

FISCAL YEAR MARCH 2017 FINANCIAL RESULTS



PRESENTATION OUTLINE

- **Consolidated Financial Results and Forecast Summary**
- **Fiscal Year March 2017 Results**
- **Fiscal Year March 2018 Forecast**
- **Structural Reform Stage 2
Progress of Key Initiatives**

CONSOLIDATED FINANCIAL RESULTS AND FORECAST SUMMARY

【FY March 2017 Results】

- Global sales volume was 1,559,000 units, up 2% from the prior year and the highest on record
- Revenue was ¥3,214.4 billion. Operating profit was ¥125.7 billion. Net income was ¥93.8 billion
- Equity ratio was 41%. Net cash was ¥35.4 billion. Financial base is steadily improving.

【FY March 2018 Forecast】

- Forecast global sales of 1.6 million units, operating profit of ¥150 billion, and net income of ¥100 billion
- Expand the SKYACTIV lineup with the global introduction of the new CX-5 and launch of the new CX-8 to enhance competitiveness and achieve volume and profit growth
- Add CX-5 production at Hofu Plant and further increase flexibility of crossover production at Hiroshima Plant
- Accelerate investment in the development and production of next-generation technologies & products

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FISCAL YEAR MARCH 2017 RESULTS

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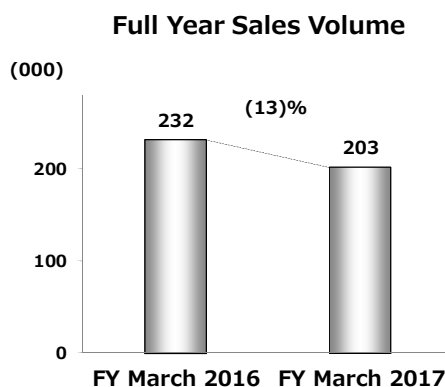
FY MARCH 2017 GLOBAL SALES VOLUME

(000)	Full Year		Change from		(Feb. Forecast)
	FY March 2016	FY March 2017	Prior Year		FY March 2017
			Volume	(%)	
Global sales volume					
Japan	232	203	(29)	(13)%	205
North America	438	429	(9)	(2)%	432
Europe	257	262	5	2%	260
China	235	292	57	24%	281
Other Markets	372	373	1	1%	372
Total	1,534	1,559	25	2%	1,550
<Breakdown>					
USA	306	302	(4)	(1)%	310
Australia	116	118	2	2%	119
ASEAN	101	105	4	4%	105

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JAPAN



- Sales were 203,000 units, down 13% year on year
- Market share was 4.0%, down 0.7 points year on year. Registered vehicle market share was 4.9%, down 1.2 points
- Sales momentum improved with the introduction of the new MX-5 RF in December and new CX-5 in February
- Mazda3 ranked first among recipients of JNCAP's highest "ASV++" proactive safety rating

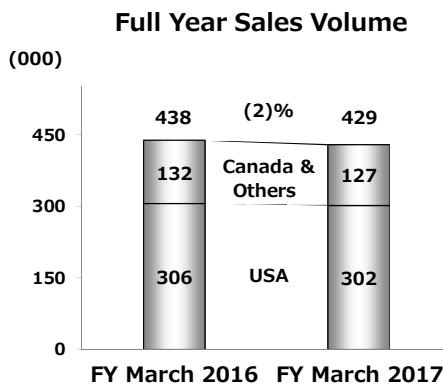


Testing an auto-braking system that detects pedestrians
(Picture source: NASVA)

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NORTH AMERICA

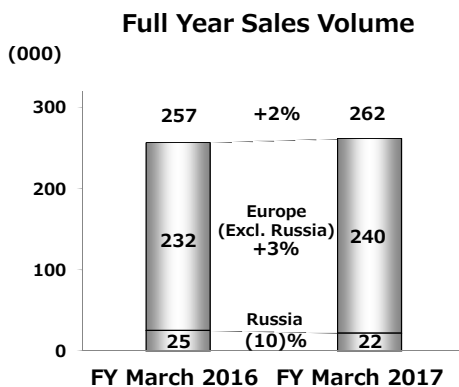


- Sales were 429,000 units, down 2% year on year
- USA: Sales were 302,000 units, down 1% year on year
 - While crossover sales maintain momentum, the market for passenger cars remains tough
 - High-grade models of new CX-9 are selling well, contributing to improved net revenue.
 - Enhance marketing initiatives to increase sales of entry-grade models
 - Promoting initiatives to reorganize and enhance sales network
- Mexico: Sales were 53,000 units, down 9% year on year
 - Sales decreased with price increases in response to weak MXN

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EUROPE



- Sales were 262,000 units, up 2% year on year
- Sales of CX-3 and MX-5 contributed to volume growth
- Sales in Europe excluding Russia grew 3% year on year to 240,000 units
 - Germany: 63,000 units, up 5% year on year
 - UK: 45,000 units, down 7% year on year
- Sales in Russia were 22,000 units, down 10% year on year due to declining industry demand and a weaker RUB



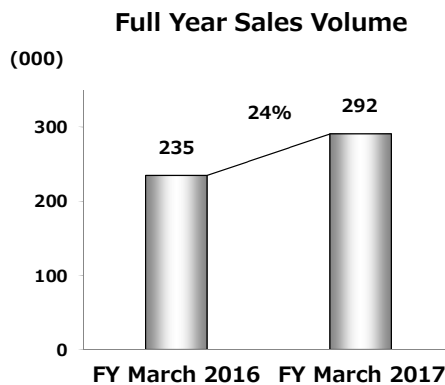
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CHINA



- Sales were 292,000 units, up 24% year on year
- Achieved record sales volume
- Mazda3 led sales, thanks in part to the compact car tax reduction scheme
- Updated Mazda6 and CX-5 contributed to sales growth
- The new CX-4 won "2017 China Car Design of the Year" and sales are exceeding expectations

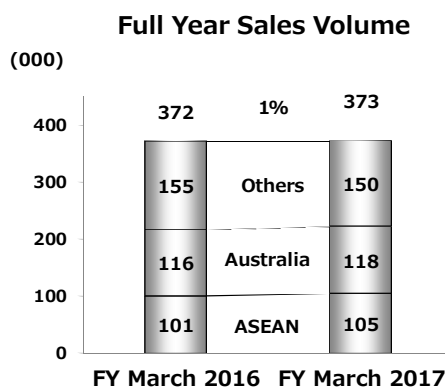


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OTHER MARKETS



- Sales were 373,000 units, up 1% year on year
- Australia: Sales were record high at 118,000 units, up 2% year on year
 - Second highest-selling brand
 - CX-3 and CX-5 are the best sellers in their respective segments
- ASEAN: Sales were 105,000 units, up 4% year on year
 - Thailand: Sales increased 2% year on year
 - Vietnam: Sales increased 45% year on year
- Others: Colombia, Peru, Chile and New Zealand set new sales records



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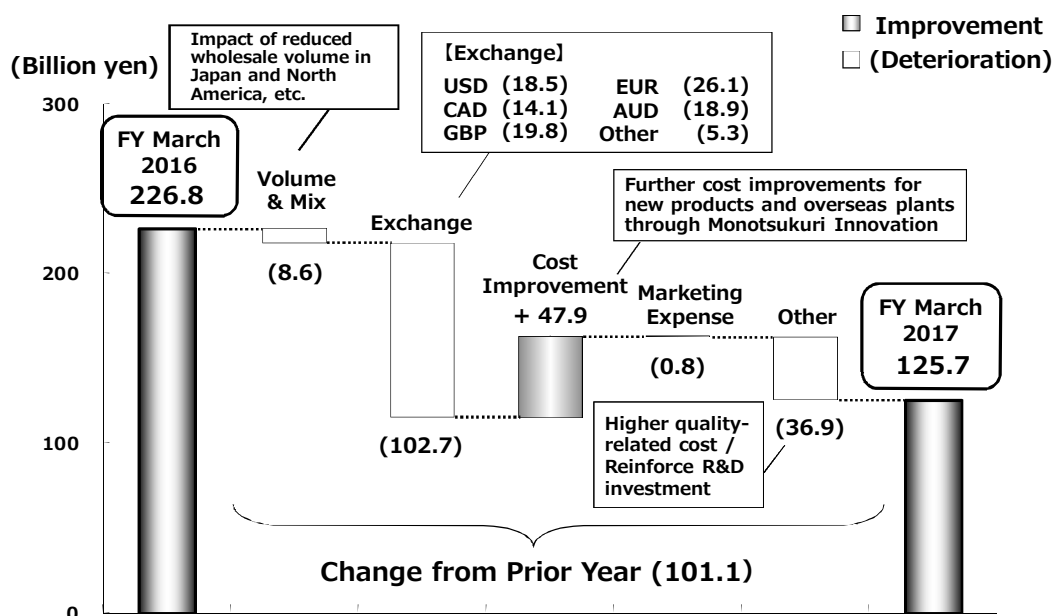
FY MARCH 2017 FINANCIAL METRICS

(Billion yen)	Full Year		Change from		Change from
	FY March	FY March	Prior Year		Feb. Forecast
	2016	2017	Amount	(%)	Amount
Revenue	3,406.6	3,214.4	(192.2)	(6)%	14.4
Operating profit	226.8	125.7	(101.1)	(45)%	(4.3)
Ordinary profit	223.6	139.5	(84.1)	(38)%	4.5
Profit before tax	167.0	128.4	(38.6)	(23)%	5.4
Net income	134.4	93.8	(40.6)	(30)%	3.8
Operating ROS	6.7%	3.9%	(2.8)pts		(0.2)pts
EPS (Yen)	224.9	156.9	(68.0)		6.4
Exchange rate (Yen)					
US Dollar	120	108	(12)		1
Euro	133	119	(14)		0

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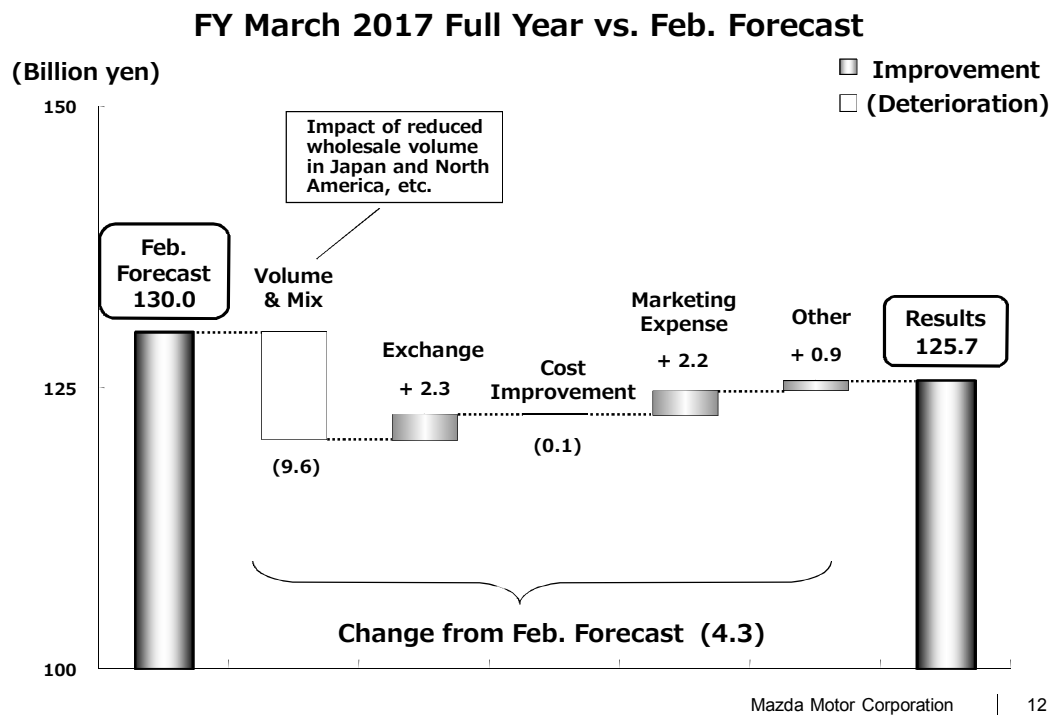
FY MARCH 2017 OPERATING PROFIT CHANGE

FY March 2017 Full Year vs. FY March 2016 Full Year



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FY MARCH 2017 OPERATING PROFIT CHANGE



FISCAL YEAR MARCH 2018 FORECAST

FY MARCH 2018 GLOBAL SALES VOLUME

(000)	Full Year		Change from	
	FY March 2017	FY March 2018	Prior Year	
			Volume	(%)
Global sales volume				
Japan	203	213	10	5%
North America	429	454	25	6%
Europe	262	267	5	2%
China	292	282	(10)	(3)%
Other Markets	373	384	11	3%
Total	1,559	1,600	41	3%
<Breakdown>				
USA	302	328	26	9%
Australia	118	121	3	3%
ASEAN	105	119	14	13%

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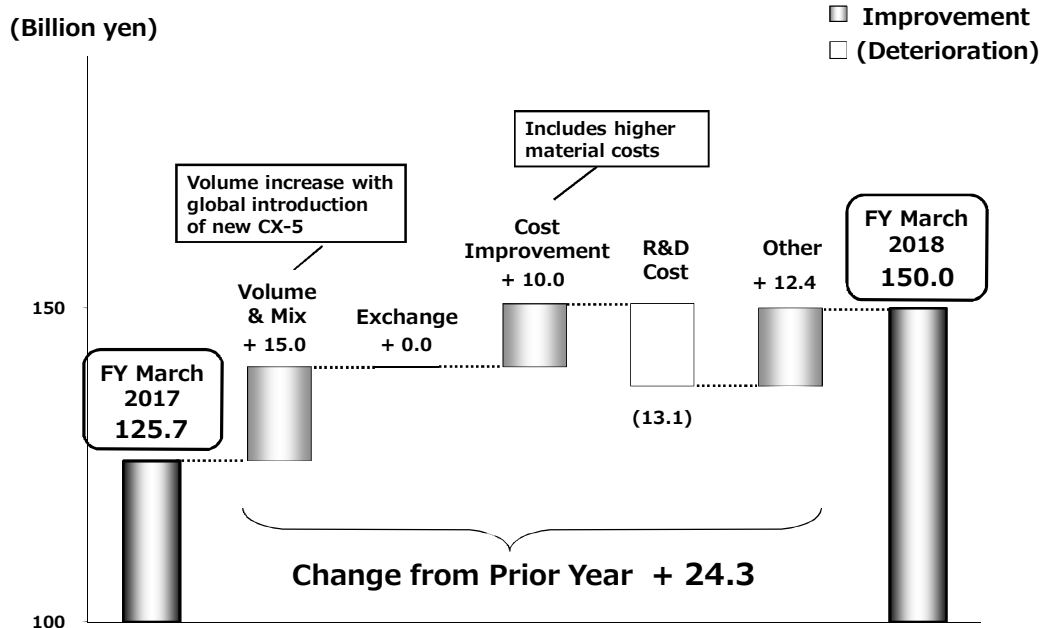
FY MARCH 2018 FINANCIAL METRICS

(Billion yen)	Full Year		Change from	
	FY March 2017	FY March 2018	Prior Year	
			Amount	(%)
Revenue	3,214.4	3,350.0	135.6	4%
Operating profit	125.7	150.0	24.3	19%
Ordinary profit	139.5	163.0	23.5	17%
Profit before tax	128.4	150.0	21.6	17%
Net income	93.8	100.0	6.2	7%
Operating ROS	3.9%	4.5%	0.6pts	
EPS (Yen)	156.9	167.3	10.4	
Exchange rate (Yen)				
US Dollar	108	108	0	
Euro	119	118	(1)	

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FY MARCH 2018 OPERATING PROFIT CHANGE

FY March 2018 Full Year vs. FY March 2017 Full Year



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STRUCTURAL REFORM STAGE 2 PROGRESS OF KEY INITIATIVES

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PRODUCT AND R&D

[Expand the SKYACTIV lineup]

- Global introduction of the new CX-5 which features refined design and technology, and brings a new dimension of driving pleasure.
Launch the clean diesel-powered CX-5 in North America in the latter half of 2017
- Add gasoline engine model to CX-3 lineup in Japan
- Advanced safety technology “i-ACTIVSENSE” to be made standard equipment in Japan
- Adopt the SKYACTIV-G 2.5T 2.5-liter DI turbo gasoline engine in a wider range of models
- Introduce new 3-row crossover SUV, Mazda CX-8, starting from Japan



(Photo: New CX-5)

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GLOBAL SALES AND NETWORK ENHANCEMENT

- Sustainable volume growth of 50,000 units per year with the introduction of new and updated models
- “Right-price” sales policy emphasizing the value of the products helped boost transaction prices and residual values, leading to trade cycle management enhancement
Japan: About 50% of new CX-5-buyers are existing Mazda customers
US: Repurchase rate is increasing, especially with SKYACTIV model owners
- Enhance sales network to improve brand value

[Examples in the US]

Sales network reforms

- Performance-based allocation of dealerships
- Increase number of new-generation dealerships and attract new talent

Operational reforms

- Change dealer incentive scheme
- Launch customer care training program



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GLOBAL PRODUCTION AND COST IMPROVEMENT

- **Improve production flexibility of crossover vehicles**

Hofu Plant: CX-3 production started Dec. 2016

New CX-5 production due to start Nov. 2017

Hiroshima Plant: Further expand production capacity of crossover models (FY March 2018)



(CX-3 production at Hofu Plant)

- **Improve production flexibility at overseas plants in mid- to long-term to establish global swing production structure**
- **Investment in production equipment for models with next-generation technologies starts in FY March 2018**
- **Promote the development of next-generation technologies such as parts that serve multiple functions to further improve costs**

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STRENGTHEN FINANCIAL BASE AND SHAREHOLDER RETURNS

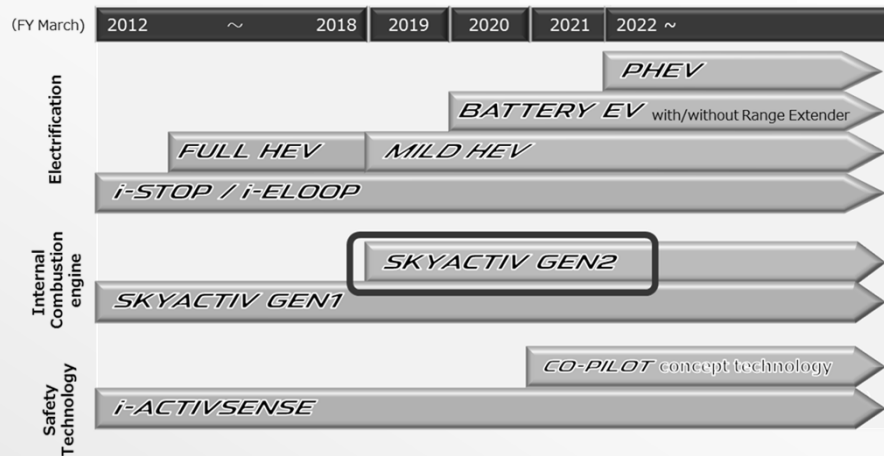
- **Improve ability to generate profit and cash flow through steady volume growth and brand value improvement**
- **Improve balance sheet, especially equity ratio and net debt**
- **Accelerate investment for future growth (R&D and CAPEX) while strengthening financial base**
- **Stable payment and steady improvement of dividend for sustainable growth**
- **FY March 2019 Targets**

Global sales volume	Operating ROS	Equity ratio	Dividend payout ratio
1.65 mil units	5% or more	45% or more	20% or more
(¥108 / USD, ¥118 / EUR)			

Despite steady progress in the major initiatives of Structural Reform Stage 2, operating ROS target has been revised to 5% or more due to changes in the business environment such as exchange assumptions, material costs and commodity prices, lower passenger car demand in the US.

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COMMUNICATION OF NEXT GENERATION TECHNOLOGIES



- Combine development of electrification and safety technologies with advances in the internal combustion engine to meet environmental regulations globally and help reduce automobile accidents
- Development of next-generation technologies is progressing well. Plan to reveal next-generation **SKYACTIV** gasoline engine with dramatic efficiency improvements and **VISION** model representing the future of KODO design in autumn of 2017

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APPENDIX

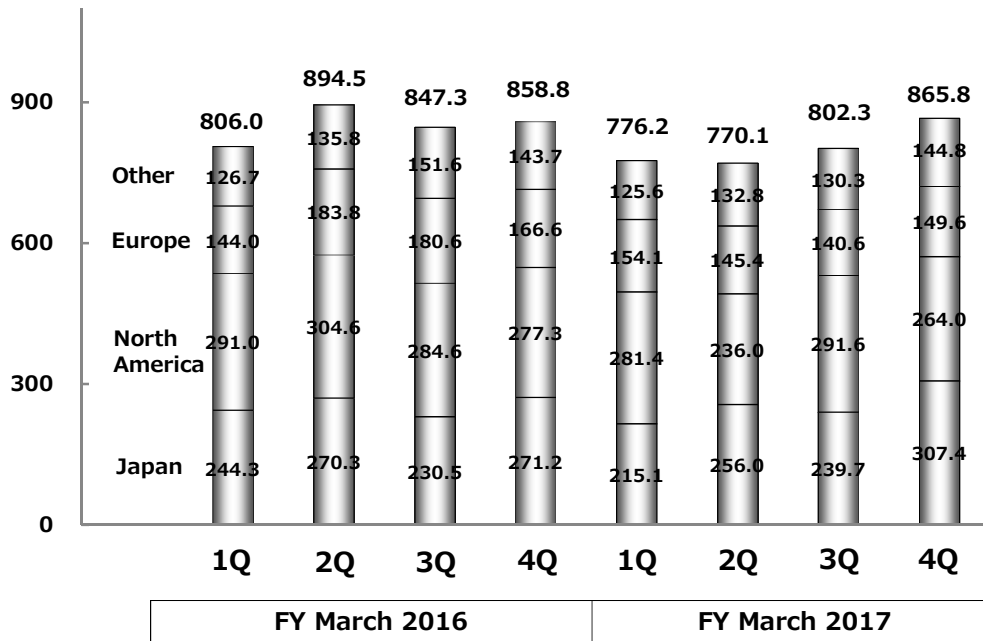
CASH FLOW AND NET DEBT

(Billion yen)	FY March 2016 Full Year	FY March 2017 Full Year	Change from Prior FY End
Cash Flow			
- From Operating activities	262.8	161.1	-
- From Investing activities	(108.1)	(63.8)	-
- Free Cash Flow	154.7	97.3	-
Cash and Cash Equivalents	568.7	526.9	(41.8)
Net Debt	48.4	(35.4)	83.8
Net Debt-to-equity Ratio	5 / 1*%	(3) / (7)*%	8 / 8* pts
Equity Ratio	37 / 39*%	41 / 43* %	4 / 4* pts

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

REVENUE BY REGION

(Billion yen)

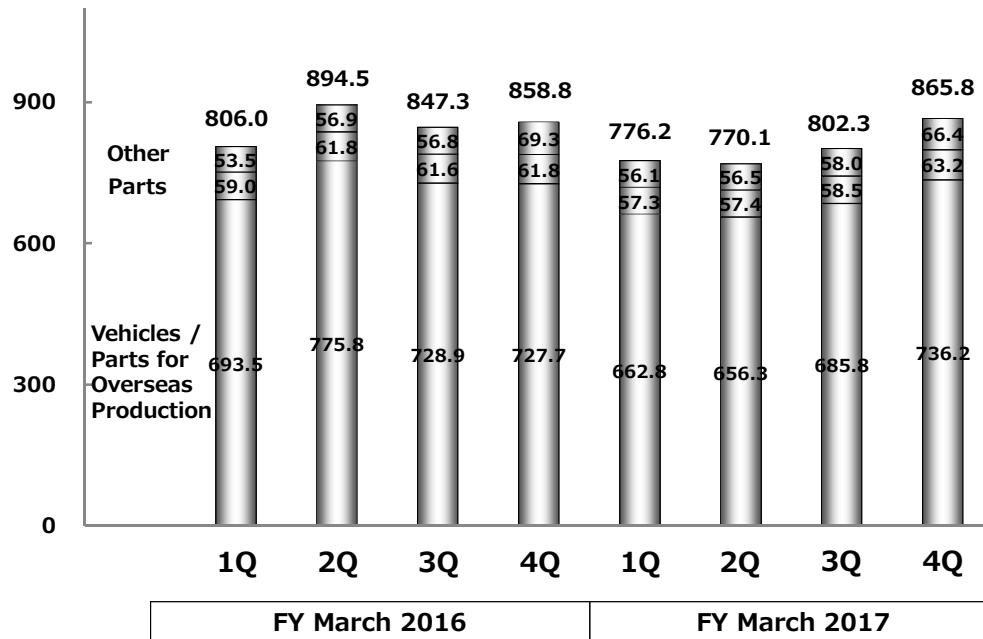


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REVENUE BY PRODUCT

(Billion yen)

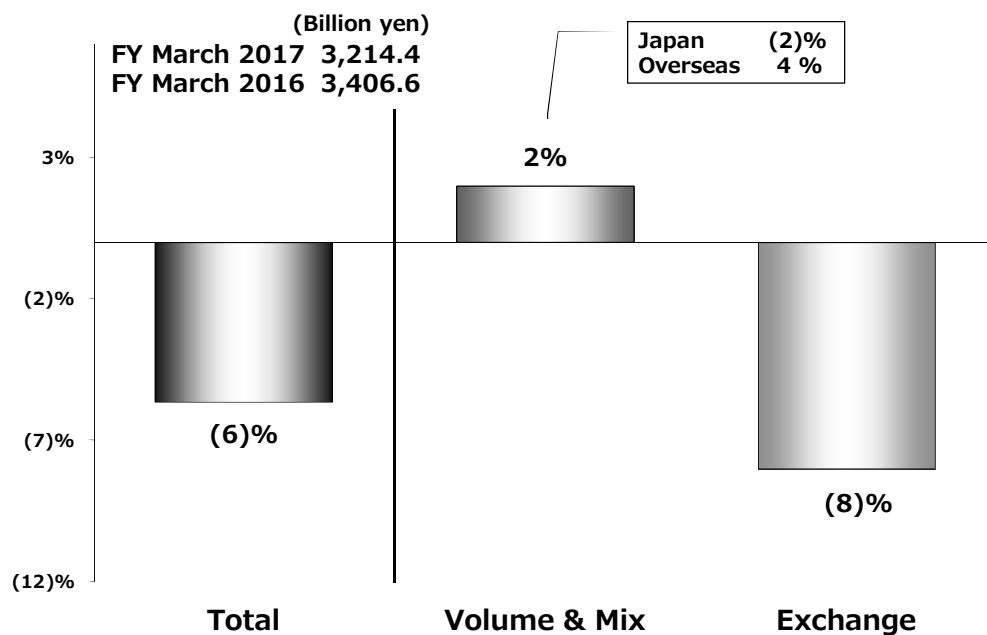


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REVENUE CHANGE

FY March 2017 Full Year vs. FY March 2016 Full Year

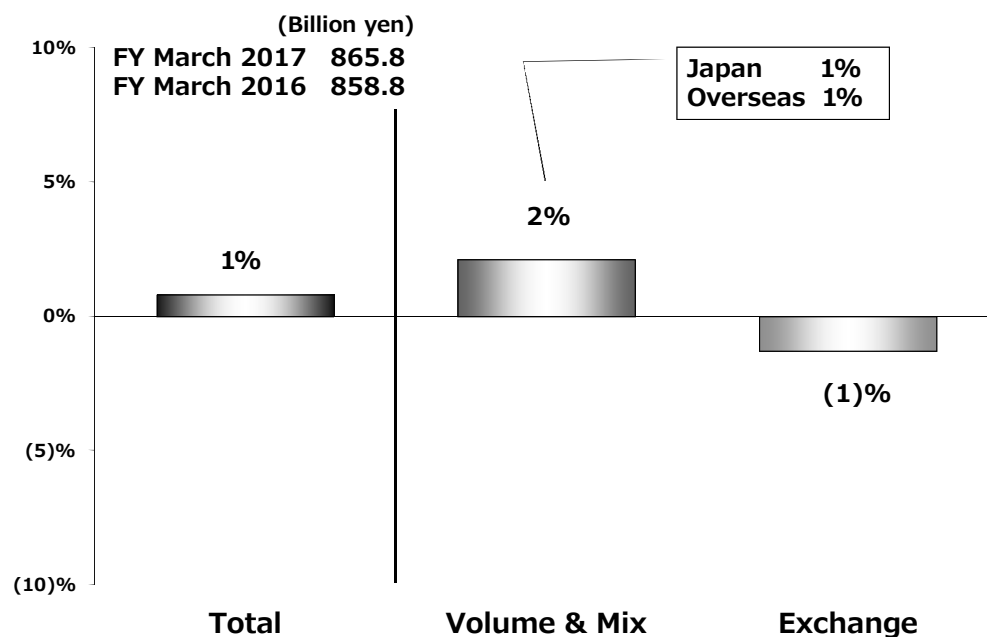


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REVENUE CHANGE

FY March 2017 4th Quarter vs. FY March 2016 4th Quarter



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GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(000)	Fourth Quarter		Change from		Change from
	FY March 2016	FY March 2017	Prior Year	(%)	Feb. Forecast
			Volume		Volume
Global sales volume					
Japan	69	71	2	2%	(2)
North America	93	98	5	5%	(3)
Europe	74	71	(3)	(3)%	2
China	58	65	7	10%	11
Other Markets	95	92	(3)	(2)%	1
Total	389	397	8	2%	9
Consolidated wholesales					
Japan	67	67	0	0%	(4)
North America	109	98	(11)	(10)%	(4)
Europe	68	62	(6)	(9)%	2
Other Markets	95	107	12	13%	(4)
Total	339	334	(5)	(1)%	(10)

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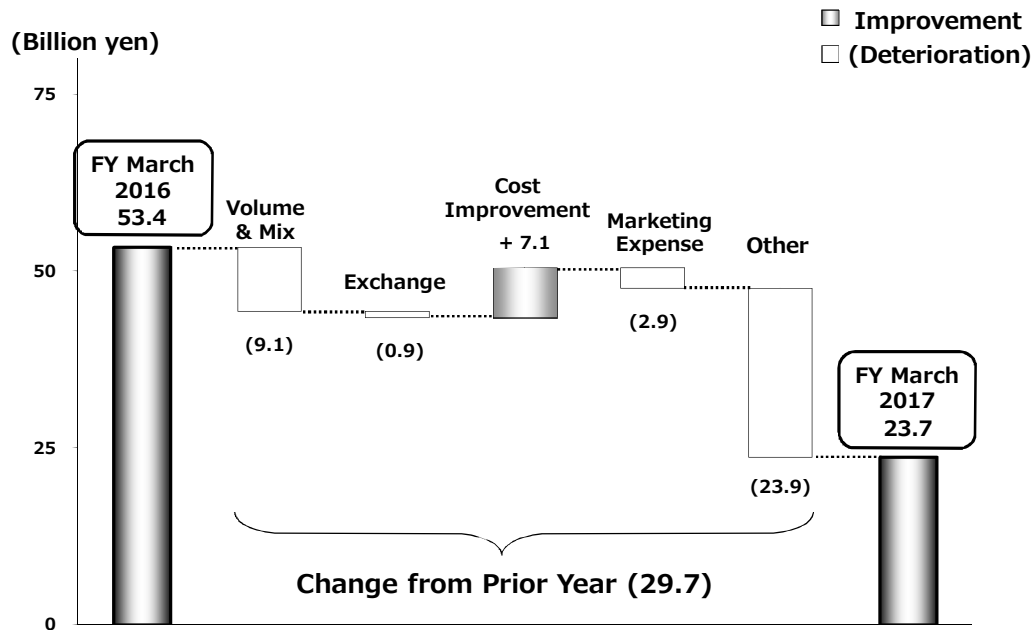
FY MARCH 2017 FINANCIAL METRICS

(Billion yen)	Fourth Quarter		Change from		Change from
	FY March 2016	FY March 2017	Prior Year	(%)	Feb. Forecast
			Amount		Amount
Revenue	858.8	865.8	7.0	1%	14.4
Operating profit	53.4	23.7	(29.7)	(56)%	(4.3)
Ordinary profit	51.6	21.6	(30.0)	(58)%	4.5
Profit before tax	0.5	17.7	17.2	3234%	5.4
Net income	10.9	13.9	3.0	26%	3.8
Operating ROS	6.2%	2.7%	(3.5)pts		(0.6)pts
EPS (Yen)	18.3	23.2	4.9		6.3
Exchange rate (Yen)					
US Dollar	115	114	(1)		4
Euro	127	121	(6)		1

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FY MARCH 2017 OPERATING PROFIT CHANGE

March 2017 4th Quarter vs. FY March 2016 4th Quarter



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GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

(000)	Full Year		Change from Prior Year	
	FY March 2016	FY March 2017		
Global sales volume			Volume	(%)
Japan	232	203	(29)	(13)%
North America	438	429	(9)	(2)%
Europe	257	262	5	2%
China	235	292	57	24%
Other Markets	372	373	1	1%
Total	1,534	1,559	25	2%
Consolidated wholesales				
Japan	228	193	(35)	(15)%
North America	439	426	(13)	(3)%
Europe	261	255	(6)	(2)%
Other Markets	379	391	12	3%
Total	1,307	1,265	(42)	(3)%

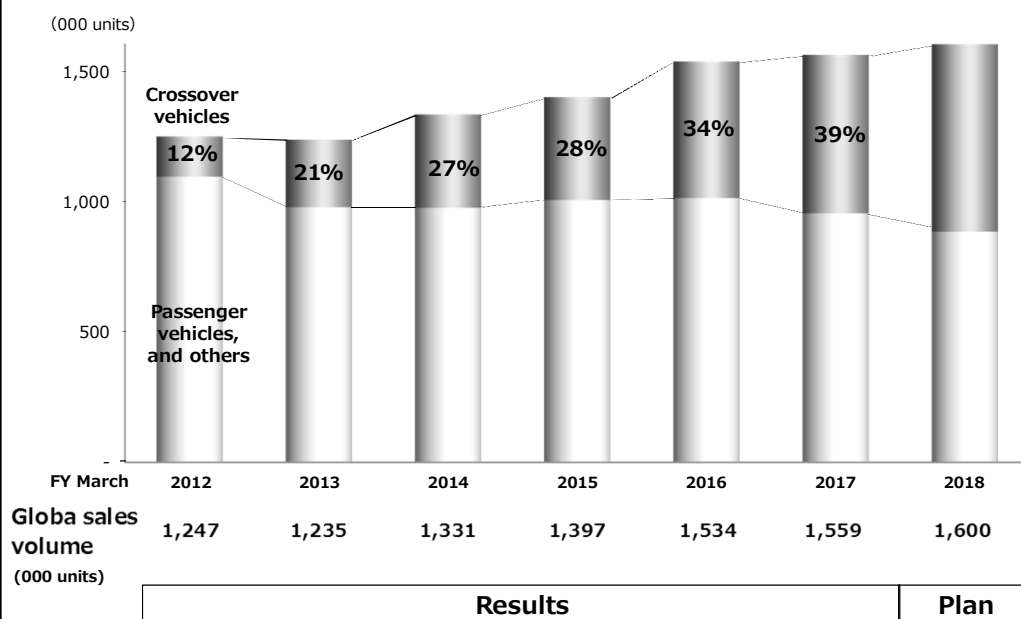
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GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(000)	Full Year		Change from Prior Year	
	FY March 2017	FY March 2018		
Global sales volume			Volume	(%)
Japan	203	213	10	5%
North America	429	454	25	6%
Europe	262	267	5	2%
China	292	282	(10)	(3)%
Other Markets	373	384	11	3%
Total	1,559	1,600	41	3%
Consolidated wholesales				
Japan	193	209	16	8%
North America	426	448	22	5%
Europe	255	262	7	3%
Other Markets	391	386	(5)	(1)%
Total	1,265	1,305	40	3%

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CROSSOVER VEHICLE RATIO



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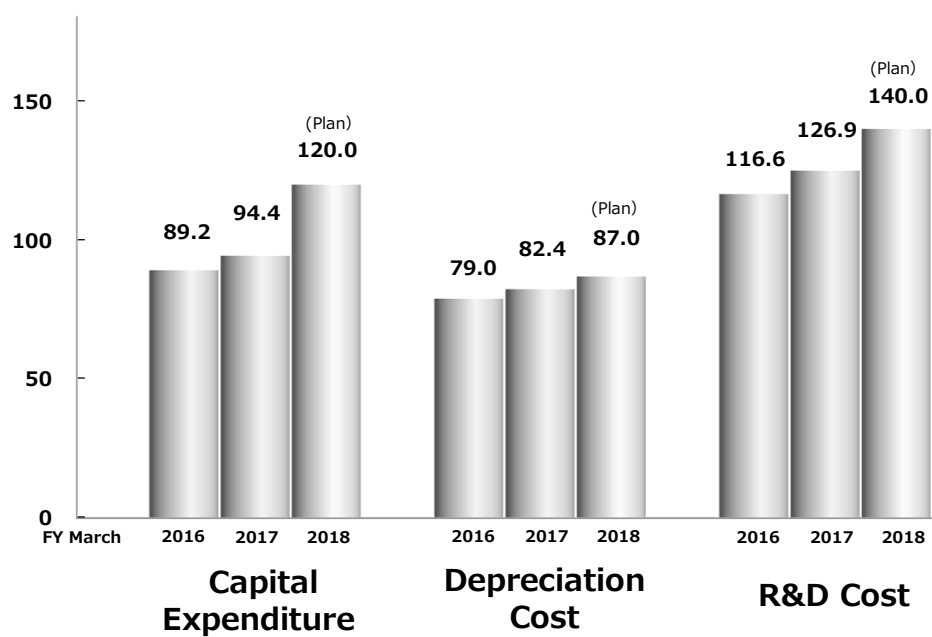
EXCHANGE RATES

(Yen)	Full Year		Change
	FY March	FY March	
	2017	2018	
US Dollar	108	108	0
Euro	119	118	(1)
Canadian Dollar	83	83	0
Australian Dollar	82	83	1
British Pound	142	138	(4)

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KEY DATA

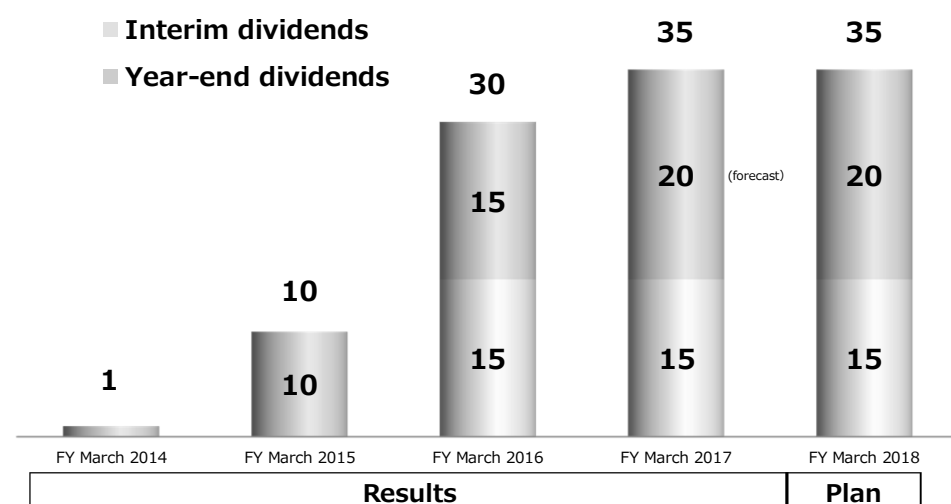
(Billion yen)



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DIVIDEND PAYMENT

Trend of dividends per share



Note) A share consolidation was implemented on common stock with a ratio of five shares to one share on August 1, 2014. Dividends per share represent actual amounts applicable to the respective years.

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. 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.