show

5



FISCAL YEAR MARCH 2016 FIRST HALF RESULTS

6

FY MARCH 2016 FINANCIAL METRICS



(Billion yen)	First Half		Change from Prior Year		Change from Initial Forecast
	FY March 2015	FY March 2016			
			Amount	YOY(%)	Amount
Revenue	1,453.9	1,700.5	246.6	17%	100.5
Operating profit	104.0	125.9	21.9	21%	30.9
Ordinary profit	107.1	121.1	14.0	13%	21.1
Profit before tax	107.0	116.3	9.3	9%	21.3
Net income	93.3	88.3	(5.0)	(5)%	28.3
Free cash flow	19.4	93.3			
Operating ROS	7.2%	7.4%	0.2pts		1.5pts
EPS (Yen)	156.1	147.7	(8.4)		47.3
Exchange rate (Yen)					
US Dollar	103	122	19		2
Euro	139	135	(4)		5

7

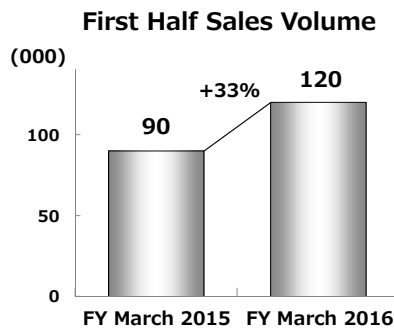
GLOBAL SALES VOLUME



(000)	First Half		Change from Prior Year		Change from Initial Forecast
	FY March 2015	FY March 2016			
			Volume	YOY(%)	Volume
Global sales volume					
Japan	90	120	30	33%	(6)
North America	226	233	7	3%	(3)
Europe	114	124	10	8%	10
China	94	109	15	16%	10
Other Markets	145	178	33	24%	18
Total	669	764	95	14%	29
<Breakdown>					
USA	163	164	1	0%	(3)
Australia	49	58	9	17%	2
ASEAN	37	46	9	22%	6

8

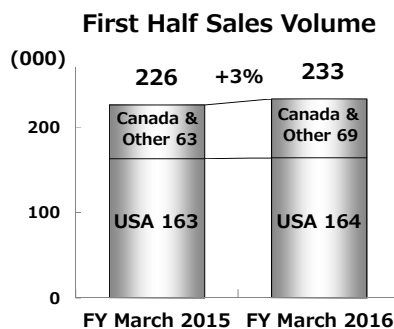
JAPAN



- Sales totaled 120,000 units, up 33% year-on-year
- Mazda sales grew while overall demand dropped year-on-year, and market share increased 1.5 points to 5.2%. Registered vehicle market share was 6.8%, up 2.4 points year-on-year
- In addition to new Demio and new CX-3, sales of new Roadster were also strong

9

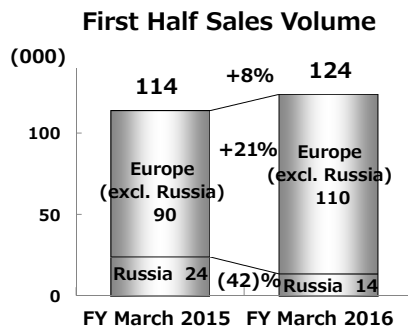
NORTH AMERICA



- Sales were 233,000 units, up 3% year-on-year
- US: Sales were 164,000 units, almost unchanged year-on-year
 - Sales of updated CX-5 and Mazda6 remained strong. Net revenue (transaction price) improved
 - Launched new MX-5 and new CX-3
 - Maintained policy of "right-price" sales
- Mexico: Sales were 27,000 units, up 37% year-on-year
 - Sales of Mazda3 and CX-5 were strong
 - Achieved record sales and market share

10

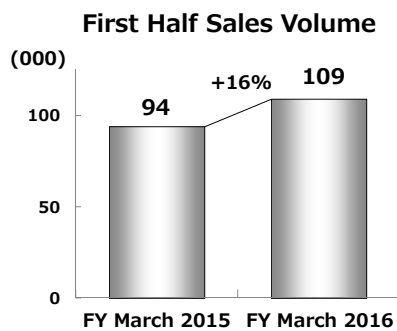
EUROPE



- Sales were 124,000, up 8% year-on-year
- Sales growth was driven by new Mazda2 and new CX-3
- Sales in Europe excluding Russia were 110,000 units, up 21% year-on-year
 - Germany: 30,000 units, up 11% year-on-year
 - UK: 23,000 units, up 23% year-on-year
- Sales in Russia were 14,000 units, down 42% year-on-year, due to shrinking demand and weaker ruble

11

CHINA



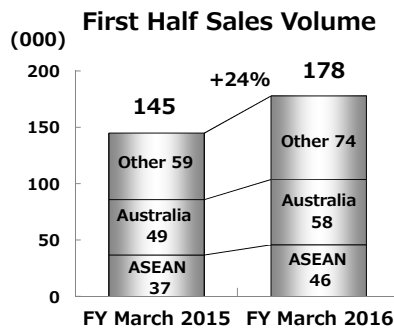
- Sales increased 16% year-on-year to 109,000 units
- Despite declining demand due to the economic slowdown, achieved year-on-year growth for 8 consecutive months
- SKYACTIV models contributed to sales growth
 - Sales of Mazda3 remained strong
 - Mazda6 and updated CX-5 also contributed to sales growth

12

OTHER MARKET



- Sales increased by 24% year-on-year to 178,000 units
- Australia: Sales were up 17% to 58,000 units, and market share was 9.9%.
 - No.2 in sales by brand
 - CX-5 was the top-seller in its segment
 - New CX-3 sales were strong
- ASEAN: Sales grew by 22% to 46,000 units
 - Demand declined in Thailand and Indonesia but Mazda sales were up from the prior year
 - Achieved record high sales in Vietnam and Malaysia
- Others: Saudi Arabia, Chili and Columbia achieved record high sales

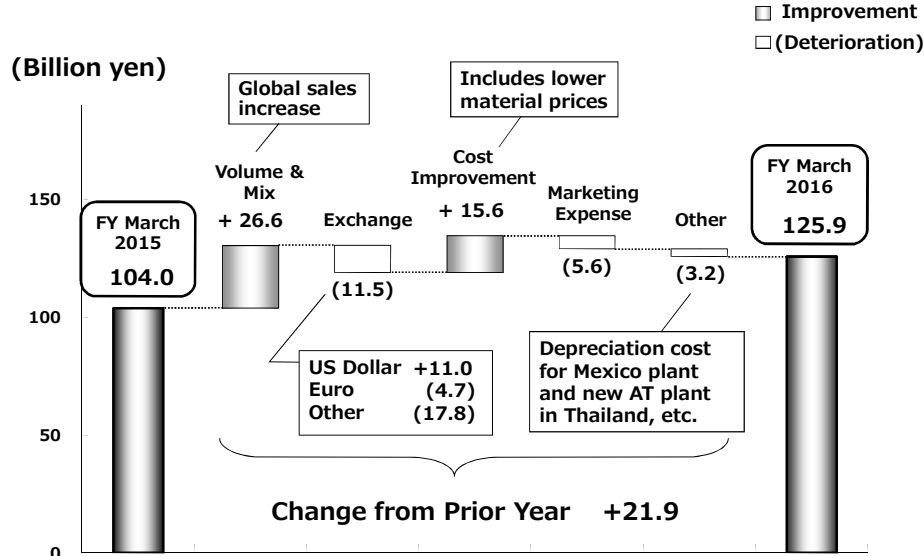


13

OPERATING PROFIT CHANGE



FY March 2016 First Half vs. FY March 2015 First Half

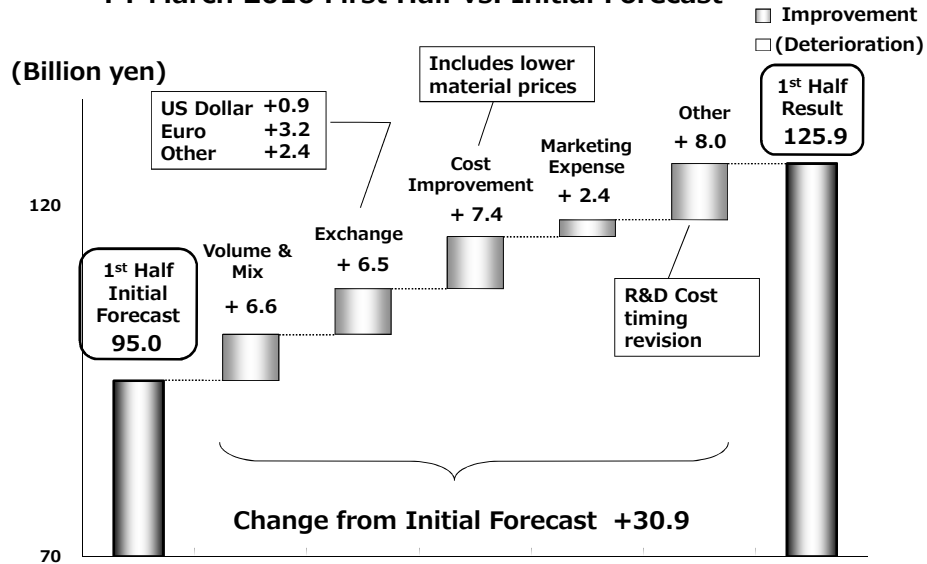


14

OPERATING PROFIT CHANGE



FY March 2016 First Half vs. Initial Forecast



15



FISCAL YEAR MARCH 2016 FULL YEAR FORECAST

16

GLOBAL SALES VOLUME



(000)	FY March 2016			Change	Change
	First Half	Second Half	Full Year	from Prior Year	from Initial Forecast
Global sales volume				YOY(%)	Volume
Japan	120	114	234	4%	(6)
North America	233	214	447	5%	(2)
Europe	124	131	255	11%	15
China	109	111	220	3%	0
Other Markets	178	181	359	18%	18
Total	764	751	1,515	8%	25
<Breakdown>					
USA	164	153	317	4%	(3)
Australia	58	57	115	14%	0
ASEAN	46	49	95	24%	4

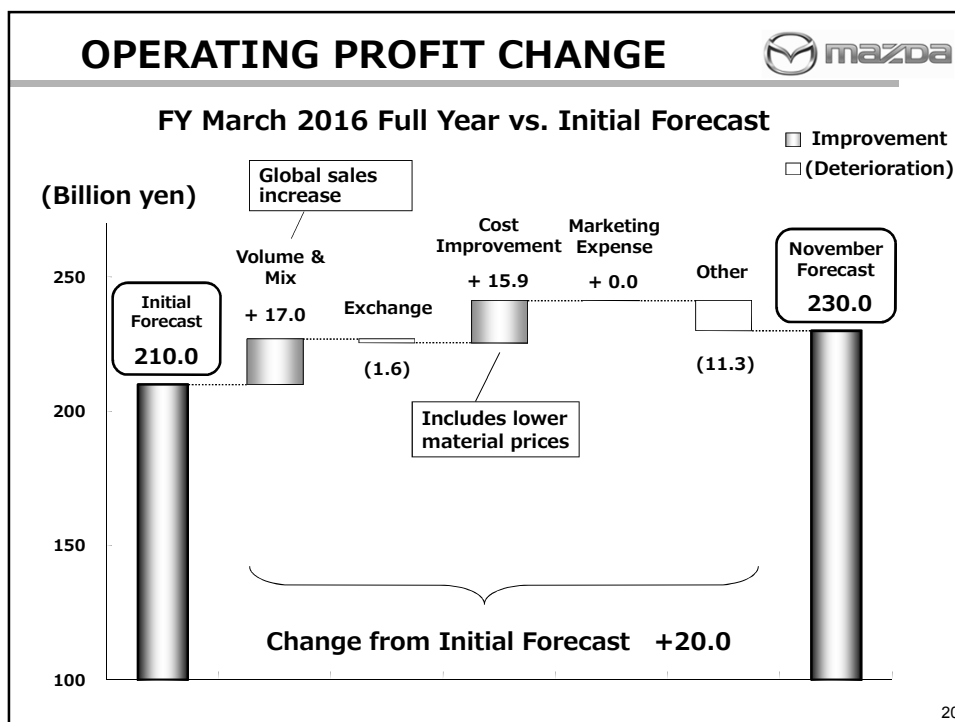
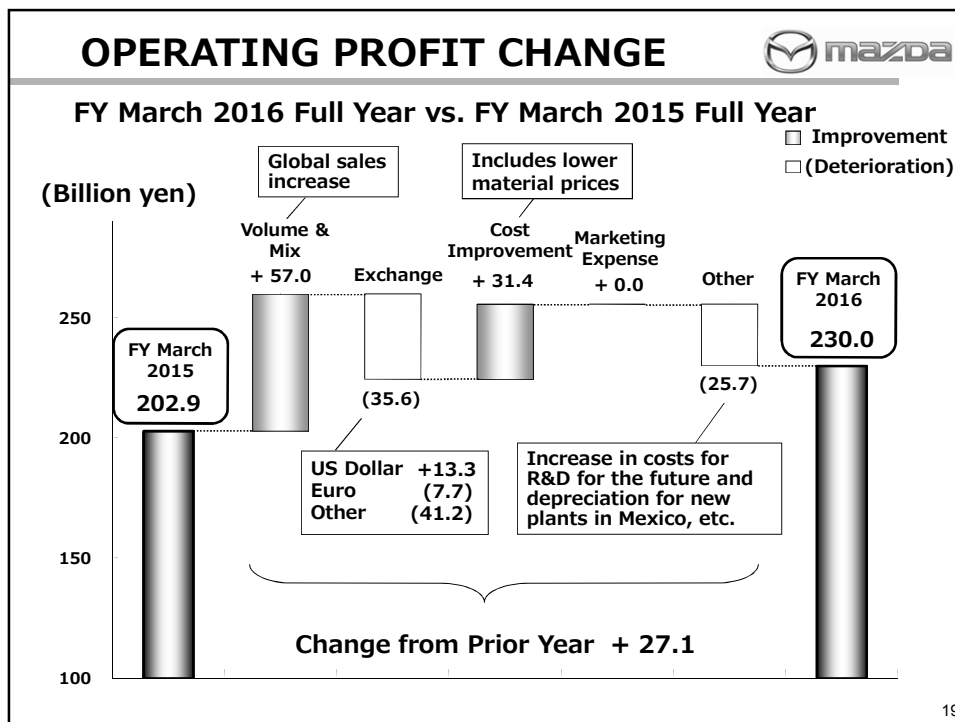
17

FY MARCH 2016 FINANCIAL METRICS



(Billion yen)	FY March 2016			Change	Change
	First Half	Second Half	Full Year	from Prior Year	from Initial Forecast
Revenue	1,700.5	1,669.5	3,370.0	336.1	120.0
Operating profit	125.9	104.1	230.0	27.1	20.0
Ordinary profit	121.1	108.9	230.0	17.4	15.0
Profit before tax	116.3	103.7	220.0	10.7	15.0
Net income	88.3	66.7	155.0	(3.8)	15.0
Operating ROS	7.4%	6.2%	6.8%	0.1pts	0.3pts
EPS (Yen)	147.7	111.6	259.3	(6.3)	25.1
Exchange rate (Yen)					
US Dollar	122	120	121	11	1
Euro	135	135	135	(4)	5

18





PROGRESS OF KEY INITIATIVES

21

PROGRESS OF KEY INITIATIVES (1)

■ Business Innovation by SKYACTIV

[Increase and continually evolve SKYACTIV models]

- Global launch of new CX-3 and new MX-5/Roadster
- Unveil new CX-9 (Los Angeles in November)
- Launch of updated Mazda6/Atenza and CX-5
- Evolution and wider deployment of advanced technology and safety features such as i-ACTIV AWD and i-ACTIVSENSE

[Accelerate initiatives to strengthen global sales and networks]

- While increasing sales, continue "right-price" sales by reducing incentives and improving net revenue (transaction price) through launches of updated models
- Maintain residual values at top levels
- Expand brand communication and customer care enhancement initiatives

22

PROGRESS OF KEY INITIATIVES (2)



■ Establish global production footprints

- Start production of new CX-3 at AAT and engines at new powertrain plant (MPMT) in Thailand to respond to increasing sales

■ Global alliances

- Started production of compact car for Toyota at Mexico plant
- Plan to start production of sports car for Fiat Chrysler Automobiles at Hiroshima plant

■ On track to reinforce financial structure

- While maintaining investment for sustainable growth, increase equity and improve ability to generate cash flow

23



SUMMARY

24

SUMMARY



[First Half Results]

- Global sales totaled 764,000 units, up 14% over the prior year
- Increase and continual evolution of SKYACTIV models contributed to volume growth and net revenue improvement
- Progress in profitability exceeded the forecast: operating profit was ¥125.9 billion and net income was ¥88.3 billion

[Full Year Forecast]

- Global sales volume is upwardly revised 25,000 units from the initial forecast to 1,515,000 units
- Operating profit is revised to ¥230 billion. Net income is revised to ¥155 billion
- Steadily promote key initiatives of Structural Reform, including increase and evolution of new SKYACTIV GEN1, development of technologies for next-generation products, strengthening of production facilities in Japan and overseas, and promotion of global alliances

25



26



APPENDIX

27

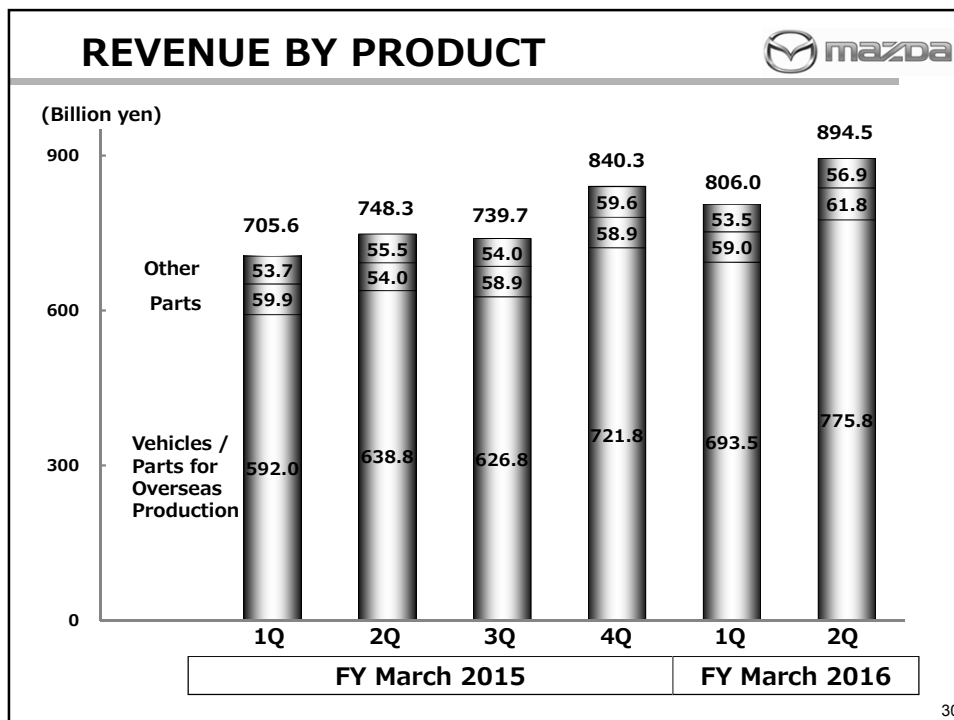
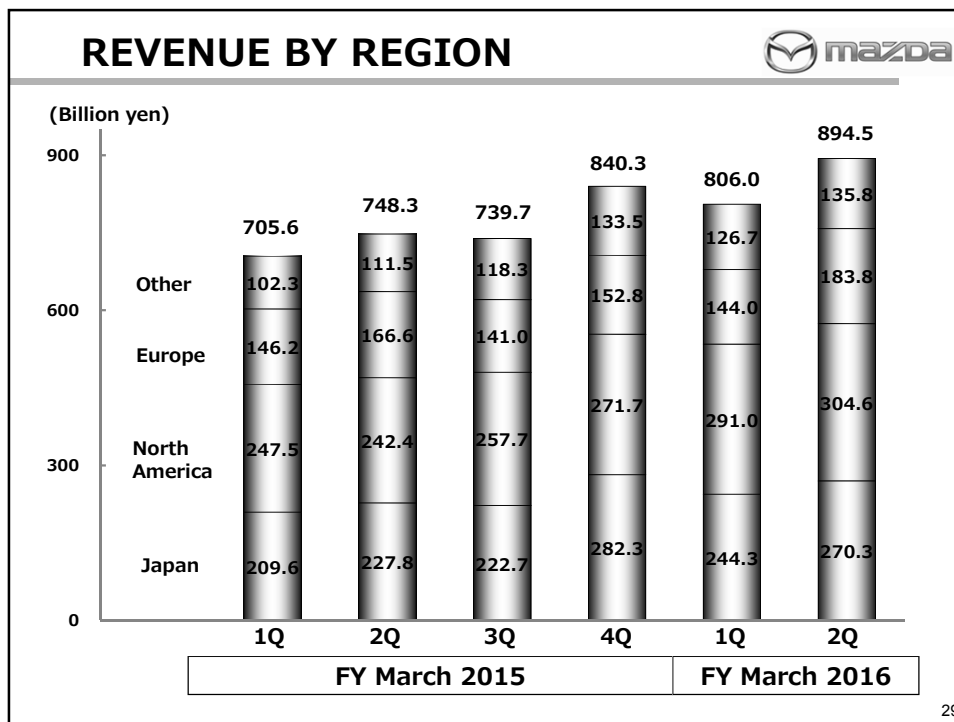
CASH FLOW AND NET DEBT



(Billion yen)	FY March 2016		Total	Change from Prior FY End
	First Quarter	Second Quarter		
Cash Flow				
- From Operating activities	63.0	77.7	140.7	-
- From Investing activities	(26.5)	(20.9)	(47.4)	-
- Free Cash Flow	36.5	56.8	93.3	-
Cash and Cash Equivalents	505.2	561.6	561.6	32.5
Net Debt	147.9	99.4	99.4	72.5
Net Debt-to-equity Ratio	16 / 12* %	11 / 7* %	11 / 7* %	9 / 8* pts
Equity Ratio	36 / 38* %	38 / 39* %	38 / 39* %	3 / 2* pts

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

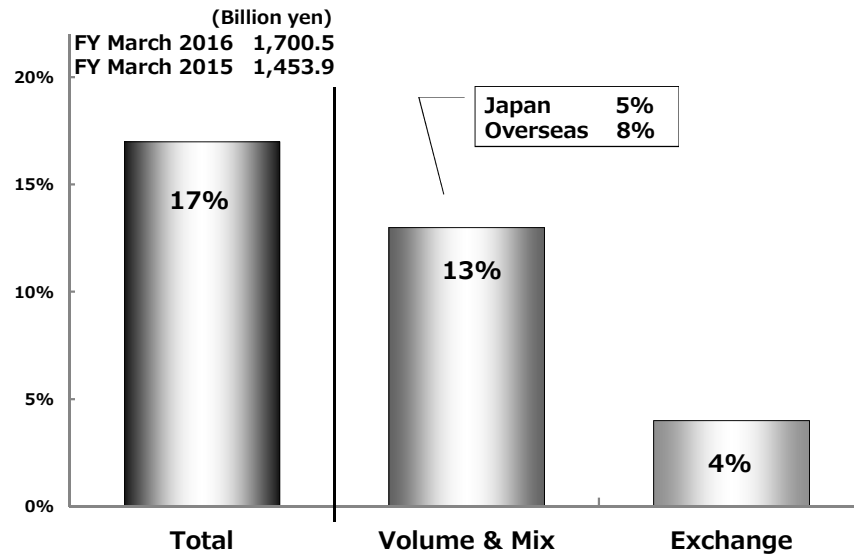
28



REVENUE CHANGE



FY March 2016 First Half vs. FY March 2015 First Half

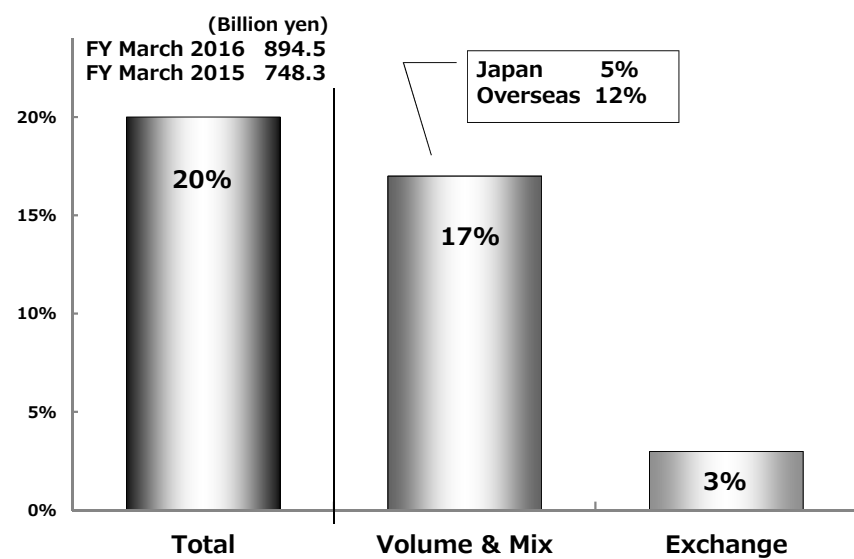


31

REVENUE CHANGE



FY March 2016 Second Quarter vs. FY March 2015 Second Quarter



32

FY MARCH 2016 FINANCIAL METRICS



(Billion yen)	Second Quarter		Change from Prior Year
	FY March 2015	FY March 2016	
Revenue	748.3	894.5	146.2
Operating profit	47.6	72.6	25.0
Ordinary profit	52.5	66.5	14.0
Profit before tax	54.2	62.4	8.2
Net income	44.4	51.5	7.1
Operating ROS	6.4%	8.1%	1.7pts
EPS (Yen)	74.3	86.3	12.0
Exchange rate (Yen)			
US Dollar	104	122	18
Euro	138	136	(2)

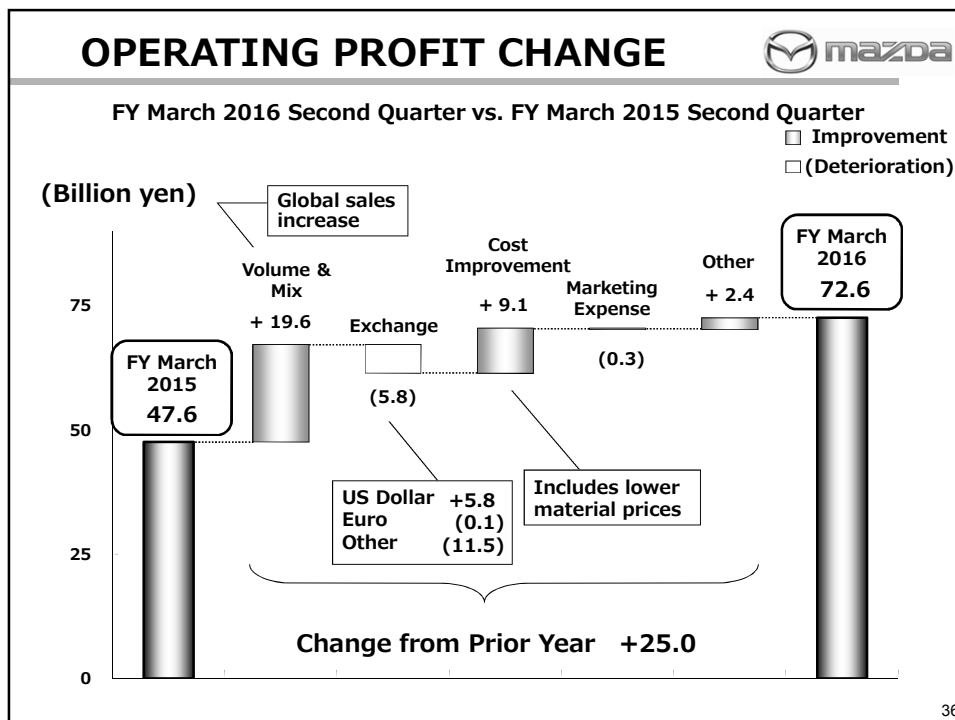
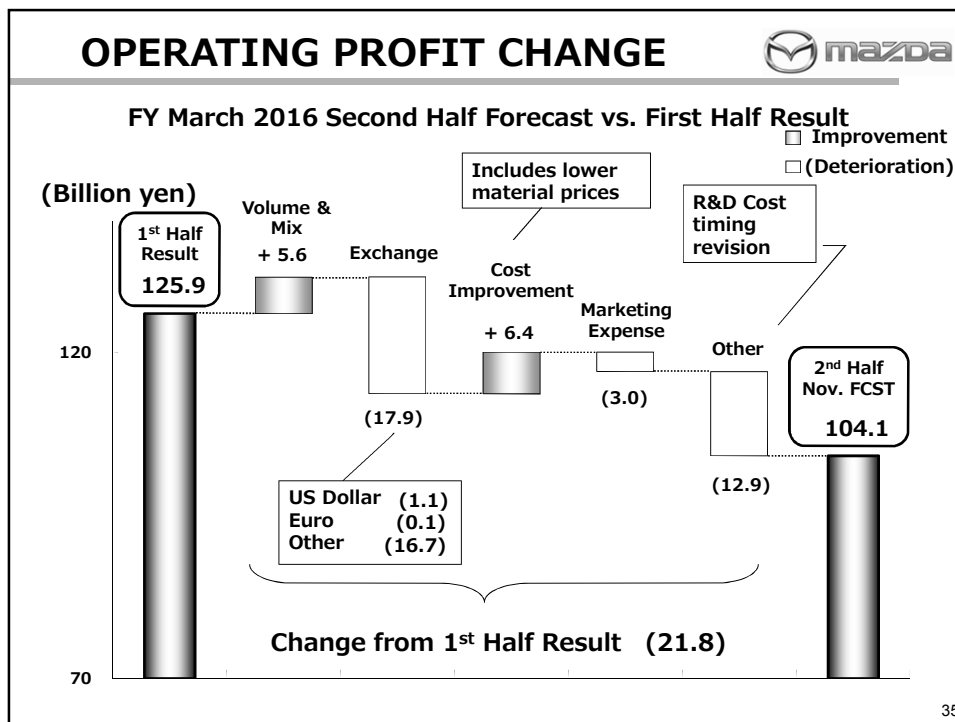
33

GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES



(000)	Second Quarter		Change from Prior Year
	FY March 2015	FY March 2016	
Global sales volume			
Japan	50	63	13
North America	116	117	1
Europe	58	70	12
China	50	52	2
Other Markets	76	92	16
Total	350	394	44
Consolidated Wholesales			
Japan	49	60	11
North America	110	110	0
Europe	63	71	8
Other Markets	79	97	18
Total	301	338	37

34



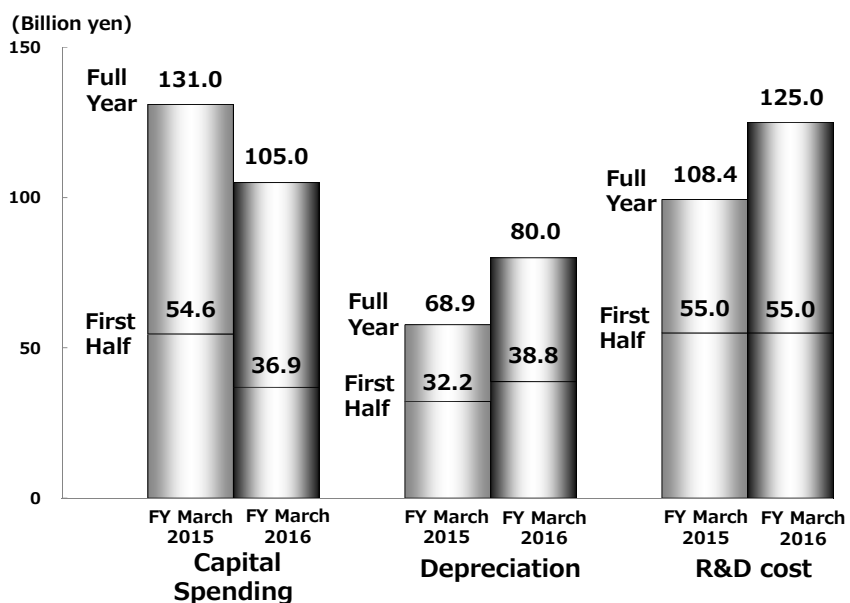
GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(000)	FY March 2016			Change from Prior Year		
	First Half	Second Half	Full Year	First Half	Second Half	Full Year
Global sales volume						
Japan	120	114	234	30	(21)	9
North America	233	214	447	7	15	22
Europe	124	131	255	10	16	26
China	109	111	220	15	(10)	5
Other Markets	178	181	359	33	23	56
Total	764	751	1,515	95	23	118
Consolidated Wholesales						
Japan	118	111	229	28	(19)	9
North America	225	225	450	4	11	15
Europe	125	135	260	10	24	34
Other Markets	178	193	371	27	29	56
Total	646	664	1,310	69	45	114

* FY March 2016 Second Half and Full Year are forecast

37

KEY DATA



* FY March 2016 Full Year are forecast

38

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.

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