



# **FISCAL YEAR MARCH 2018 FIRST QUARTER FINANCIAL RESULTS**



# PRESENTATION OUTLINE

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- **Highlights**
- **Fiscal Year March 2018 First Quarter Results**
- **Fiscal Year March 2018 Full Year Forecast**
- **Structural Reform Stage 2  
Progress of Key Initiatives**

# HIGHLIGHTS

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## **【First Quarter Results】**

- **Global sales were up 1% from the prior year to 377,000 units, a new record for the first quarter**
- **Revenue was ¥802.1 billion, operating profit was ¥39.9 billion and net income was ¥36.6 billion (up ¥15.4 billion from the prior year)**
- **Now on sale in Japan, North America, Australia, Europe and other markets, sales of the new CX-5 are strong**

## **【Full Year Forecast】**

- **No change to the full-year forecast announced in April; Global sales of 1.6 million units, operating profit of ¥150 billion and net income of ¥100 billion**
- **Annual volume growth of 50,000 units by expansion of SKYACTIV lineup**
- **Accelerate production and sales momentum by enhancing production flexibility for crossover models**

# **FISCAL YEAR MARCH 2018 FIRST QUARTER RESULTS**

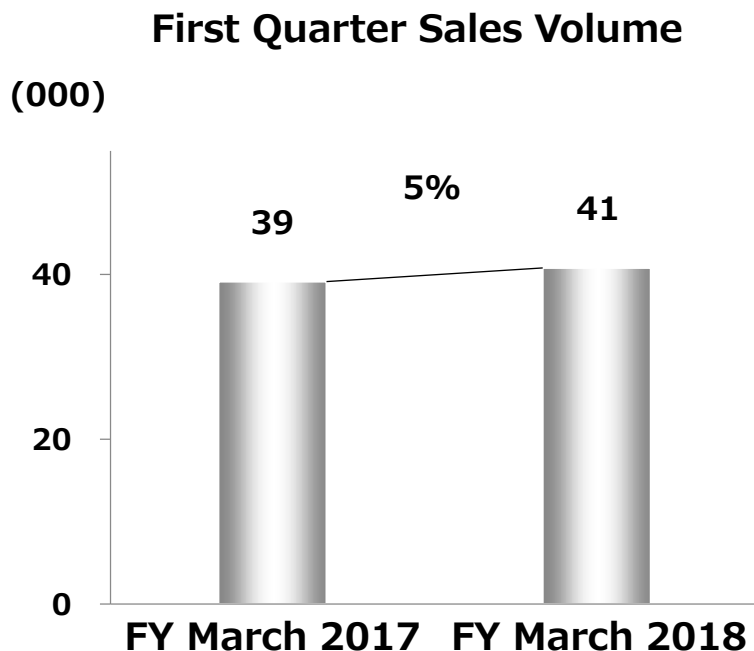
# FY MARCH 2018 GLOBAL SALES VOLUME

(000)	First Quarter		Change from	
	FY March 2017	FY March 2018	Prior Year Volume	YOY(%)
<b>Global sales volume</b>				
Japan	39	41	2	5%
North America	113	106	(7)	(6)%
Europe	66	64	(2)	(3)%
China	59	71	12	20%
Other Markets	98	94	(3)	(3)%
<b>Total</b>	<b>375</b>	<b>377</b>	<b>2</b>	<b>1%</b>
<Breakdown>				
USA	81	73	(8)	(10)%
Australia	31	31	1	2%
ASEAN	27	26	(1)	(3)%

# JAPAN



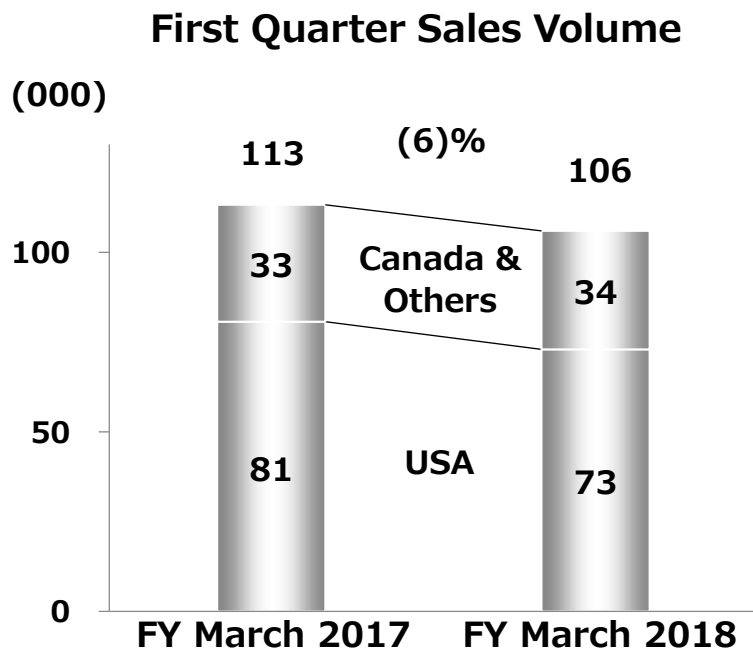
- Sales were 41,000 units, up 5% year on year
- Market share was 3.4%, down 0.2 point year on year. Registered vehicle market share was 4.1%, down 0.1 point
- Launched Mazda2 with advanced safety technology as standard equipment, improving sales momentum
- Sales of new CX-5 are exceeding targets and high grade models are popular
- Gasoline powered CX-3 acquired advanced "WLTC" certification



# NORTH AMERICA



- Sales were 106,000 units, down 6% year on year
- USA: Sales were 73,000 units, down 10% year on year
  - Fleet sales are the main cause of the year-on-year decrease
  - Crossover sales retained momentum but the passenger car market remains tough
  - Sales of new CX-5 are strong and meeting targets
  - All tested models received highest "2017 Top Safety Pick+" rating from IIHS in the U.S.
- Mexico: 12,000 units, up 11% year on year

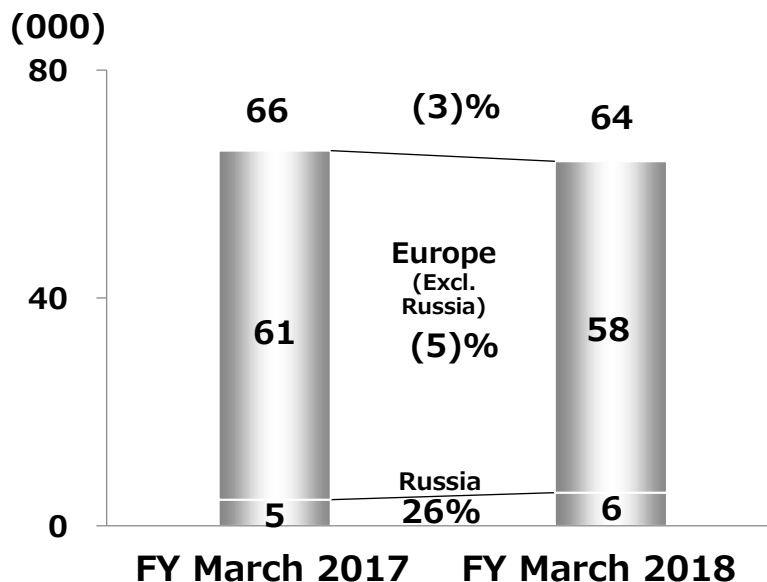


# EUROPE



- Sales were 64,000 units, down 3% year on year
- New CX-5 launches began in May and sales are off to a good start
- Sales in Europe excluding Russia were 58,000 units, down 5% year on year
  - Germany: 18,000 units, up 8% year on year
  - UK: 7,000 units, down 19% year on year
- Sales in Russia were 6,000 units, up 26% year on year

First Quarter Sales Volume



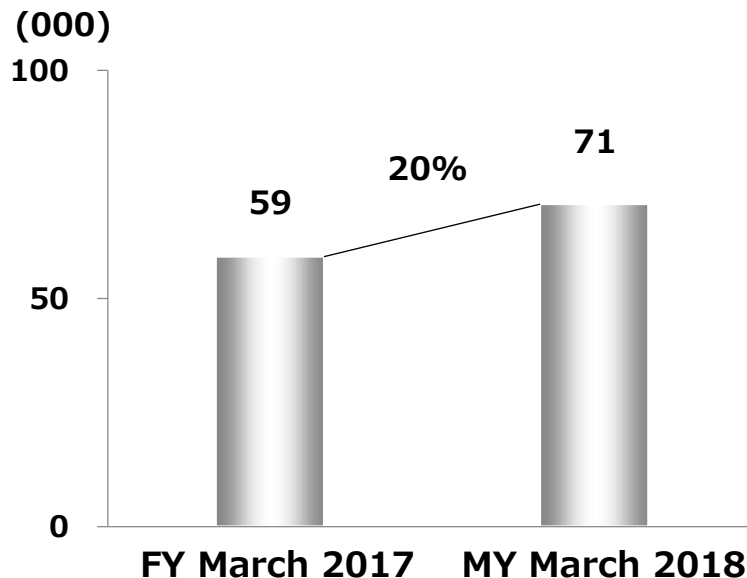


# CHINA



- Sales were 71,000 units, up 20% year on year
- Achieved record sales in the first quarter
- Continued momentum of Mazda3 sales and CX-4 led sales
- Mazda6 continues to contribute to sales volume

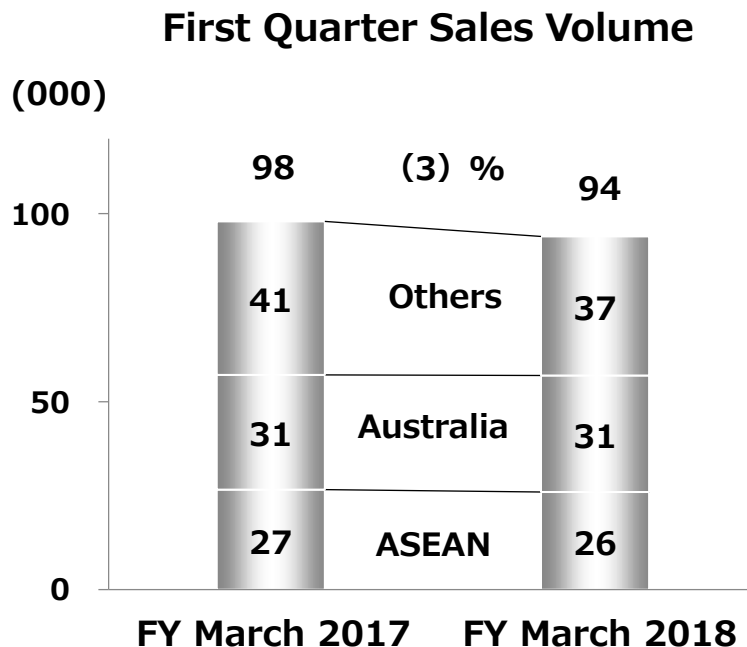
First Quarter Sales Volume



# OTHER MARKETS



- Sales were 94,000 units, down 3% year on year
- Australia: Sales were 31,000 units, up 2% year on year
  - Achieved record sales in the first quarter
  - Mazda remains the country's second highest-selling brand
- ASEAN: Sales were 26,000 units, down 3% year on year
  - Thailand: Sales increased 20% year on year
- Others: New Zealand, Chile and Peru set new sales records

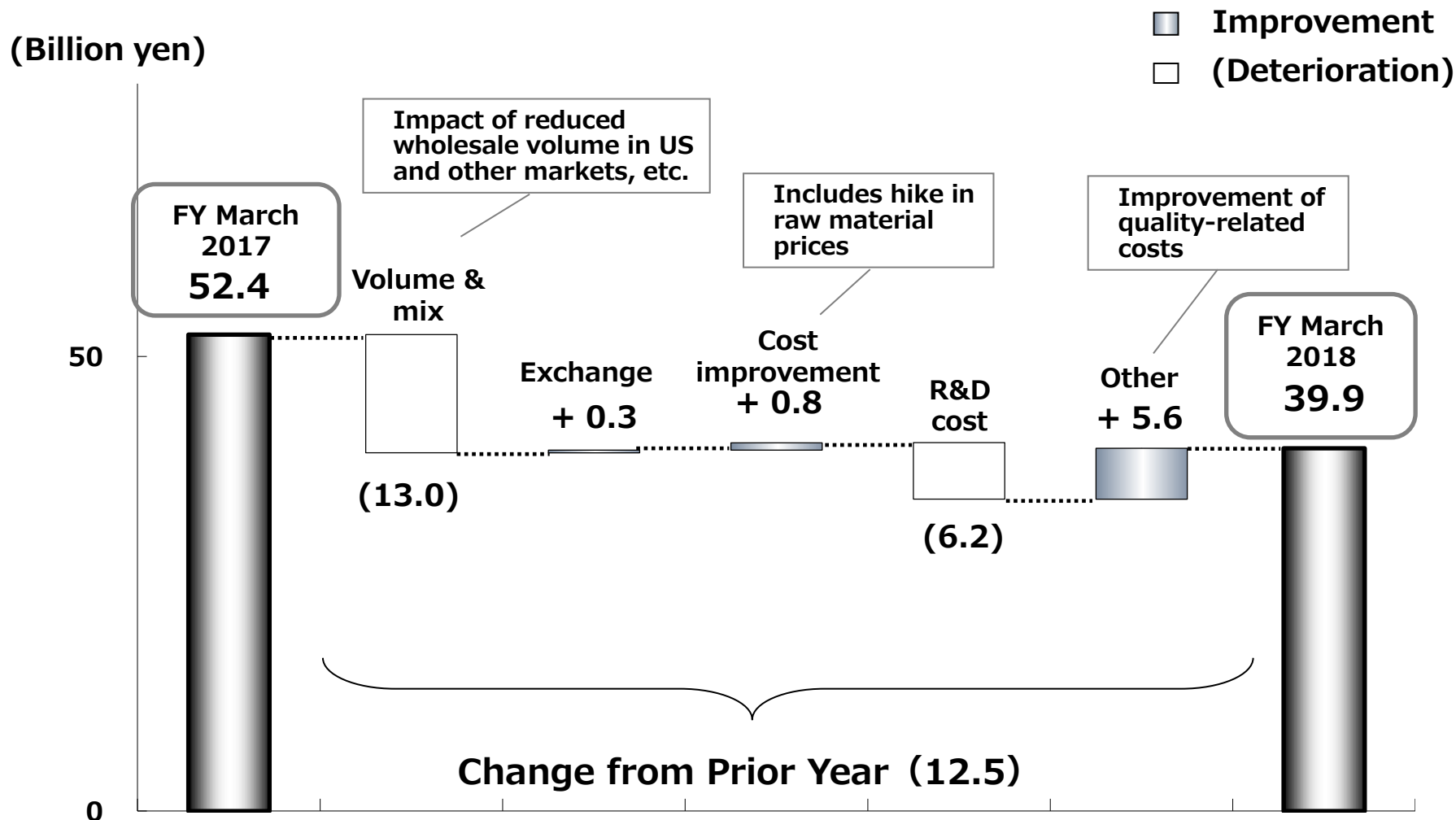


# FY MARCH 2018 FINANCIAL METRICS

(Billion yen)	First Quarter		Change from	
	FY March	FY March	Prior Year	
	2017	2018	Amount	YOY(%)
Revenue	776.2	802.1	25.9	3%
Operating profit	52.4	39.9	(12.5)	(24)%
Ordinary profit	44.9	52.4	7.5	17%
Profit before tax	39.4	50.5	11.1	28%
Net income	21.2	36.6	15.4	72%
Operating ROS	6.8%	5.0%	(1.8)pts	
EPS (Yen)	35.5	61.2	25.7	
Exchange rate (Yen)				
US Dollar	108	111	3	
Euro	122	122	0	

# FY MARCH 2018 OPERATING PROFIT CHANGE

## FY March 2018 First Quarter vs FY March 2017 First Quarter



# **FISCAL YEAR MARCH 2018 FULL YEAR FORECAST**

# FY MARCH 2018 GLOBAL SALES VOLUME

(000)	Full Year		Change from	
	FY March 2017	FY March 2018	Prior Year	
			Volume	YOY(%)
<b>Global sales volume</b>				
Japan	203	213	11	5%
North America	429	454	25	6%
Europe	262	267	5	2%
China	292	282	(10)	(3)%
Other Markets	373	384	10	3%
<b>Total</b>	<b>1,559</b>	<b>1,600</b>	<b>41</b>	<b>3%</b>
<b>&lt;Breakdown&gt;</b>				
USA	302	328	25	8%
Australia	118	121	2	2%
ASEAN	105	119	14	13%

# FY MARCH 2018 FINANCIAL METRICS

(Billion yen)	Full Year		Change from	
	FY March	FY March	Prior Year	
	2017	2018	Amount	YOY(%)
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)	

# **STRUCTURAL REFORM STAGE 2**

## **PROGRESS OF KEY INITIATIVES**



# PROGRESS OF KEY INITIATIVES

## Product and R&D

- **Expand the SKYACTIV lineup**
  - Shift sales of new CX-5 into high gear with global rollout
  - Introduce new three-row crossover SUV, Mazda CX-8, in Japan
- **Planning to announce new long-term vision for technology development**

## Global Sales and Network Enhancement

- **Sustainable volume growth of 50,000 units per year by introducing new models and updated models**
- **Enhance sales network to improve brand value**
  - Promote initiatives to improve repurchase rate, including improved brand experience, rollout of new-generation stores and strengthening certified used car business

# PROGRESS OF KEY INITIATIVES

## Global Production and Cost Improvement

- Support volume growth by enhancing production flexibility of crossover models
  - Expand production capacity of crossover models at Hiroshima Plant (Aug. 2017)
  - Start new CX-5 production in Hofu Plant (from Oct. 2017)

## Strengthen Financial Base and Shareholder Returns

- Improve ability to generate profit and cash flow through steady volume growth and brand value improvement
- Strengthening investments for future growth (R&D and CAPEX) as planned
- While strengthening our financial base, aim for stable and steadily improving dividends. And sustain business growth to improve enterprise value over the mid to long term



# APPENDIX

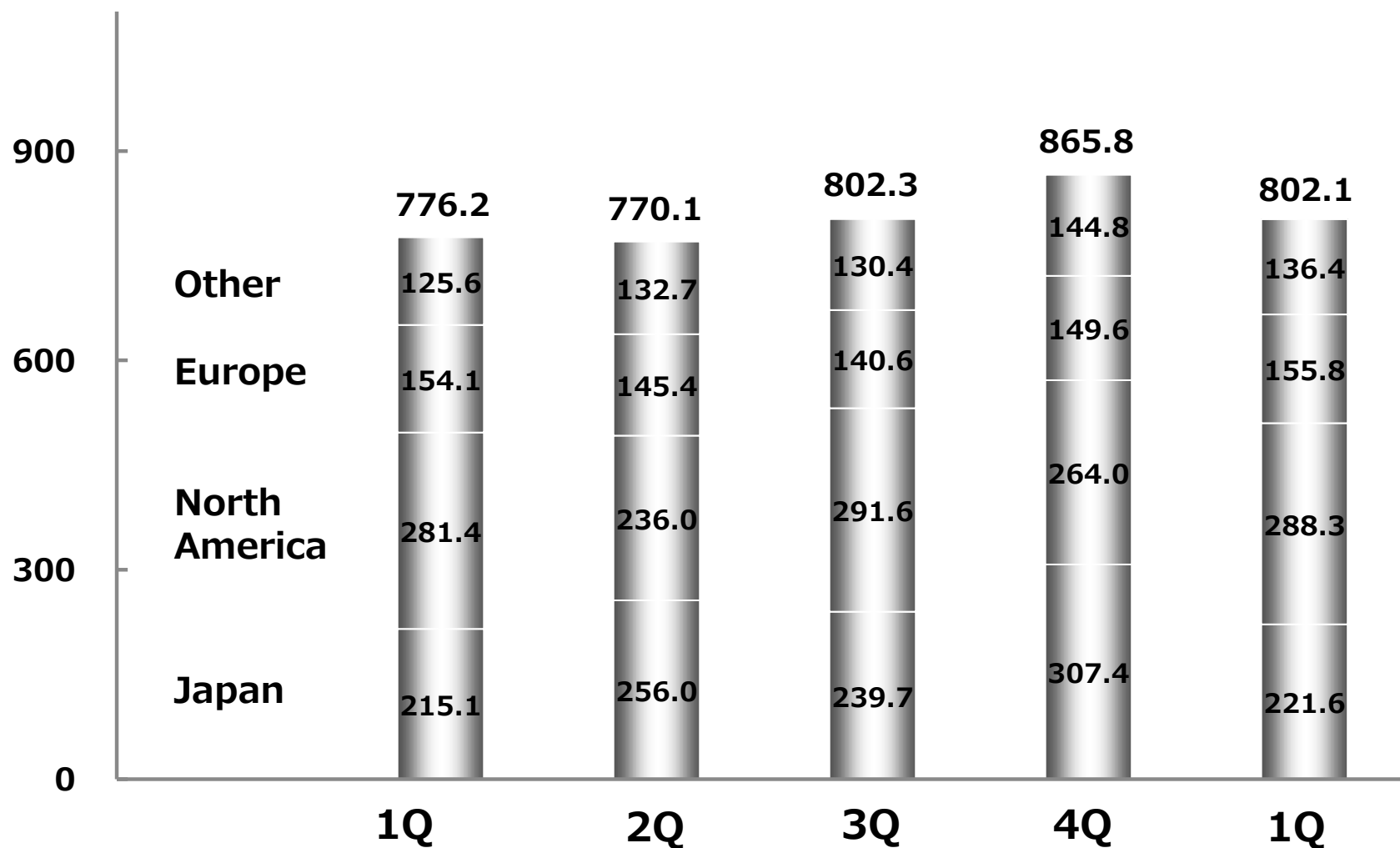
# CASH FLOW AND NET DEBT

(Billion yen)	FY March 2017 Full Year	FY March 2018 1Q	Change from prior FY end
<b>Cash Flow</b>			
- From operating activities	161.1	35.5	-
- From investing activities	(63.8)	(36.1)	-
- Free cash flow	97.3	(0.5)	-
Cash and Cash Equivalents	526.9	515.7	(11.2)
Net Debt	(35.4)	(20.7)	(14.7)
Net Debt-to-equity Ratio	(3) / (7)*%	(2) / (5)*%	(1) / (2)* pts
Equity Ratio	41 / 43*%	42 / 43*%	1 / 0* pts

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

# REVENUE BY REGION

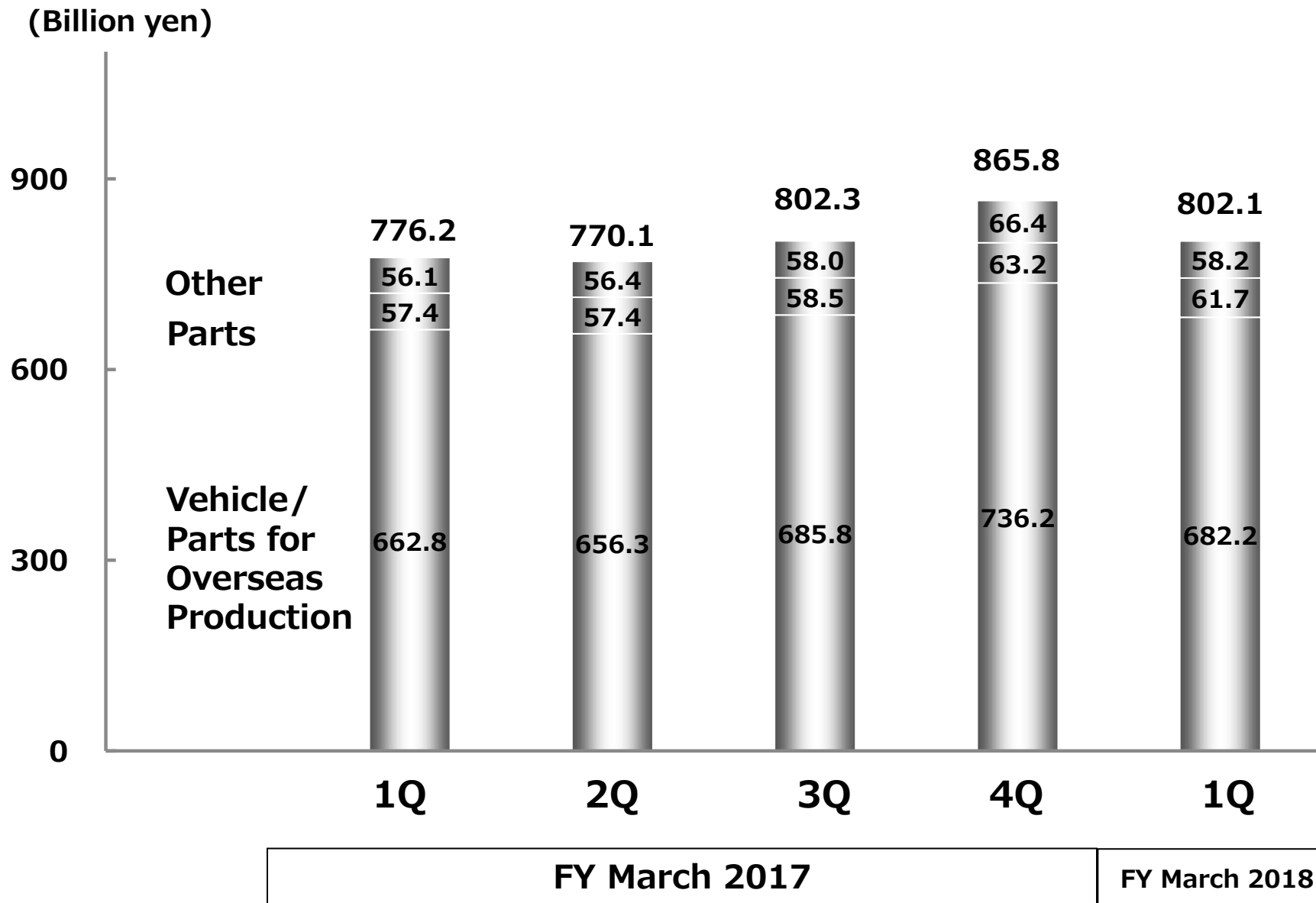
(Billion yen)



FY March 2017

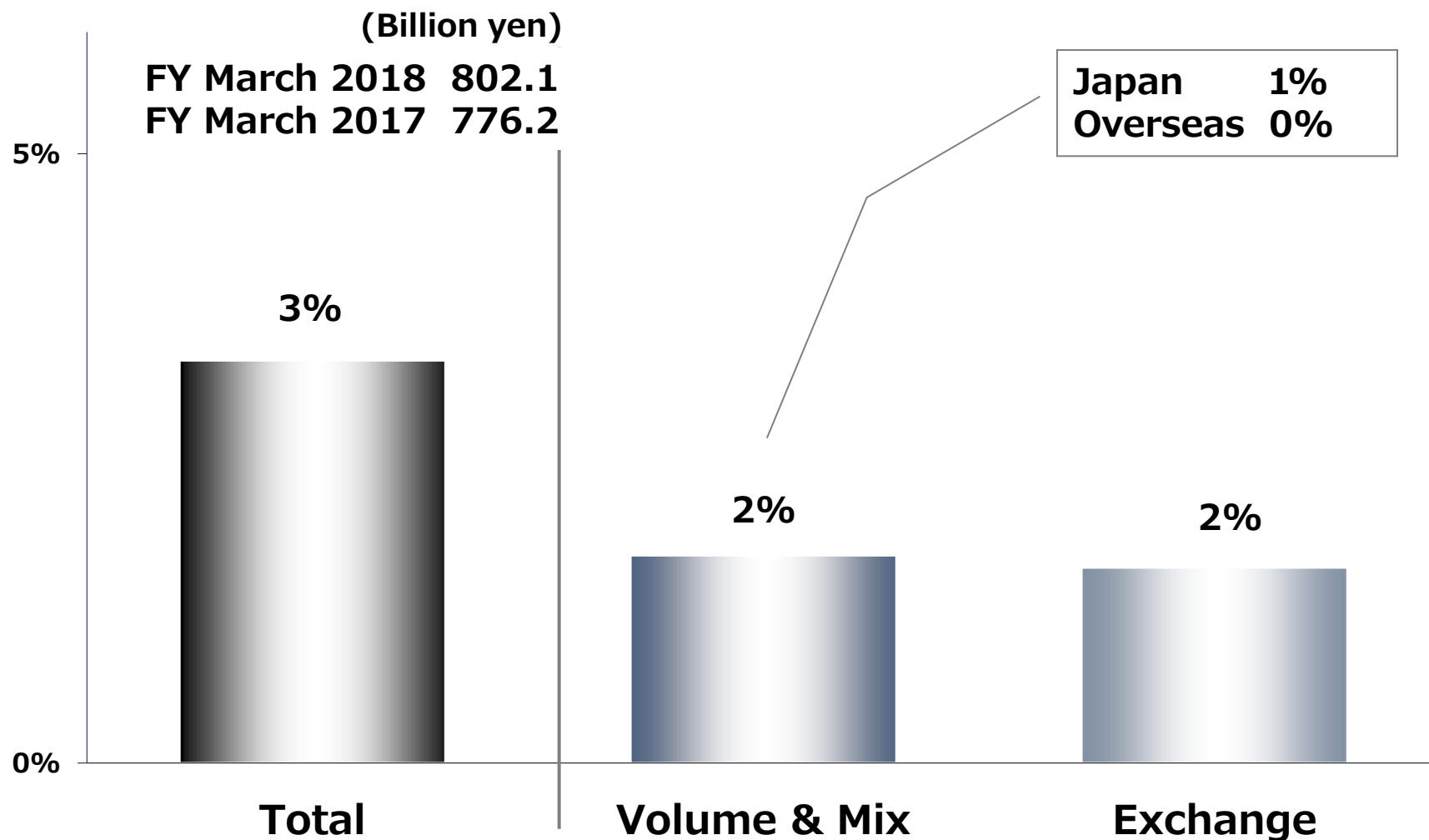
FY March 2018

# REVENUE BY PRODUCT



# REVENUE CHANGE

## FY March 2018 1st Quarter vs. FY March 2017 1st Quarter





# GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

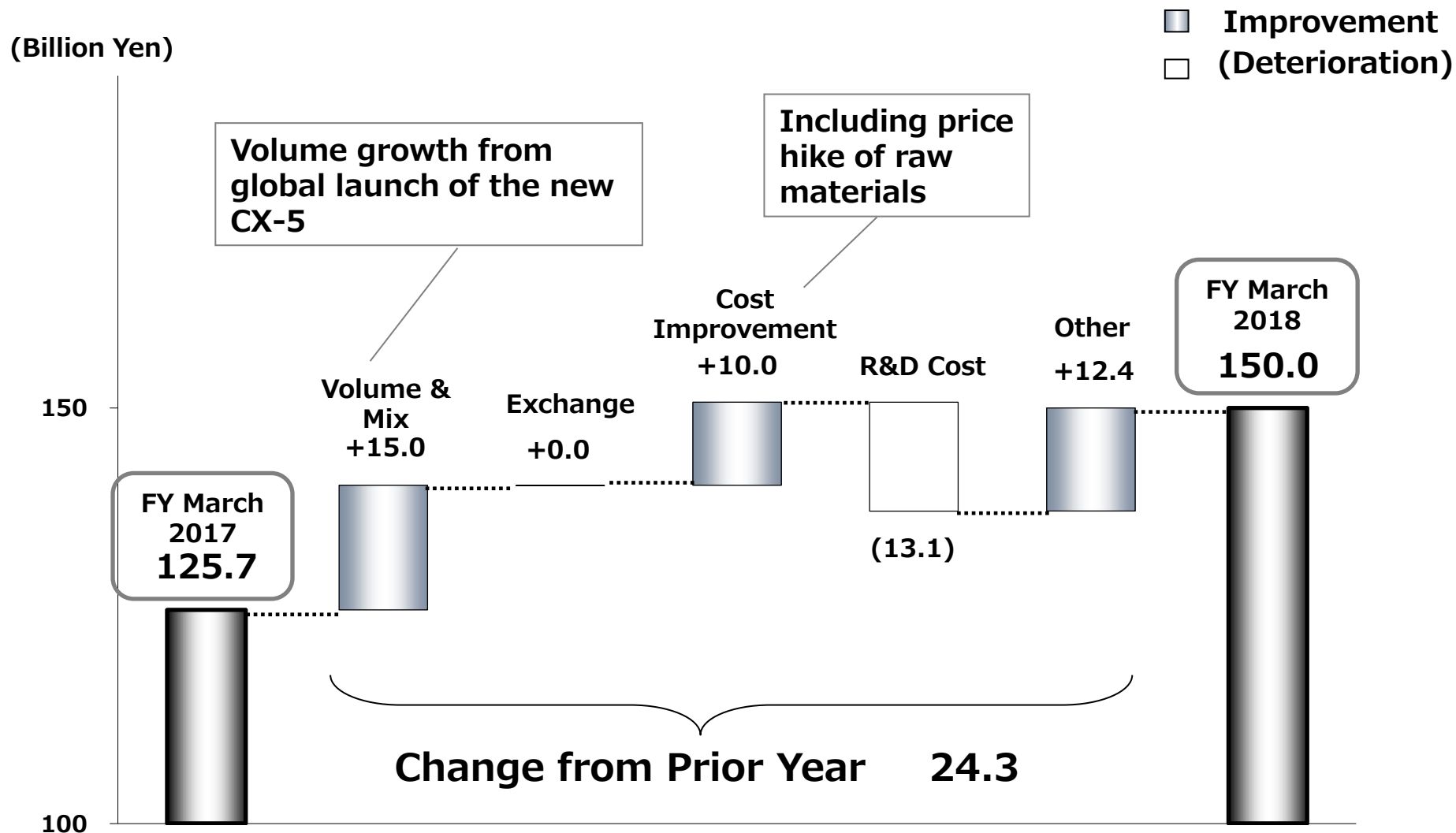
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<b>Total</b>	<b>375</b>	<b>377</b>	<b>2</b>	<b>1%</b>
<b>Consolidated wholesales</b>				
Japan	39	41	2	4%
North America	117	111	(6)	(5)%
Europe	66	64	(2)	(2)%
Other Markets	91	81	(11)	(12)%
<b>Total</b>	<b>313</b>	<b>297</b>	<b>(16)</b>	<b>(5)%</b>
<b>&lt;Breakdown&gt;</b>				
USA	86	75	(12)	(13)%

# GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

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Europe	262	267	5	2%
China	292	282	(10)	(3)%
Other Markets	373	384	10	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	387	(5)	(1)%
Total	1,265	1,305	40	3%
<Breakdown>				
USA	308	322	14	5%

# FY MARCH 2018 OPERATING PROFIT CHANGE

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

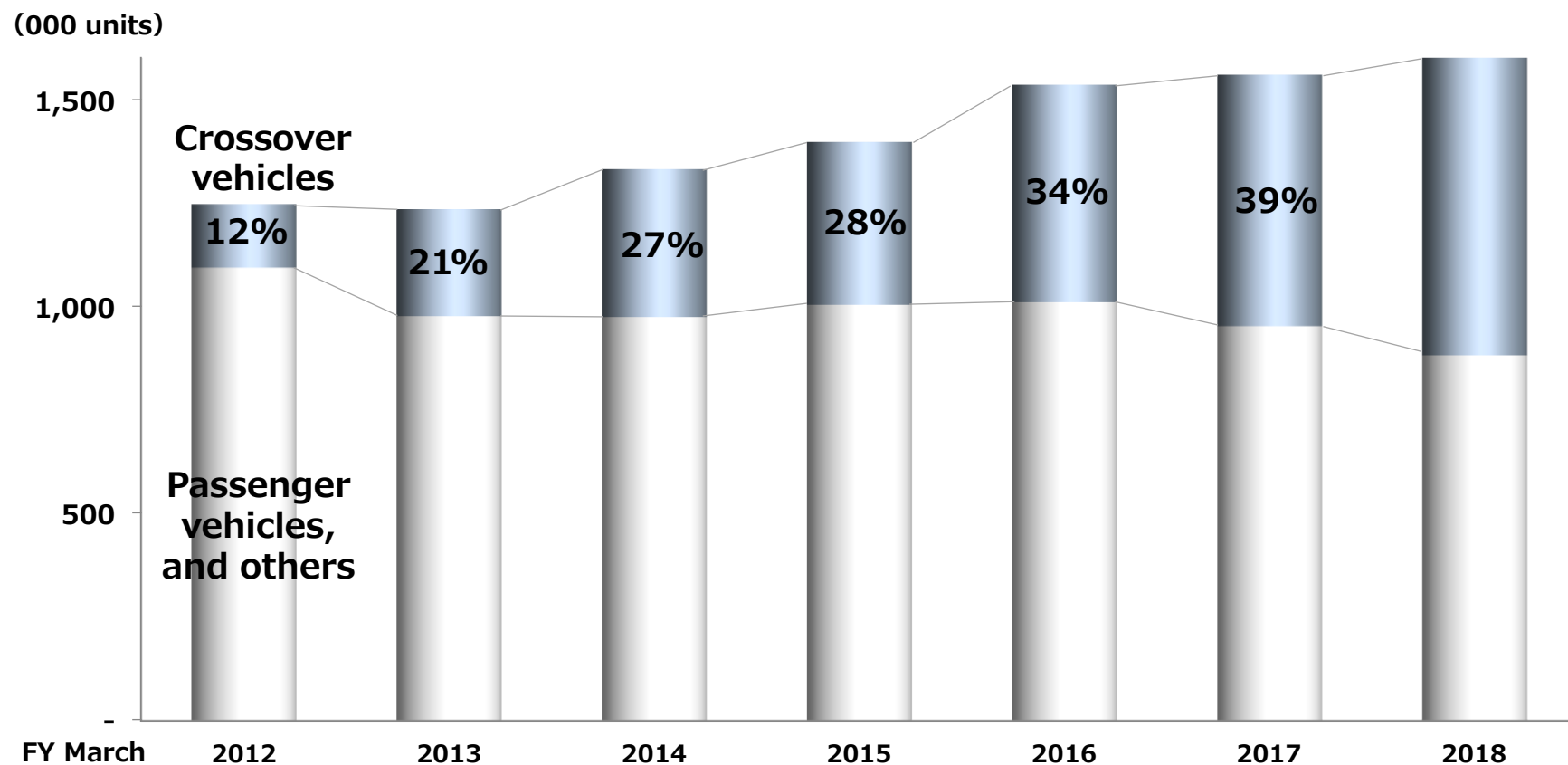


# EXCHANGE RATES

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(Yen)	Full Year		Change
	FY March 2017	FY March 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)

# CROSSOVER VEHICLE RATIO

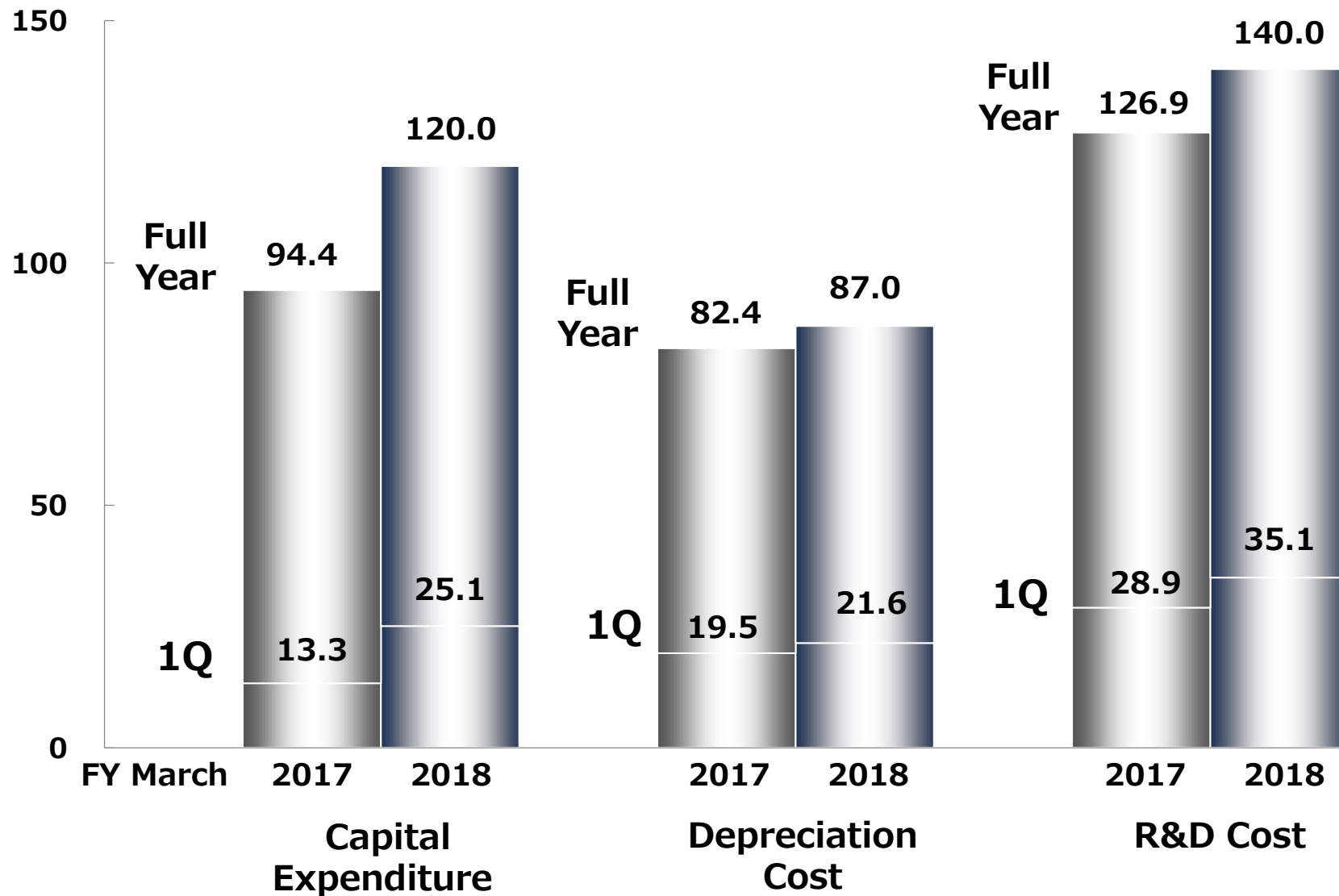


Global Sales  
Volume  
(000 units)

Results	Plan
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# 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.**