## FISCAL YEAR MARCH 2020 FINANCIAL RESULTS



## PRESENTATION OUTLINE

## Highlights

- Financial Results Highlights
- Novel Coronavirus Impact And Measures Taken
- Financial Forecast

■ Fiscal Year March 2020 Results

[^0]
## FY MARCH 2020 FINANCIAL RESULTS HIGHLIGHTS

■ Global sales were 1,419,000 units, down 9\% year on year

- Revenue was $¥ 3,430.3$ billion, operating profit was $¥ 43.6$ billion and net income was $¥ 12.1$ billion
- Annual dividend of $¥ 35$ per share with year-end dividend of $¥ 20$ per share planned


FY March FY March
$2019 \quad 2020$
(Billion Yen)
Revenue


FY March FY March 20192020
(Billion Yen)
Operating Profit


FY March FY March
$2019 \quad 2020$
(Billion Yen)
Net Income


FY March FY March
$2019 \quad 2020$

## REVIEW OF FY MARCH 2020

- Announced Medium-Term Management Plan
- Investment in unique products and customer experience
- Curb expenses that depreciate brand value
- Investment in areas in which we need to catch up

■ Introduced new-generation line-up, MAZDA3 and CX-30. The models have been highly regarded around the world and received numerous awards

■ Improved sales quality such as reduced marketing expenses and improved per-unit profit

■ Our medium-term initiative direction remains unchanged despite the changing business environment. Mazda Group will work together to enhance brand value and earning capacity

## NOVEL CORONAVIRUS IMPACT AND MEASURES TAKEN

## Business Impact \& our Measures

Late January to Mid March
■ The spread of the Coronavirus infection in China, impacting production, sales and supply chain in the country
■ As business activities in China restarted, resumed our production and sales

## From Early March

- Global pandemic leading to restricted economic activities and stay-at-home orders, causing significant impact on sales activities worldwide
- Implemented production adjustments to restore appropriate inventory levels


## Preventive Measures \& Support Offered

■ The health and safety of our local community members and employees are our first priority. Implement and strengthen actions to prevent the spread of the infection
■ Cooperate with administrative bodies and medical institutions. Assess and implement support actions

- Provide support to local partners (suppliers and logistics service providers)
■ We will work hand in hand with our stakeholders to overcome this crisis


## FINANCIAL FORECAST

■ FY March 2021 profit and dividend forecast undecided

- Business environment expected to remain highly uncertain due to the novel coronavirus outbreak
- Continue to closely monitor the impact on business

■ Financial forecasts will be announced once available and ready

## FISCAL YEAR MARCH 2020 RESULTS

## FY MARCH 2020 GLOBAL SALES VOLUME

| (000 units) | Full Year |  | Change from |  |  | $\begin{gathered} \text { (Feb. Forecast) } \\ \text { FY March } \\ 2020 \\ \hline \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | FY March | $\begin{gathered} \text { FY March } \\ 2020 \\ \hline \end{gathered}$ |  |  |  |  |
|  | 2019 |  | Prior Year |  | Feb. Forecast |  |
| Global Sales Volume |  |  | Volume | YOY(\%) | Volume |  |
| Japan | 215 | 202 | (12) | (6)\% | (2) | 204 |
| North America | 421 | 397 | (24) | (6)\% | (28) | 425 |
| Europe | 270 | 264 | (6) | (2)\% | (16) | 279 |
| China | 247 | 212 | (36) | (14)\% | (19) | 231 |
| Other Markets | 409 | 345 | (64) | (16)\% | (15) | 360 |
| Total | 1,561 | 1,419 | (142) | (9)\% | (81) | 1,500 |
| <Breakdown> |  |  |  |  |  |  |
| USA | 287 | 275 | (12) | (4)\% | (21) | 296 |
| Australia | 110 | 90 | (20) | (18)\% | (2) | 92 |
| ASEAN | 137 | 103 | (33) | (24)\% | (10) | 113 |

## JAPAN



Full-Year Sales Volume and Market Share (000 units)


FY March 2019 FY March 2020

■ 202,000 units sold, down 6\% year on year

■ Market share was down 0.1 points year on year at 4.0\%, while registered vehicle market share remained flat at 5.2\%

- Sales of new-generation MAZDA3 and CX-30 remained strong


## NORTH AMERICA



Full-Year Sales Volume and US Market Share
(000 units)

■ 397,000 units sold, down 6\% year on year

■ USA: 275,000 units, down 4\% year on year

- Market share was flat year on year at 1.7\%
- Sales of CX-5 and CX-9 increased year on year

■ Canada: 64,000 units, down 11\% year on year

■ Mexico: 57,000 units, down 7\% year on year

## EUROPE



Full-Year Sales Volume and Market Share


FY March 2019 FY March 2020

■ 264,000 units sold, down 2\% year on year

- Market share was flat year on year at 1.4\%

■ Sales in Europe excluding Russia stood at 232,000 units, down 2\% year on year

- Germany: 64,000 units, down 5\% year on year
- UK: 34,000 units, down 11\% year on year

■ Russia: 32,000 units, down 2\% year on year

## CHINA



Full-Year Sales Volume and Market Share (000 units)


■ 212,000 units sold, down $14 \%$ year on year

■ Sales drastically declined from February due to spread of the novel coronavirus infection

■ Product introductions and sales events were held online as customer traffic declined due to restrictions on outings

## OTHER MARKETS



Full-Year Sales Volume and Australia Market Share (000 units)
9.7\%


FY March 2019 FY March 2020

■ 345,000 units sold, down 16\% year on year

■ Australia: 90,000 units, down 18\% year on year

■ ASEAN: 103,000 units, down 24\% year on year

- Thailand: 52,000 units, down 27\% year on year
- Vietnam: 26,000 units, down 20\% year on year


## FY MARCH 2020 FINANCIAL METRICS

| (Billion Yen) | Full Year |  | Change from |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \hline \text { FY March } \\ 2019 \\ \hline \end{gathered}$ | $\begin{gathered} \text { FY March } \\ 2020 \\ \hline \end{gathered}$ |  |  |  |
|  |  |  | Prior Year |  | Feb. Forecast |
|  |  |  | Amount | YOY(\%) | Amount |
| Revenue | 3,564.2 | 3,430.3 | (133.9) | (4)\% | (69.7) |
| Operating profit | 82.3 | 43.6 | (38.7) | (47)\% | (16.4) |
| Ordinary profit | 116.1 | 53.1 | (63.0) | (54)\% | (16.9) |
| Profit before tax | 107.6 | 49.3 | (58.3) | (54)\% | (14.7) |
| Net income | 63.2 | 12.1 | (51.1) | (81)\% | (30.9) |
| Operating ROS | $2.3 \%$ | 1.3 \% | (1.0)pts |  | (0.4) pts |
| EPS (Yen) | 100.3 | 19.3 | (81.0) |  | (49.0) |
| Exchange rate (Yen) |  |  |  |  |  |
| US Dollar | 111 | 109 | (2) |  | (0) |
| Euro | 128 | 121 | (8) |  | 0 |
| (000 units) |  |  |  |  |  |
| Consolidated wholesales | 1,311 | 1,232 | (79) | (6)\% | (36) |

## FY MARCH 2020 OPERATING PROFIT CHANGE

## FY March 2020 Full Year vs. FY March 2019 Full Year

- Wholesales volume declined 79,000 units
- Effects of reduced marketing expenses and improved perunit profit: approx. $¥ 50$ billion
- Mix improvement: approx. $¥ 15$ billion

| 【Exchange Rates】 |  |  |  |
| :--- | :--- | :--- | :--- |
| USD | $(1.7)$ | EUR | $\mathbf{( 2 2 . 9 )}$ |
| CAD | $\mathbf{( 5 . 5 )}$ | AUD | $\mathbf{( 1 9 . 5 )}$ |
| GBP | $\mathbf{( 5 . 7 )}$ | Other | $\mathbf{( 1 3 . 0 )}$ |

Improvement
$\square$ (Deterioration)
(Billion yen)


## FY MARCH 2020 OPERATING PROFIT CHANGE

## FY March 2020 Full Year vs. February Forecast

Improvement<br>$\square$ (Deterioration)

(Billion yen)



## SUPPLEMENT: <br> SALES AREA INITIATIVES IN RESPONSE TO THE NOVEL CORONAVIRUS

## SALES AREA INITIATIVES IN RESPONSE TO THE NOVEL CORONAVIRUS

- Promptly stopped shipments and made production adjustment from the week starting March 16, when the ratio of dealerships in operation in USA and Europe started to decline (announced on March 24th)

■ Collection of key global indicators and information at Mazda headquarters to control shipments and production

- Daily: Regulation trends in each country, impact on sales
- Weekly: Dealer operation, sales and inventory status
- Regional headquarters focus on supporting dealers and maximizing sales opportunities in line with local circumstances in each country
- Promotion of online sales while suppressing conventional media marketing expenses and efforts to resolve uneven distribution of inventory in each region
- Social contribution activities such as providing free oil change to medical staff and lending vehicles to medical institutions


## WEEKLY STATUS FOLLOW-UP (USA EXAMPLE)

Dealer operation ratio, YOY sales and inventory trends


## INVENTORY AND PRODUCTION ADJUSTMENT

## Dealer Inventory Trend (excluding China)

Implemented a production adjustment of approx. 130,000 units* to restore appropriate inventory levels, following declining sales since April
*As of Apr. 22 news release


## APRIL 2020 SALES VOLUME

| (000 units) | $\begin{aligned} & \text { April } \\ & 2019 \end{aligned}$ | $\begin{aligned} & \text { April } \\ & 2020 \end{aligned}$ | Change from <br> Prior Year |  | *Industry YOY |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Global sales volume |  |  | Volume | YOY(\%) |  |
| Japan | 11 | 8 | (3) | (26)\% | (29)\%/(27)\% |
| North America | 30 | 14 | (16) | (54)\% |  |
| Europe | 21 | 4 | (17) | (80)\% |  |
| China | 17 | 17 | 0 | 1 \% | 4\%/(3)\% |
| Other Markets | 31 | 7 | (24) | (78)\% |  |
| Total | 110 | 50 | (60) | (54)\% |  |
| <Breakdown> |  |  |  |  |  |
| USA | 20 | 11 | (9) | (44)\% | (39)\%/(47)\% |
| Australia | 8 | 3 | (5) | (60)\% | (48)\%/(51)\% |
| ASEAN | 11 | 2 | (8) | (80)\% |  |

* Industry YOY

Japan, USA and Australia : Total industry / Mazda DCS(Direct Competitive Segment)
China : Total industry / Passenger vehicle industry

## APPENDIX

## CASH FLOW AND NET CASH

(Billion yen)
Cash Flow

- From Operating activities
- From Investing activities
- Free Cash Flow

Cash and Cash Equivalents

Net Cash
Equity Ratio

| FY March 2019 Full Year | FY March 2020 Full Year | Change from Prior FY End |
| :---: | :---: | :---: |
| 146.7 | 34.8 | - |
| (131.6) | (127.6) | - |
| 15.1 | (92.7) | - |
| 701.6 | 568.0 | (133.6) |
| 94.6 | (51.9) | (146.5) |
| 42 / 43*\% | 42 / 43*\% | 0 / $0^{*}$ pts |

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


## REVENUE BY GEOGRAPHIC AREA



## REVENUE BY PRODUCT

(Billion yen)


## REVENUE CHANGE (FULL YEAR)

FY March 2020 Full Year vs. FY March 2019 Full Year

| (Billion yen) |  |  |  |
| :---: | :---: | :---: | :---: |
| 10\% | FY March 2020 3,430.3 <br> FY March 2019 3,564.2 |  |  |
| 5\% |  |  | $\begin{array}{lc} \text { Domestic } & (2) \% \\ \text { Overseas } \\ \hline \end{array}$ |
| 0\% |  |  |  |
| (5)\% | (4)\% |  | (3)\% |
| (10)\% |  |  |  |
|  | Total | Volume \& Mix | Exchange |

## REVENUE CHANGE (3 MONTHS)

FY March 2020 4th Quarter vs. FY March 2019 4th Quarter


## global sales volume and consolidated wholesales (FULL Year)

| (000 units) | Full year |  | Change from |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \text { FY March } \\ 2019 \\ \hline \end{gathered}$ | $\begin{gathered} \text { FY March } \\ 2020 \\ \hline \end{gathered}$ |  |  |  |
|  |  |  | Prior Year |  | Feb. Forecast |
| Global sales volume |  |  | Volume | YOY(\%) | Volume |
| Japan | 215 | 202 | (12) | (6)\% | (2) |
| North America | 421 | 397 | (24) | (6)\% | (28) |
| Europe | 270 | 264 | (6) | (2)\% | (16) |
| China | 247 | 212 | (36) | (14)\% | (19) |
| Other Markets | 409 | 345 | (64) | (16)\% | (15) |
| Total | 1,561 | 1,419 | (142) | (9)\% | (81) |
| Consolidated wholesales |  |  |  |  |  |
| Japan | 210 | 187 | (23) | (11)\% | (9) |
| North America | 424 | 421 | (3) | (1)\% | (13) |
| Europe | 267 | 267 | 0 | 0 \% | (5) |
| Other Markets | 411 | 357 | (53) | (13)\% | (9) |
| Total | 1,311 | 1,232 | (79) | (6)\% | (36) |
| <Breakdown> |  |  |  |  |  |
| USA | 285 | 298 | 13 | 5\% | (12) |

## GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES (3 MONTHS)

| (000 units) | Fourth Quarter |  | Change from |  |
| :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \hline \text { FY March } \\ 2019 \\ \hline \end{gathered}$ | $\begin{gathered} \text { FY March } \\ 2020 \\ \hline \end{gathered}$ |  |  |
|  |  |  | Prio | Year |
| Global sales volume |  |  | volume | YOY(\%) |
| Japan | 65 | 64 | (1) | (2)\% |
| North America | 101 | 92 | (9) | (9)\% |
| Europe | 73 | 45 | (29) | (39)\% |
| China | 52 | 36 | (16) | (31)\% |
| Other Markets | 100 | 76 | (23) | (24)\% |
| Total | 392 | 313 | (78) | (20)\% |
| Consolidated wholesales |  |  |  |  |
| Japan | 64 | 56 | (8) | (12)\% |
| North America | 108 | 119 | 11 | 10 \% |
| Europe | 73 | 56 | (17) | (23)\% |
| Other Markets | 104 | 87 | (17) | (17)\% |
| Total | 349 | 318 | (31) | (9)\% |
| <Breakdown> |  |  |  |  |
| USA | 70 | 86 | 16 | 23 \% |

## FY MARCH 2020 FINANCIAL METRICS (3 MONTHS)

| (Billion yen) | Fourth Quarter |  | Change from |  |
| :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \text { FY March } \\ 2019 \\ \hline \end{gathered}$ | $\begin{gathered} \text { FY March } \\ 2020 \end{gathered}$ |  |  |
|  |  |  | Prior | ear |
|  |  |  | Amount | YOY(\%) |
| Revenue | 942.9 | 874.0 | (68.9) | (7)\% |
| Operating profit | 25.2 | 11.3 | (13.9) | (55)\% |
| Ordinary profit | 33.2 | 3.0 | (30.2) | (91)\% |
| Profit before tax | 30.3 | 1.5 | (28.8) | (95)\% |
| Net income | 27.8 | (20.3) | (48.1) | - |
| Operating ROS | 2.7 \% | 1.3 \% | (1.4) |  |
| EPS (Yen) | 44.1 | (32.1) | (76.2) |  |
| Exchange rate (Yen) |  |  |  |  |
| US Dollar | 110 | 109 | (1) |  |
| Euro | 125 | 120 | (5) |  |

## FY MARCH 2020 OPERATING PROFIT CHANGE (3 MONTHS)

## FY March 2020 Fourth Quarter vs. FY March 2019 Fourth Quarter



GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALES ( $1^{\text {st }}$ HALF $/ 2^{\text {nd }}$ HALF)

| (000 units) | FY March 2020 |  |  | Change from Prior Year |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1st Half | 2nd Half | Full Year | 1st Half | 2nd Half | Full Year |
| Global sales volume |  |  |  |  |  |  |
| Japan | 98 | 104 | 202 | (4) | (8) | (12) |
| North America | 202 | 194 | 397 | (20) | (4) | (24) |
| Europe | 136 | 127 | 264 | 1 | (8) | (6) |
| China | 109 | 102 | 212 | (24) | (12) | (36) |
| Other Markets | 184 | 161 | 345 | (18) | (46) | (64) |
| Total | 731 | 689 | 1,419 | (65) | (77) | (142) |
| Consolidated wholesales |  |  |  |  |  |  |
| Japan | 94 | 93 | 187 | (7) | (16) | (23) |
| North America | 202 | 219 | 421 | (16) | 14 | (3) |
| Europe | 143 | 124 | 267 | 15 | (14) | 0 |
| Other Markets | 183 | 175 | 357 | (12) | (41) | (53) |
| Total | 622 | 610 | 1,232 | (20) | (58) | (79) |
| <Breakdown> |  |  |  |  |  |  |
| USA | 140 | 158 | 298 | (6) | 19 | 13 |

## FY MARCH 2020 FINANCIAL METRICS (1 ${ }^{\text {st }}$ HALF / 2 ${ }^{\text {nd }}$ HALF)

| (Billion Yen) | FY March 2020 |  |  | Change from Prior Year |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1st Half | 2nd Half | Full Year | 1st Half | 2nd Half | Full Year |
| Revenue | 1,706.6 | 1,723.7 | 3,430.3 | (22.4) | (111.5) | (133.9) |
| Operating profit | 25.8 | 17.8 | 43.6 | (4.0) | (34.7) | (38.7) |
| Ordinary profit | 34.0 | 19.1 | 53.1 | (19.5) | (43.5) | (63.0) |
| Profit before tax | 32.7 | 16.6 | 49.3 | (16.3) | (42.0) | (58.3) |
| Net income | 16.6 | (4.5) | 12.1 | (7.2) | (43.9) | (51.1) |
| Operating ROS | 1.5 \% | $1.0 \%$ | $1.3 \%$ | (0.2)pts | (1.9)pts | (1.0) ${ }^{\text {pts }}$ |
| EPS (Yen) | 26.4 | (7.1) | 19.3 | (11.4) | (69.6) | (81.0) |
| Exchange rate (yen) |  |  |  |  |  |  |
| US Dollar | 109 | 109 | 109 | (2) | (3) | (2) |
| Euro | 121 | 120 | 121 | (8) | (7) | (8) |

## EXCHANGE RATES

| (Yen) | FY March 2020 |  |  | Change from Prior Year |  |  | Change from Feb. Forecast |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1st Half | 2nd Half | Full Year | 1st Half | 2nd Half | Full Year | Full Year |
| US Dollar | 109 | 109 | 109 | (2) | (3) | (2) | (0) |
| Euro | 121 | 120 | 121 | (8) | (7) | (8) | 0 |
| Canadian Dollar | 82 | 82 | 82 | (3) | (3) | (3) | (0) |
| Australia Dollar | 75 | 73 | 74 | (7) | (7) | (7) | (1) |
| British Pound | 137 | 140 | 138 | (10) | (5) | (8) | (1) |

## CROSSOVER SUV RATIO



## KEY DATA


*Lease assets recognized on the balance sheet in accordance with accounting standard

## 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, but not limited to, 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.


[^0]:    The overseas subsidiaries which apply US GAAP adopted ASU 2014-09 "Revenue from Contracts with Customers" from the beginning of FY March 2020.
    The figures for FY March 2019 in this presentation were adjusted retrospectively in accordance with this change.

