



FISCAL YEAR MARCH 2018 FIRST HALF FINANCIAL RESULTS



PRESENTATION OUTLINE

- **Highlights**
- **Fiscal Year March 2018 First Half Results**
- **Fiscal Year March 2018 Full Year Forecast**
- **Progress of Key Initiatives/
Business and Capital Alliance
with Toyota Motor Corporation**

HIGHLIGHTS

【First Half Results】

- **Global sales were up 1% from the prior year to 783,000 units, a new record for the first half**
- **Sales of new CX-5 shifted into high gear with global roll out**
- **Revenue was ¥1 trillion 656.6 billion, operating profit was ¥76.5 billion, and net income was ¥63.3 billion**

【Full Year Forecast】

- **No change to the full-year forecast; global sales of 1.6 million units, operating profit of ¥150 billion, and net income of ¥100 billion**
- **Exchange assumptions updated to match market rates. Volume impact and increased marketing expenses, mainly due to tougher sales environment in USA, are included in the forecast**
- **Having announced next-generation SKYACTIV-X gasoline engine and next-generation design models, accelerate technology and product development for sustainable growth**

FISCAL YEAR MARCH 2018 FIRST HALF RESULTS

FY MARCH 2018 GLOBAL SALES VOLUME

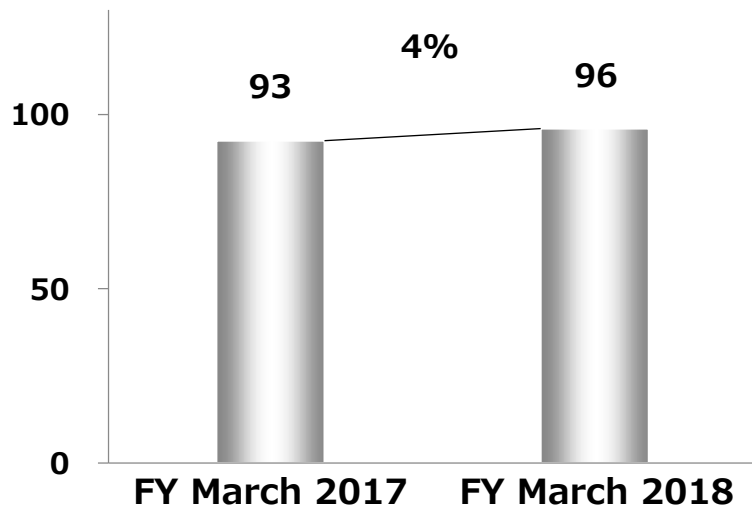
(000)	First Half		Change from	
	FY March 2017	FY March 2018	Prior Year	
Global sales volume			Volume	YOY(%)
Japan	93	96	4	4%
North America	224	219	(6)	(2)%
Europe	134	132	(2)	(2)%
China	133	149	16	12%
Other Markets	191	187	(4)	(2)%
Total	775	783	8	1%
<Breakdown>				
USA	160	151	(8)	(5)%
Australia	60	59	(1)	(1)%
ASEAN	54	51	(2)	(4)%

JAPAN



First Half Sales Volume

(000)

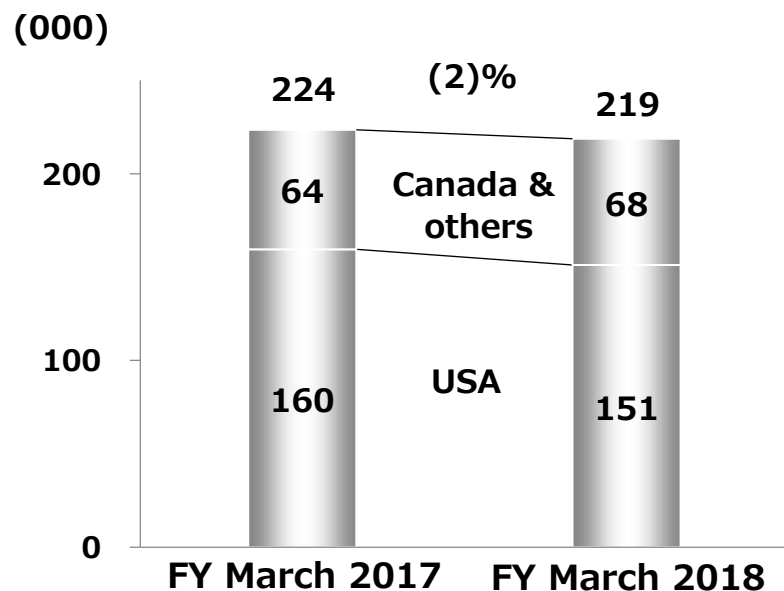


- Sales were 96,000 units, up 4% year on year
- Market share was 3.9%, down 0.1 points year on year. Registered vehicle market share was 4.8%, unchanged from the previous year
- Sales of new CX-5 were up significantly over the prior year and were on track to meet targets
- i-ACTIVSENSE advanced safety technologies made standard on most domestic models, enhancing competitiveness
- Orders for the new CX-8 are strong

NORTH AMERICA



First Half Sales Volume



- Sales were 219,000 units, down 2% year on year
- USA: Sales were 151,000 units, down 5% year on year
 - Fleet sales were the main reason for the decrease
 - Sales of new CX-5 were strong and high-grade models were exceeding targets
 - Enhanced marketing programs for sedan models and concentrated resources in focus markets; starting to see signs of improving sales trend
- Mexico: 25,000 units, up 3% year on year

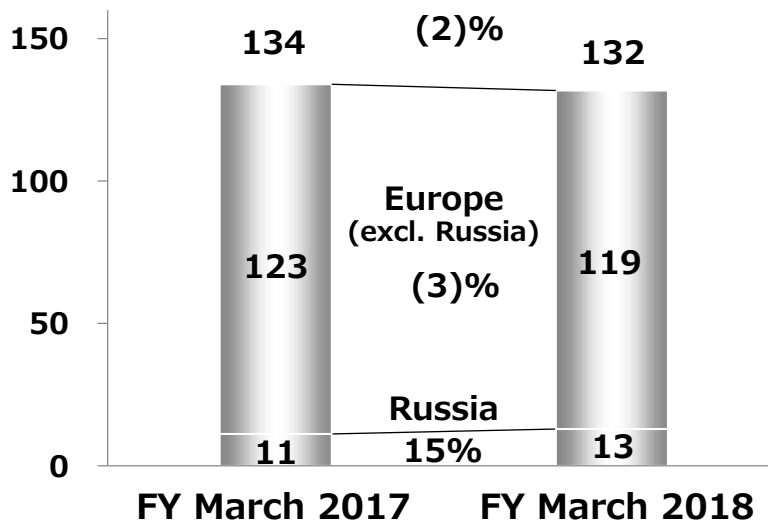
EUROPE



- Sales were 132,000 units, down 2% year on year
- Sales of new CX-5 shifted into high gear with launches in various European markets starting from May
- Germany: 35,000 units, up 5% year on year
- UK: 19,000 units, down 17% year on year
- Russia: 13,000 units, up 15% year on year

First Half Sales Volume

(000)

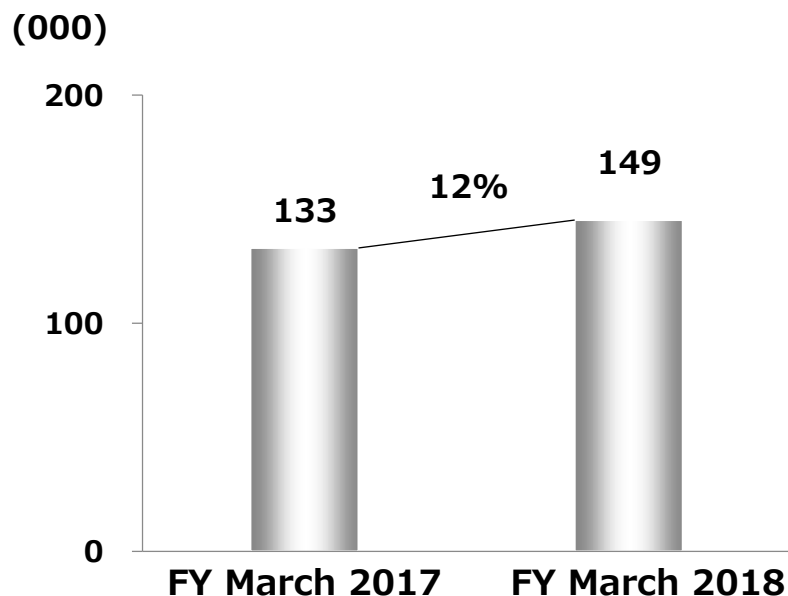


CHINA



- Sales were 149,000 units, up 12% year on year
- Achieved record sales in the first half
- Launched in September, sales of the new CX-5 are off to a good start
- Strong sales of Mazda3, CX-4 and Mazda6 contributed to the growth

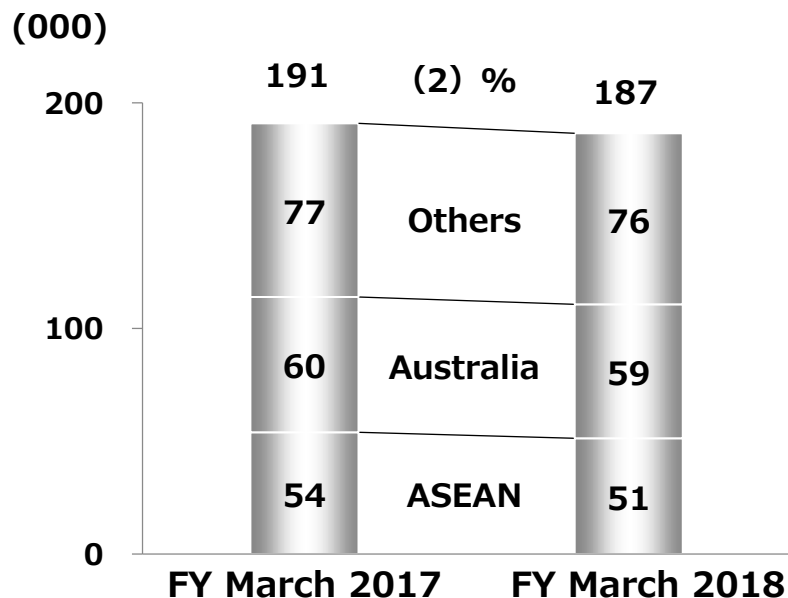
First Half Sales Volume



OTHER MARKETS



First Half Sales Volume



- Sales were 187,000 units, down 2% year on year
- Australia: 59,000 units, down 1% year on year
 - Mazda remains the country's second highest-selling brand
 - Launched in April, sales of the new CX-5 remain strong
- ASEAN: 51,000 units, down 4% year on year
 - Thailand: 25,000 units, up 20% year on year
 - Vietnam: 11,000 units, down 31% year on year
- Others: New Zealand, Chile, and Peru set new sales records

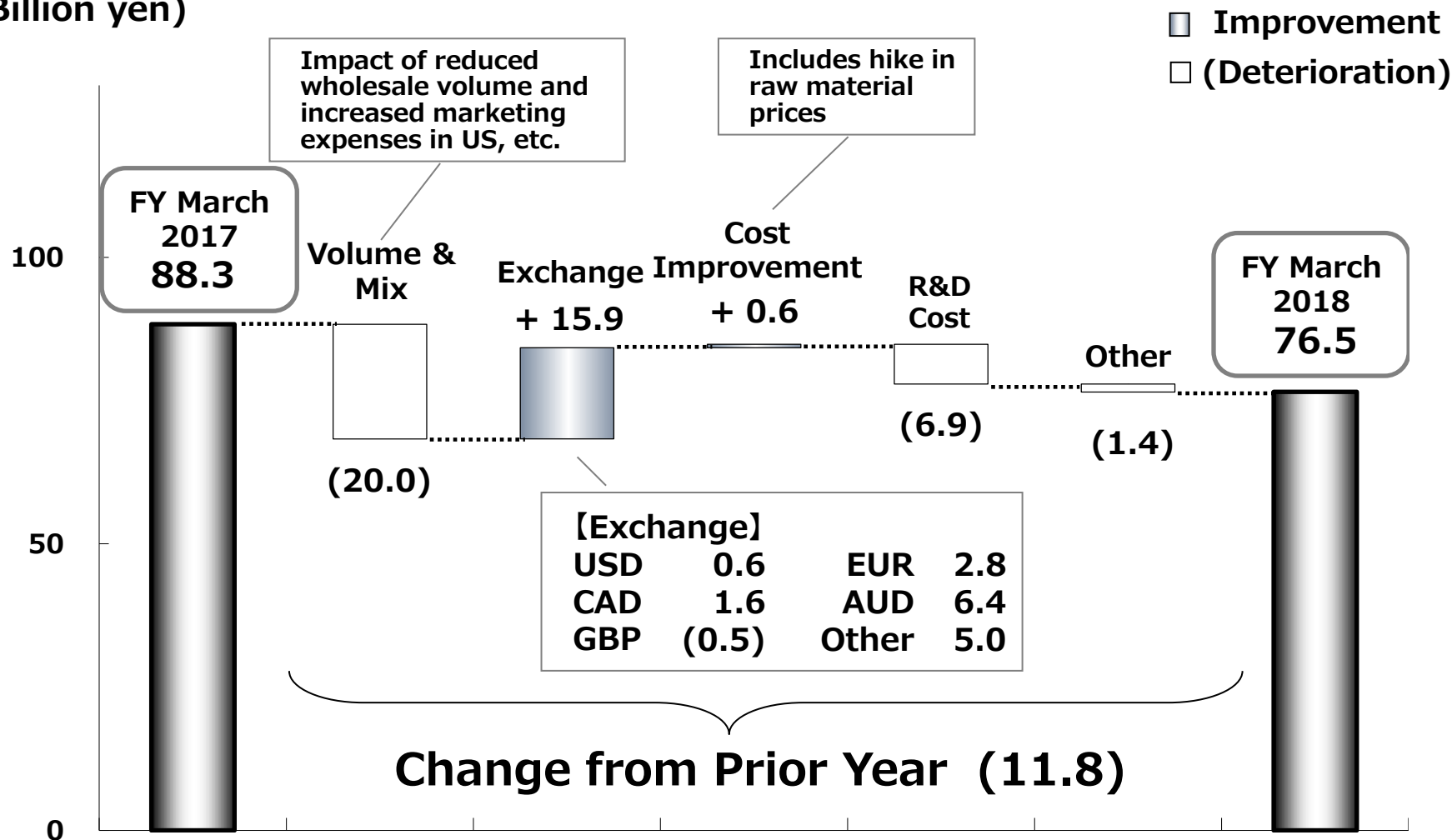
FY MARCH 2018 FINANCIAL METRICS

(Billion yen)	First Half		Change from	
	FY March	FY March	Prior Year	
	2017	2018	Amount	YOY(%)
Revenue	1,546.3	1,656.6	110.3	7%
Operating profit	88.3	76.5	(11.8)	(13)%
Ordinary profit	82.6	96.5	13.9	17%
Profit before tax	76.2	87.4	11.2	15%
Net income	56.1	63.3	7.2	13%
Operating ROS	5.7%	4.6%	(1.1)pts	
EPS (Yen)	93.8	105.9	12.1	
Exchange rate (Yen)				
US Dollar	105	111	6	
Euro	118	126	8	

FY MARCH 2018 OPERATING PROFIT CHANGE

FY March 2018 1st Half vs. FY March 2017 1st Half

(Billion yen)



FISCAL YEAR MARCH 2018 FULL YEAR FORECAST

FY MARCH 2018 GLOBAL SALES VOLUME

(000)	FY March 2018			Change from	
	1st Half	2nd Half	Full Year	Prior Year YOY(%)	Apr. Forecast Volume
Global sales volume					
Japan	96	117	213	5%	0
North America	219	224	443	3%	(11)
Europe	132	136	267	2%	0
China	149	143	292	0%	11
Other Markets	187	197	384	2%	0
Total	783	817	1,600	3%	0
<Breakdown>					
USA	151	161	312	3%	(16)
Australia	59	62	121	2%	0
ASEAN	51	67	119	13%	0

FY MARCH 2018 FINANCIAL METRICS

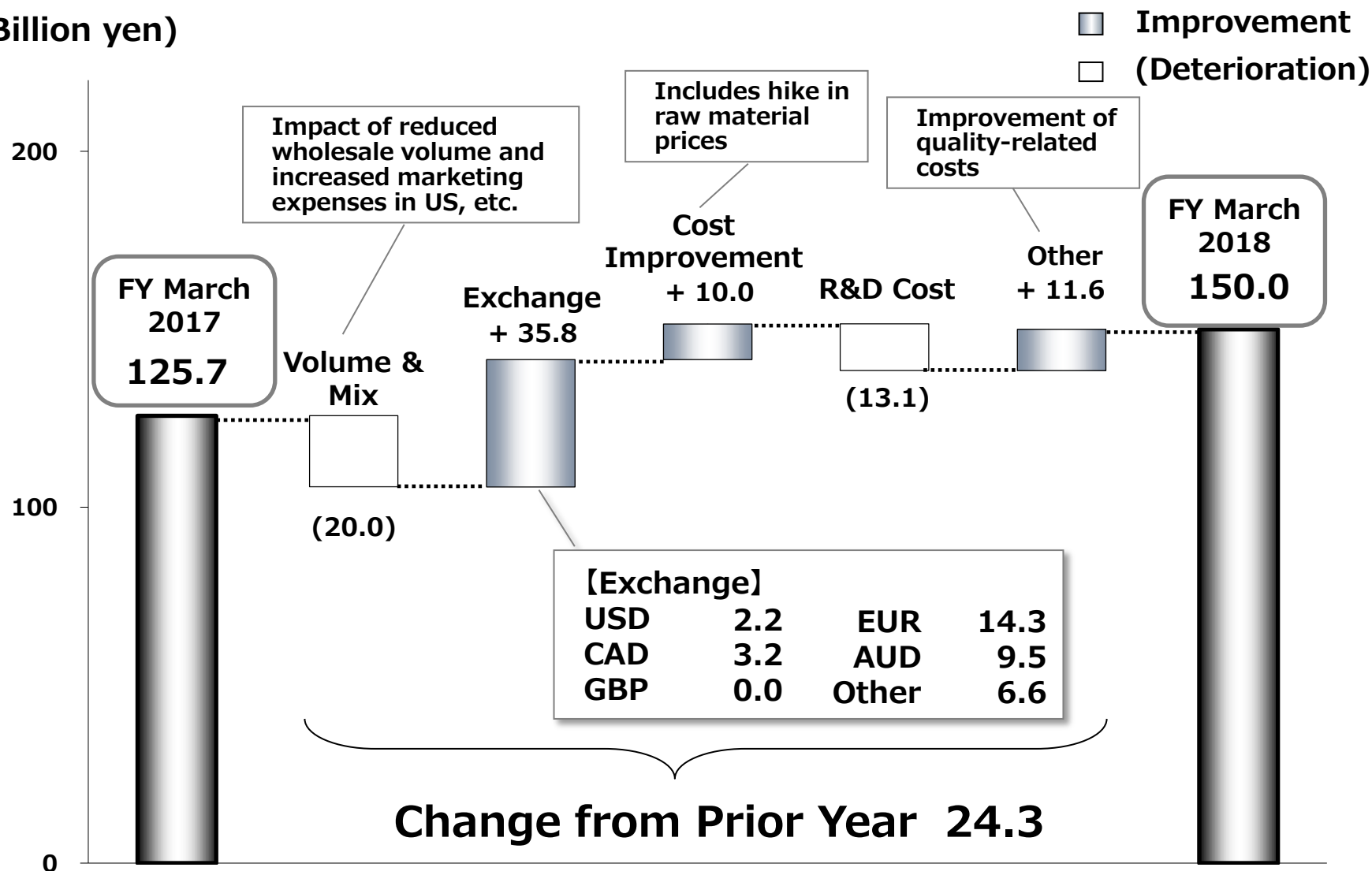
(Billion yen)	FY March 2018			Change from Prior Year
	1st Half	2nd Half	Full Year	
Revenue	1,656.6	1,693.4	3,350.0	135.6
Operating profit	76.5	73.5	150.0	24.3
Ordinary profit	96.5	66.5	163.0	23.5
Profit before tax	87.4	62.6	150.0	21.6
Net income	63.3	36.7	100.0	6.2
Operating ROS	4.6%	4.3%	4.5%	0.6pts
EPS (Yen)	105.9	58.6*	163.3*	6.4
Exchange rate (Yen)				
US Dollar	111	108	110	2
Euro	126	128	127	8

*Reflecting the increase in the number of shares issued due to the issuance of new shares by way of third-party allotment that payment was completed on Oct. 2, 2017.

FY MARCH 2018 OPERATING PROFIT CHANGE

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

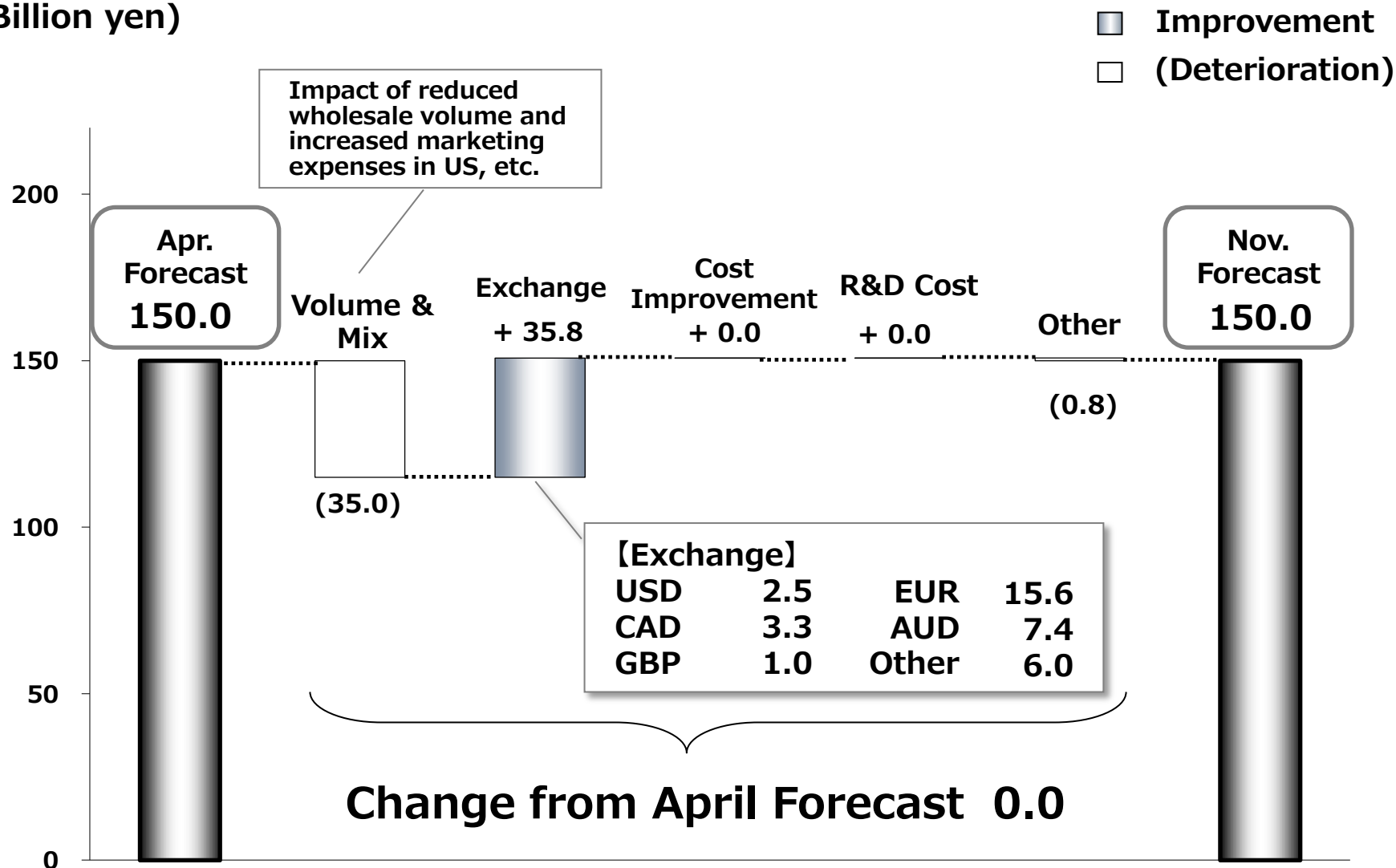
(Billion yen)



FY MARCH 2018 OPERATING PROFIT CHANGE

FY March 2018 Full Year vs. April Forecast

(Billion yen)



PROGRESS OF KEY INITIATIVES/ BUSINESS AND CAPITAL ALLIANCE WITH TOYOTA MOTOR CORPORATION

PROGRESS OF KEY INITIATIVES (1)

- Announced long-term vision for technology development, “Sustainable Zoom-Zoom 2030”
 - Aim to reduce corporate average well-to-wheel CO2 emissions to 50% of 2010 levels by 2030
 - SKYACTIV-X next-generation gasoline engine
 - Next-generation SKYACTIV-Vehicle Architecture



「SKYACTIV-X」



「SKYACTIV-VEHICLE ARCHITECTURE」

PROGRESS OF KEY INITIATIVES (2)

- Premiered models with next-generation design, Mazda KAI CONCEPT and Mazda VISION COUPE



- Sales of the new CX-8 in Japan start in December; the model will create a new market for three-row SUVs



PROGRESS OF KEY INITIATIVES (3)

- **Promote sales network enhancement to improve brand value**
 - Through customer care, provide a high-quality customer experience together with top-tier products, technologies and design to encourage customers to stay loyal to the brand

- **Enhance production flexibility of crossover models to support volume growth**

Hiroshima plant: Increased production capacity of crossover models (Aug. 2017)

Hofu plant: Started production of the new CX-5 (Oct. 2017)

- **Strengthened production system in Malaysia**



Paint Plant in Malaysia

■ **Business alliance**

- 1. Establish a joint venture vehicle manufacturing company in the US**
 - Begin preparation to start production in 2021**
- 2. Joint development of technology for electric vehicles**
 - Established a new company, EV C.A. Spirit, with Denso and Toyota as a joint development center (announced on Sep. 28, 2017)**
- 3. Collaborate in the area of next-generation technologies including connected car and advanced safety technologies**
- 4. Look for opportunities to further supplement each other's lineups**

■ **Strengthen collaborative relationship based on cooperation and competition over medium-to long-term to achieve sustainable growth**



APPENDIX

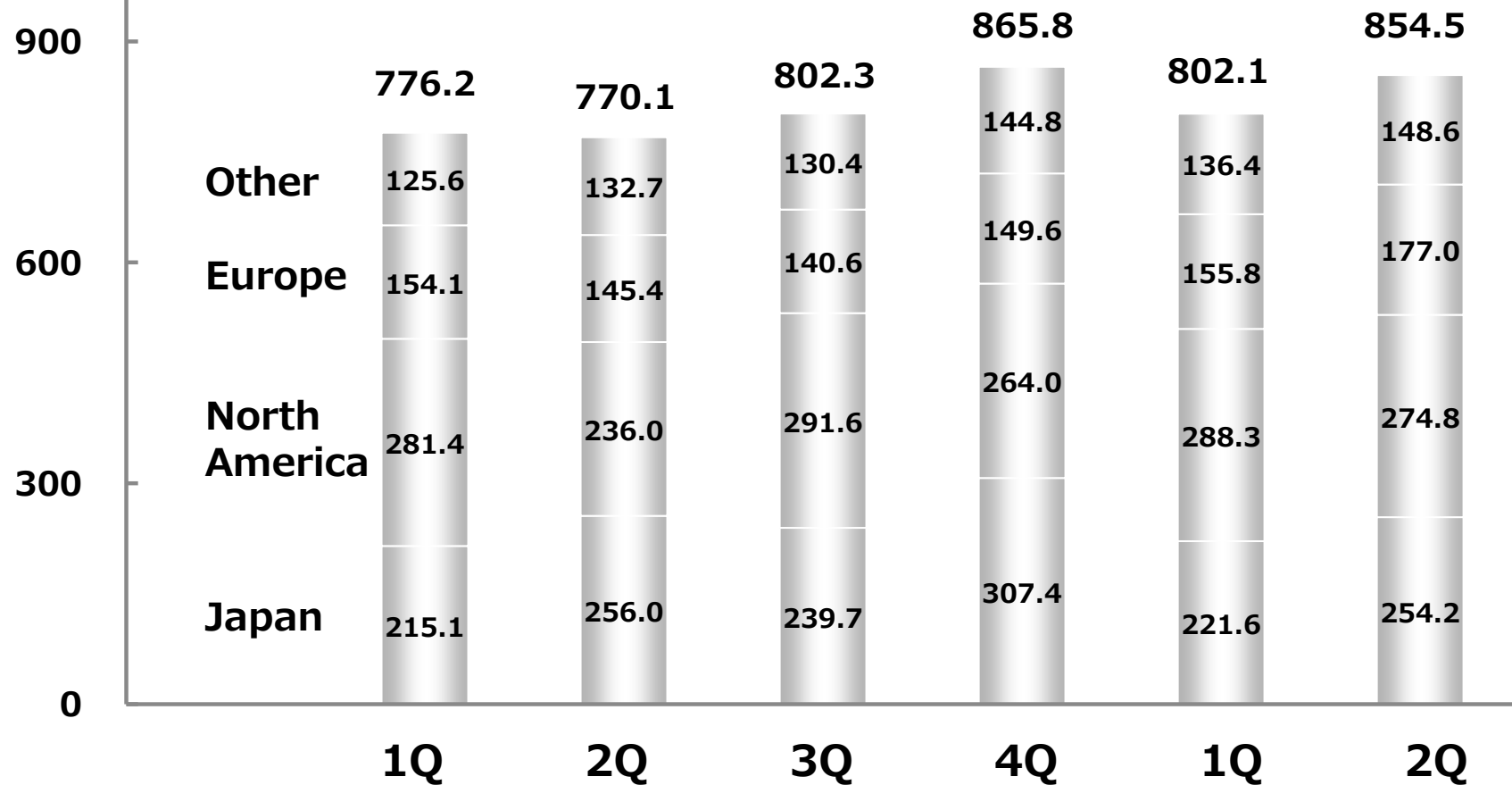
CASH FLOW AND NET DEBT

(Billion yen)	FY March 2017 Full Year	FY March 2018 1st Half	Change from Prior FY End
Cash Flow			
- From Operating activities	161.1	89.2	-
- From Investing activities	(63.8)	(55.5)	-
- Free Cash Flow	97.3	33.7	-
Cash and Cash Equivalents	526.9	556.7	29.8
Net Debt	(35.4)	(58.7)	23.3
Net Debt-to-equity Ratio	(3) / (7)*%	(5) / (8)*%	2 / 2* pts
Equity Ratio	41 / 43*%	42 / 44*%	1 / 1* pts

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

REVENUE BY REGION

(Billion yen)

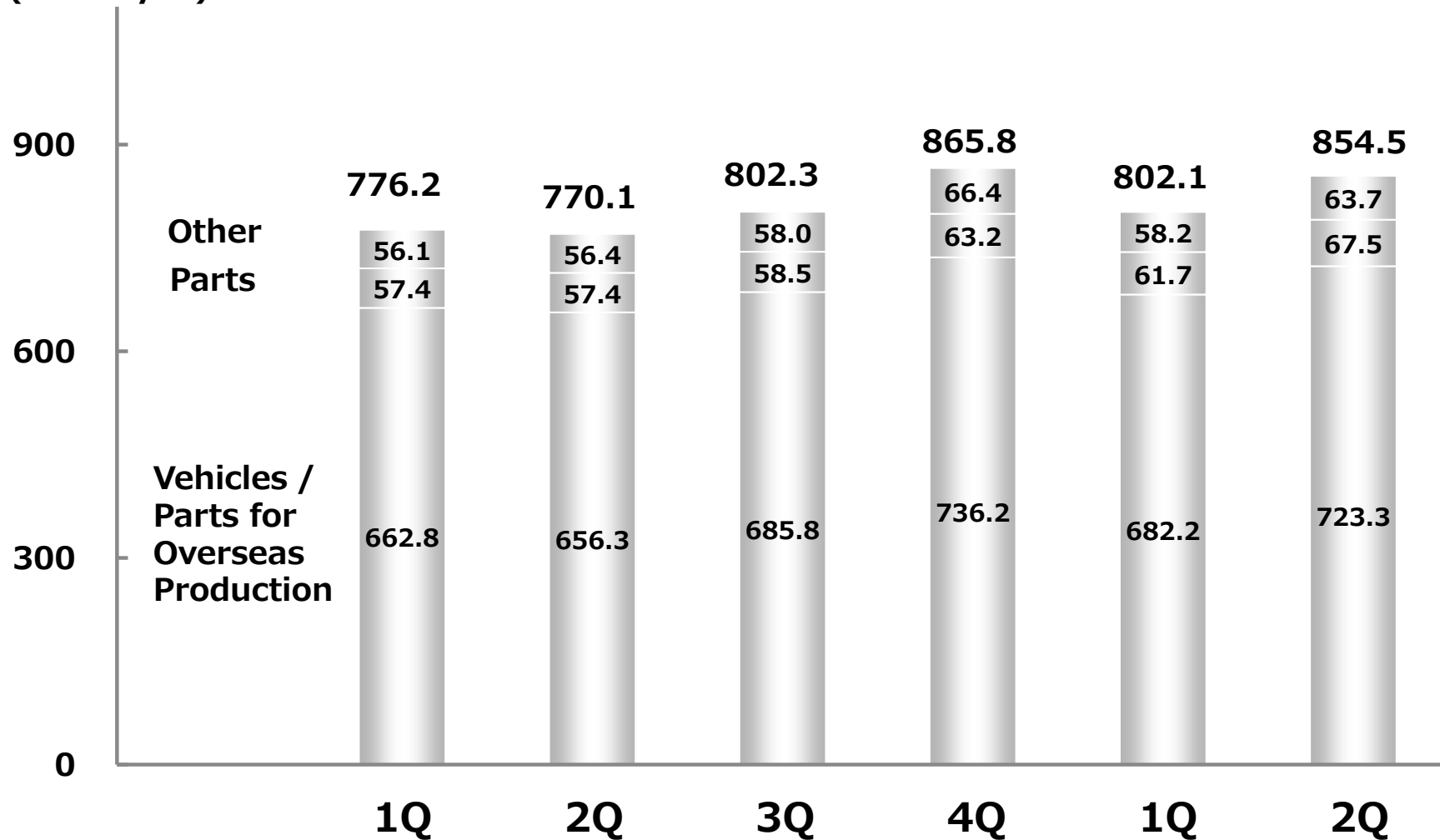


FY March 2017

FY March 2018

REVENUE BY PRODUCT

(Billion yen)

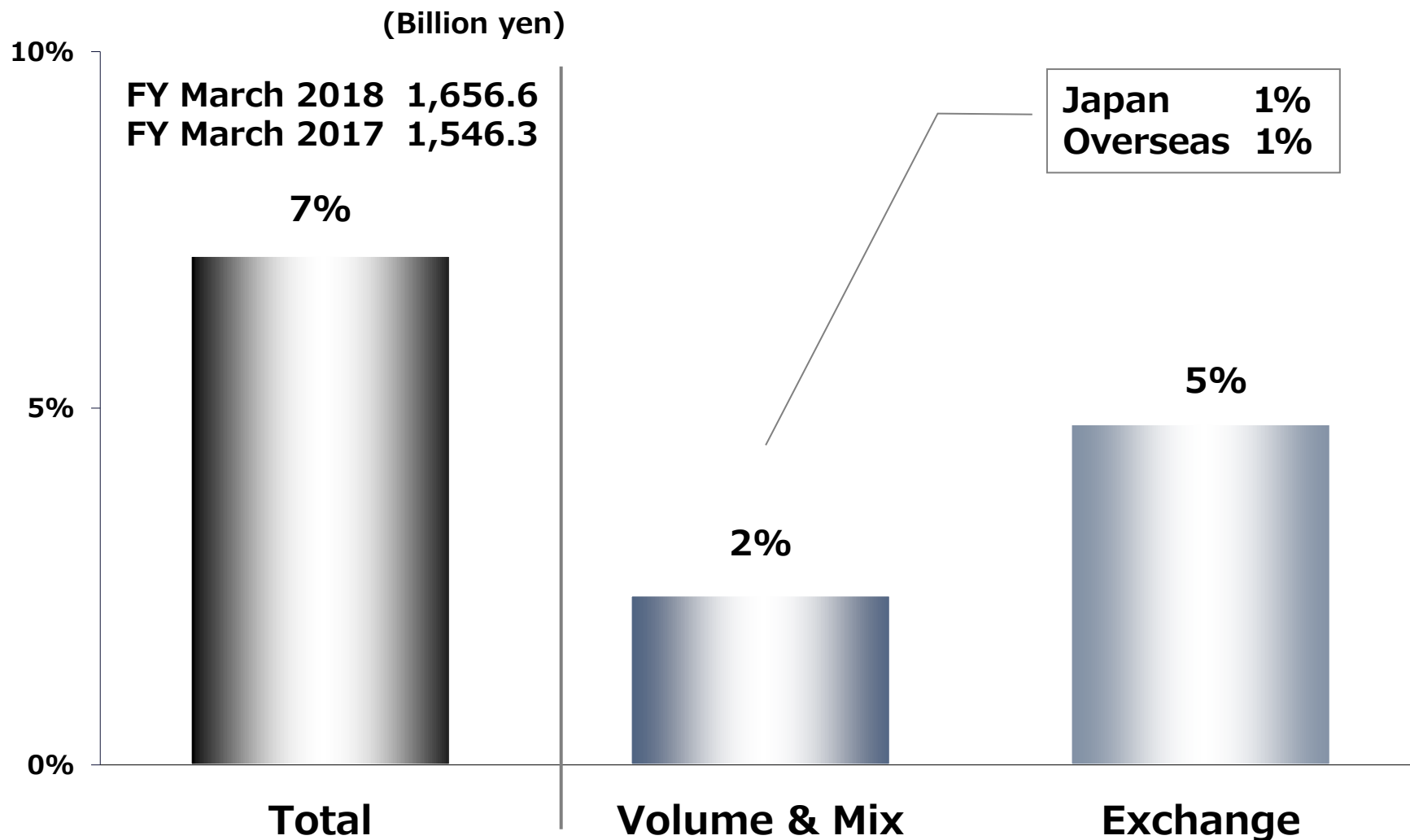


FY March 2017

FY March 2018

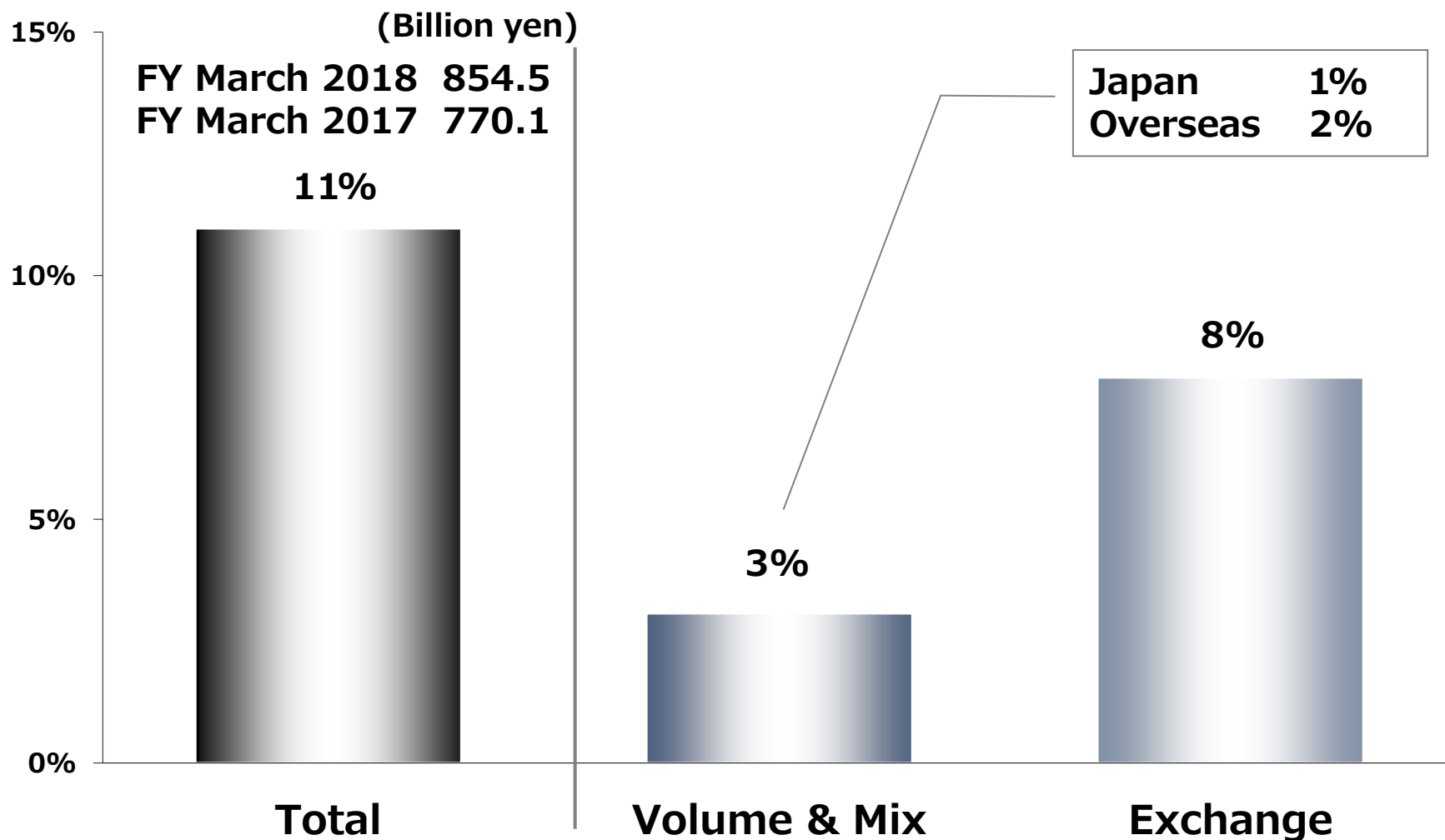
REVENUE CHANGE

FY March 2018 1st Half vs. FY March 2017 1st Half



REVENUE CHANGE

FY March 2018 2nd Quarter vs. FY March 2017 2nd Quarter



GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

(000)	Full Year		Change from		Change from
	FY March 2017	FY March 2018	Prior Year		Apr. Forecast
Global sales volume			Volume	YOY(%)	
Japan	203	213	11	5%	0
North America	429	443	14	3%	(11)
Europe	262	267	6	2%	0
China	292	292	1	0%	11
Other Markets	373	384	9	2%	0
Total	1,559	1,600	41	3%	0
Consolidated wholesales					
Japan	193	203	11	6%	(5)
North America	426	428	2	1%	(19)
Europe	255	262	7	3%	0
Other Markets	391	382	(10)	(3)%	(5)
Total	1,265	1,275	10	1%	(30)
<Breakdown>					
USA	308	295	(13)	(4)%	(27)

GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

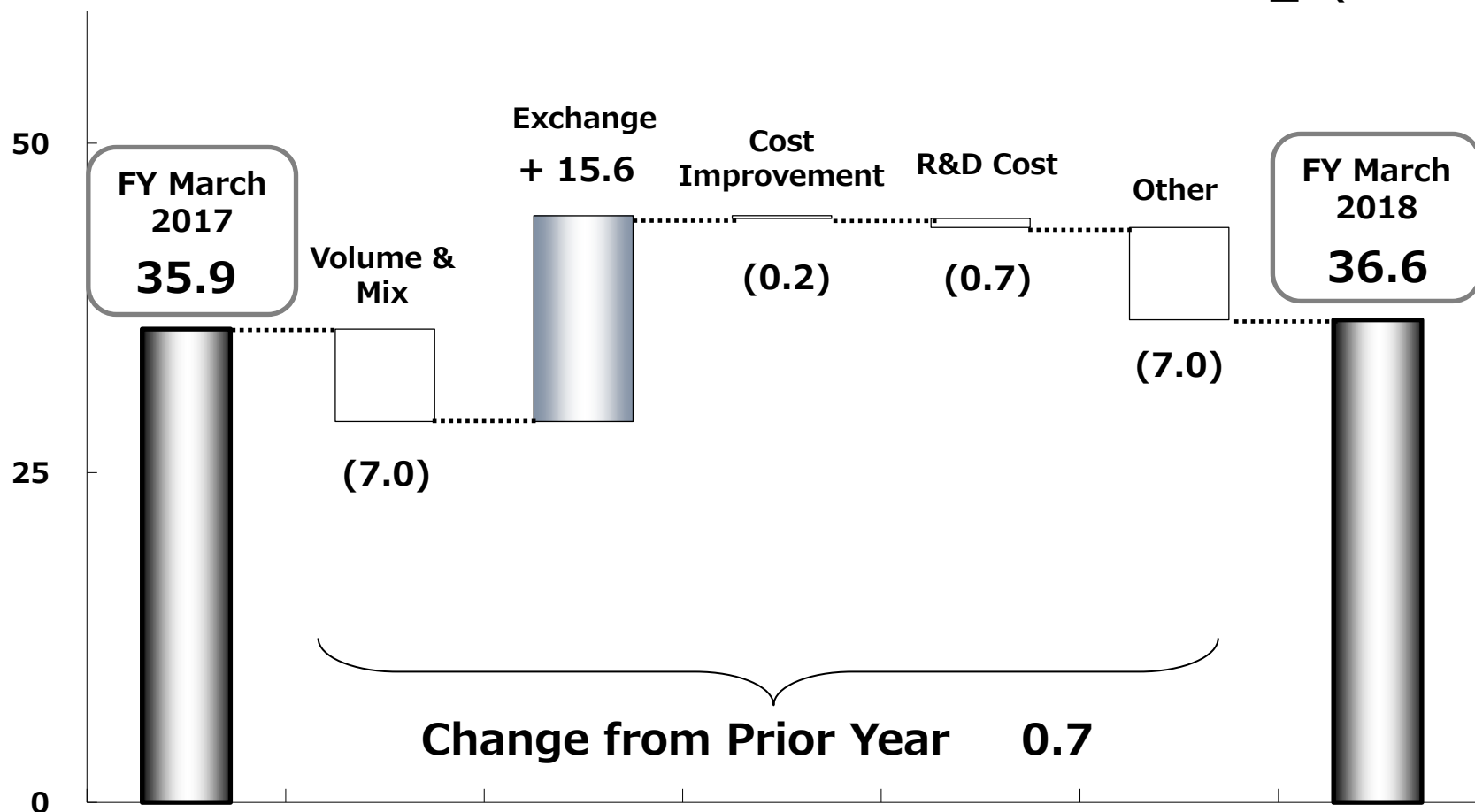
(000)	Second Quarter		Change from	
	FY March 2017	FY March 2018	Prior Year	
Global sales volume			Volume	YOY(%)
Japan	54	55	2	3%
North America	111	112	1	1%
Europe	68	68	(0)	(0)%
China	74	78	4	5%
Other Markets	93	92	(1)	(1)%
Total	400	406	6	1%
Consolidated wholesales				
Japan	49	49	1	2%
North America	95	104	8	9%
Europe	66	68	2	4%
Other Markets	99	93	(5)	(5)%
Total	309	315	6	2%

FY MARCH 2018 OPERATING PROFIT CHANGE

FY March 2018 2nd Quarter vs. FY March 2017 2nd Quarter

(Billion yen)

■ Improvement
□ (Deterioration)

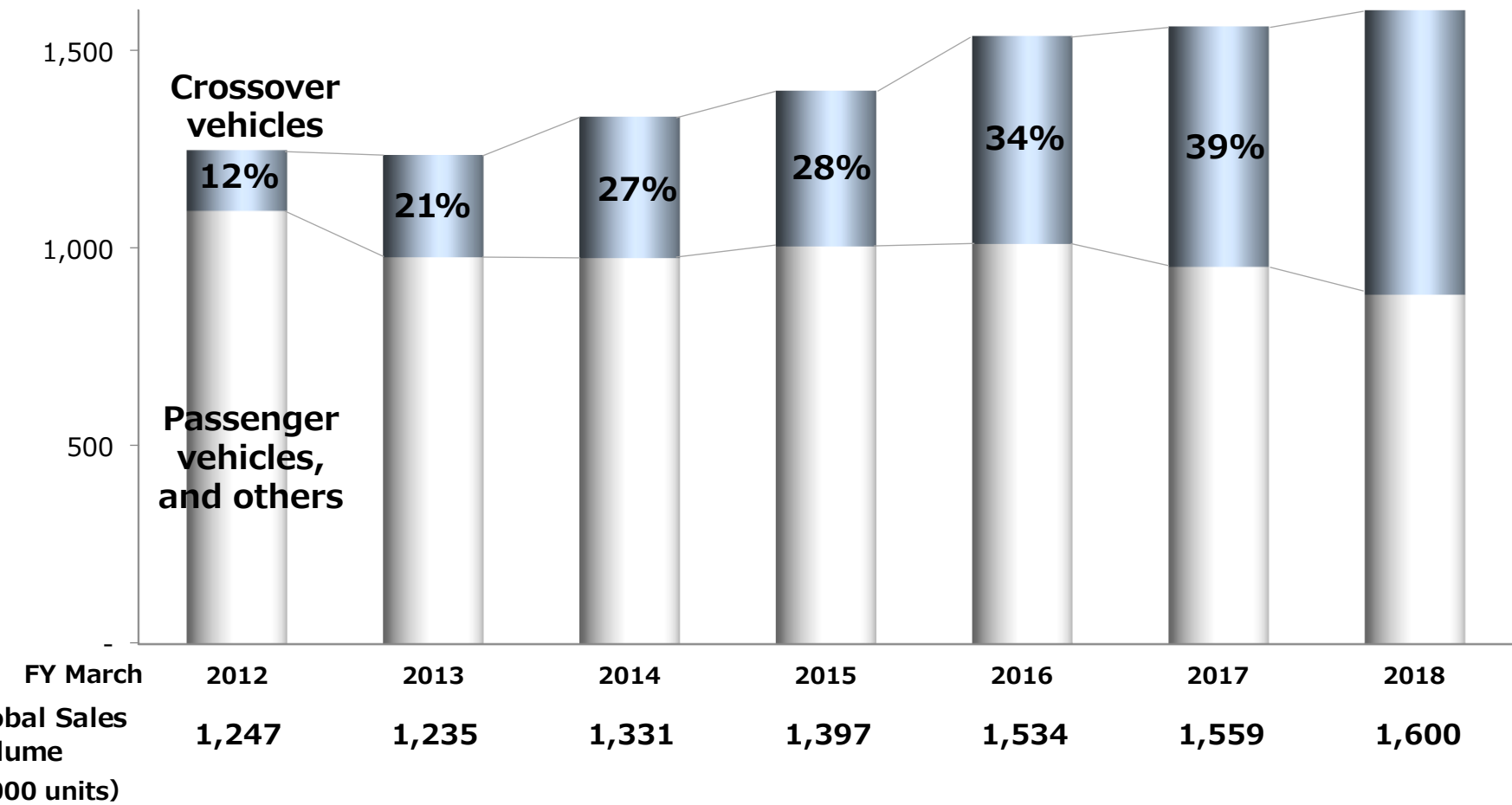


EXCHANGE RATES

(Yen)	FY March 2017			FY March 2018			Change from	
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Prior Year	Apr. Forecast
							Full Year	Full Year
US Dollar	105	112	108	111	108	110	2	2
Euro	118	119	119	126	128	127	8	9
Canadian Dollar	81	84	83	86	86	86	3	3
Australian Dollar	79	84	82	86	86	86	4	3
British Pound	144	138	142	144	140	142	0	4

CROSSOVER VEHICLE RATIO

(000 units)

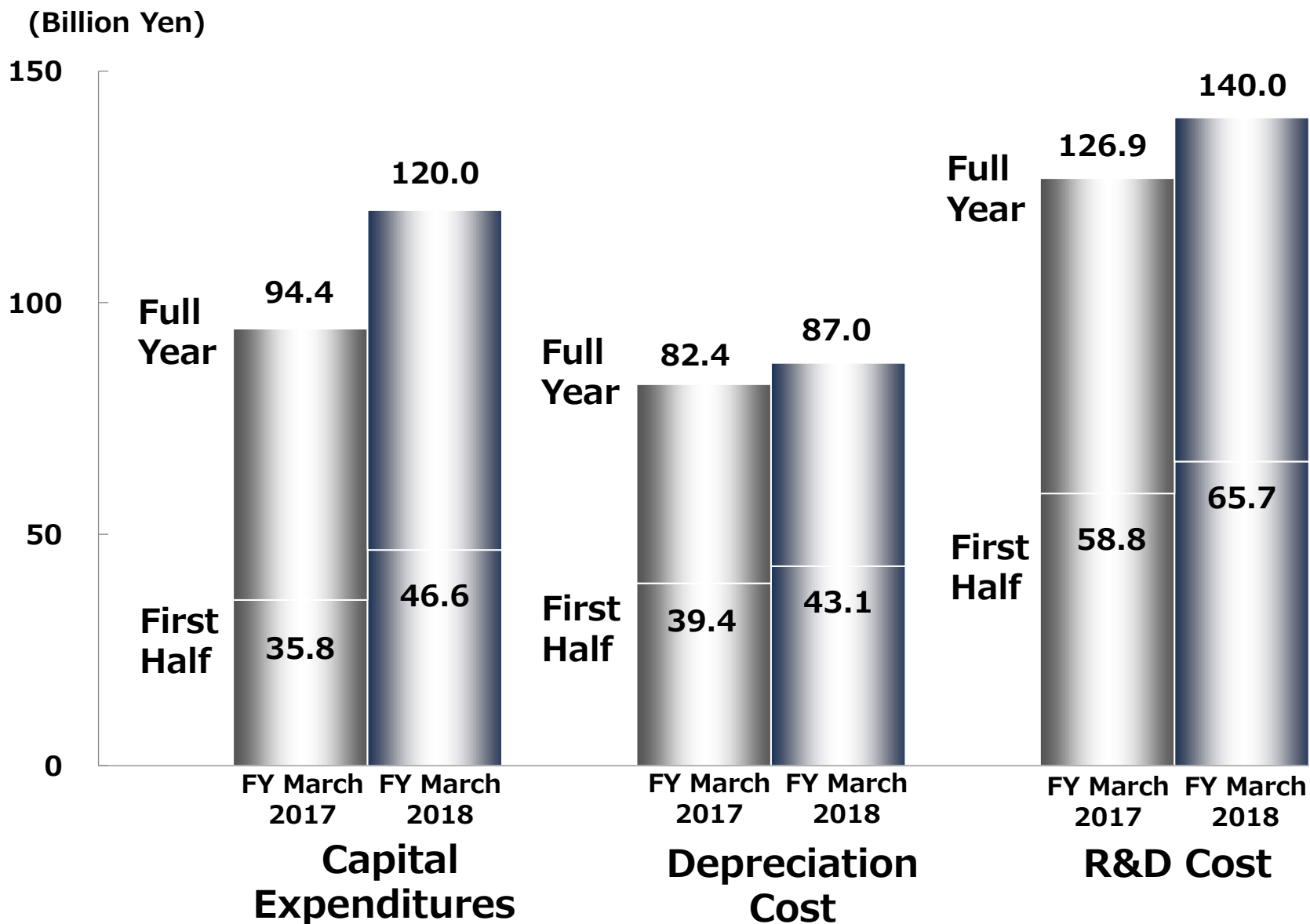


Results	Plan
---------	------

GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES

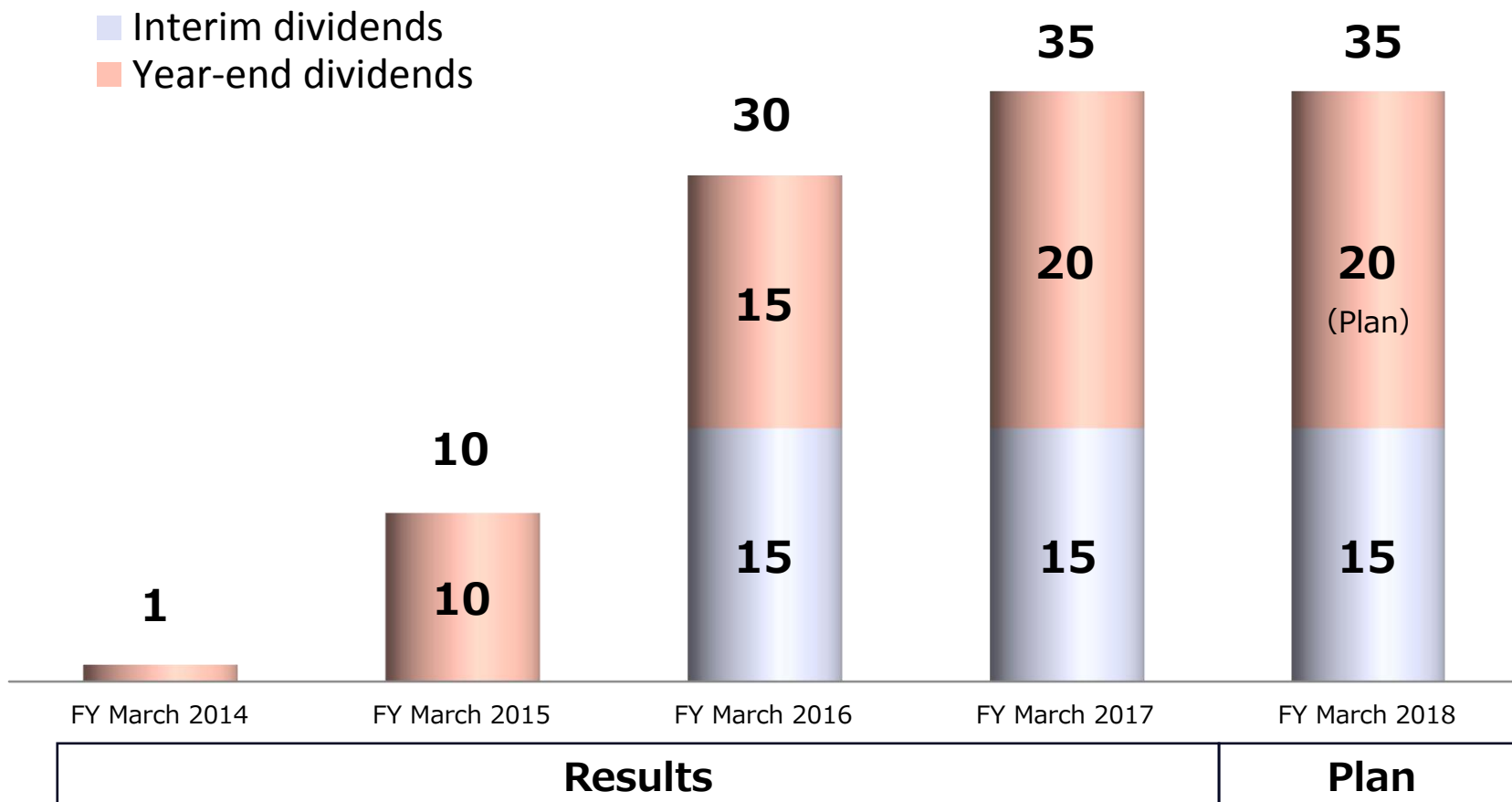
(000)	FY March 2018			Change from Prior Year		
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full year
Global sales volume						
Japan	96	117	213	4	7	11
North America	219	224	443	(6)	20	14
Europe	132	136	267	(2)	8	6
China	149	143	292	16	(15)	1
Other Markets	187	197	384	(4)	13	9
Total	783	817	1,600	8	33	41
Consolidated wholesales						
Japan	90	113	203	3	8	11
North America	215	214	428	2	0	2
Europe	132	129	262	1	6	7
Other Markets	174	208	382	(16)	6	(10)
Total	611	663	1,275	(10)	20	10
<Breakdown>						
USA	144	152	295	(14)	1	(13)

KEY DATA



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.