



FINANCIAL RESULTS FOR FY MARCH 2023

May 12, 2023
Mazda Motor Corporation

MAZDA MOTOR CORPORATION

[Osamu Kawamura, Managing Executive Officer]

- Thank you for joining our earnings presentation today.

PRESENTATION OUTLINE

- **FY March 2023 Results**
- **FY March 2024 Forecast**
- **Overview of Initiatives in the Last 5 Years**
- **FY March 2024 Direction of Initiatives**

- This is an outline of today's presentation.

FY MARCH 2023 RESULTS

- I will now explain results for the FY March 2023 full year.

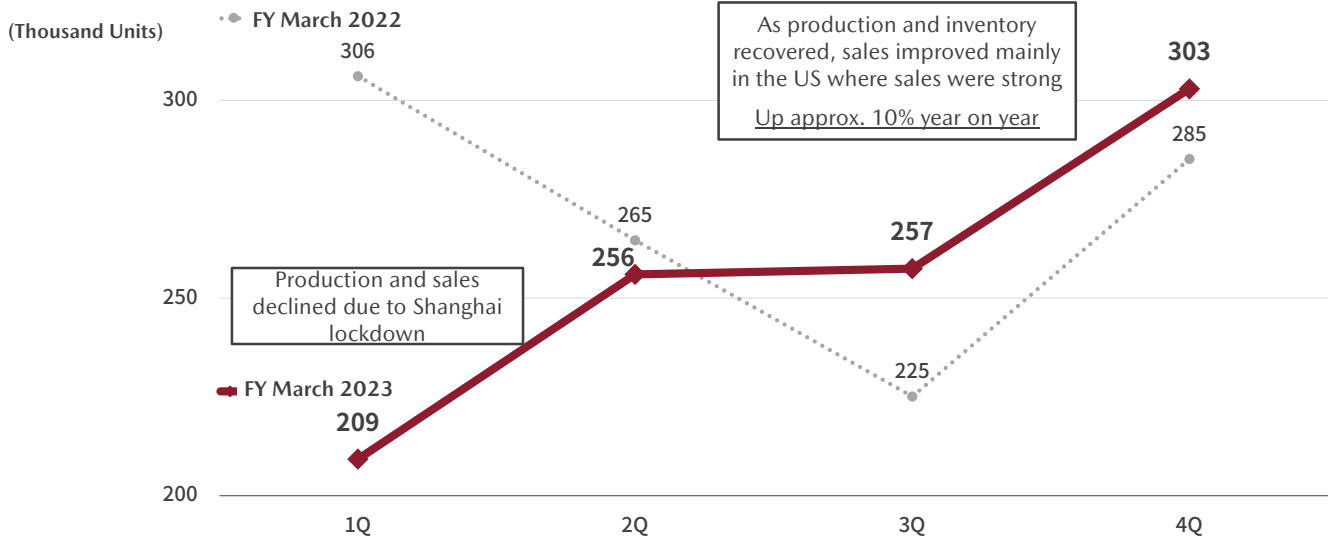
FY MARCH 2023 FULL YEAR VOLUME RESULTS

(Thousand Units)	FY March 2023			Change from Prior Year			
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	
Production Volume*	503	632	1,135	+37	✓ +74	+111	+11%
Global Sales Volume							
Japan	68	97	165	+8	+8	+16	+11%
North America	181	226	407	-68	+35	-33	-7%
Europe	67	93	160	-40	+10	-30	-16%
Other Markets	150	145	294	-7	-3	-9	-3%
Sub Total (Excl. China)	465	560	1,026	-105	✓ +50	-55	-5%
China	49	35	84	-40	-45	-86	-50%
Total	514	596	✓ 1,110	-146	✓ +5	✓ -141	-11%
USA	133	168	301	-57	+26	-31	-9%
Australia	44	47	91	-12	0	-12	-12%
ASEAN	46	33	78	+14	-14	0	0%

*Based on our monthly disclosure (global production volume including volume in China, excluding vehicles received from other OEMs)

- This slide shows volume results.
- Our production volume was 1,135,000 units, up 11% from the prior year.
- Despite semiconductor procurement issues and the Shanghai lockdown in the first half of the year, our quarterly production volume exceeded 300,000 units from the third quarter. In March, the volume recovered to 124,000 units.
- Global sales volume was 1,110,000 units, down 11% from the prior year, while production increased. In the second half only, our global sales volume increased 5,000 units and sales volume excluding China increased 50,000 units.
- Full year sales volume declined due to two factors.
- The first was declining sales in China, where the sales network is undergoing restructuring and products are in a transitional period. From this fiscal year onwards, we will work to recover sales with the introduction of the CX-50.
- The second factor is the inventory situation, which I will explain in the next slide.

GLOBAL SALES VOLUME PERFORMANCE (EXCLUDING CHINA)



US dealer inventory (Thousand units)		Jun. End	Sep. End	Dec. End	Mar. End
FY Mar. 22	54	21	12	7	13
FY Mar. 23	13	4	12	24	29

Source: Autodata

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- This slide shows the two-year history of our quarterly global sales volume excluding China.
- While production and wholesale were down in FY March 2022 due to the impact of Covid-19 and other factors, sales were maintained through the use of inventory in the first half of the fiscal year. In contrast, first half sales in FY March 2023 were sluggish due to the depletion of inventory from the beginning of the fiscal year and the impact of production cutbacks in the first quarter.
- As a result, sales declined from the prior year for the full year, but increased in the second half approximately 10% from the prior year, with strong sales mainly in the US.
- We will maintain this strong sales momentum to achieve volume growth in FY March 2024.

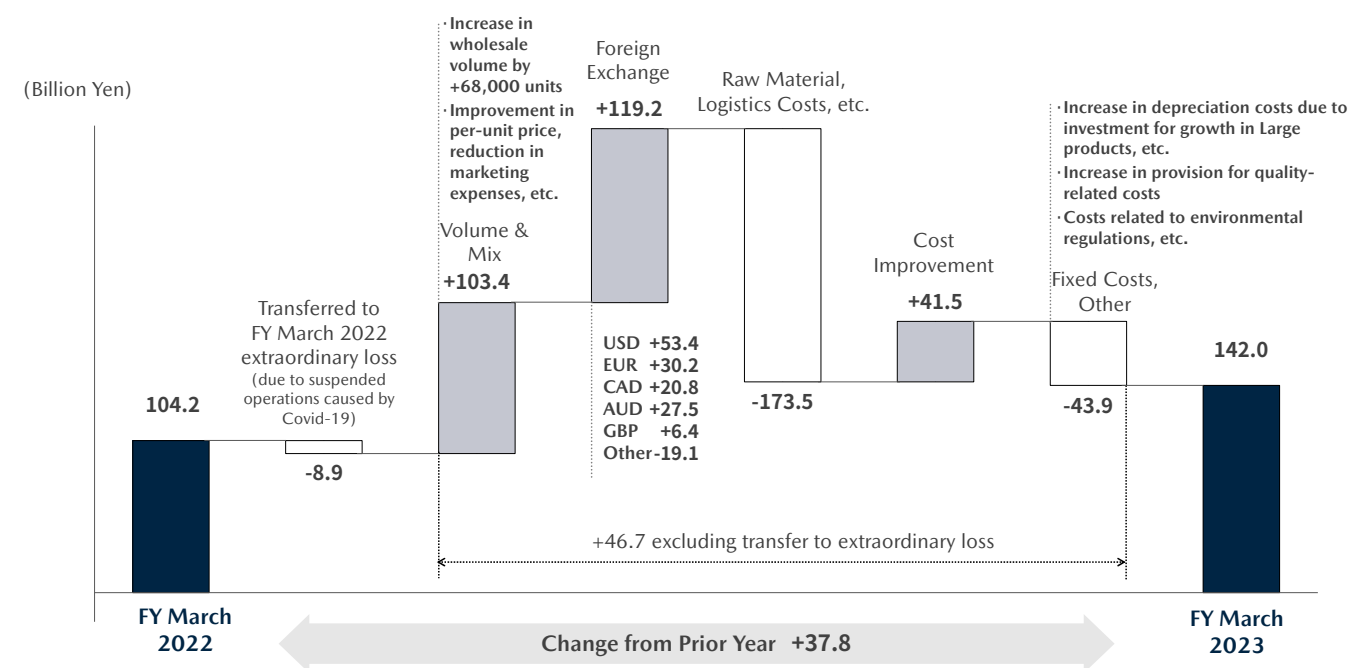
FY MARCH 2023 FULL YEAR FINANCIAL METRICS

(Billion Yen)	FY March 2023			Change from Prior Year				Change from Feb. Forecast
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year		Full Year
Consolidated Wholesales (Thousand Units)	450	609	✓ 1,059	-30	+99	+68	+7%	-28
Net Sales	1,642.5	2,184.3	3,826.8	+146.6	+559.9	+706.5	+23%	-73.2
Operating Income	55.2	86.8	✓ 142.0	+15.5	+22.3	+37.8	+36%	✓ -8.0
Ordinary Income	110.4	75.5	185.9	+76.5	-14.1	+62.4	+51%	+10.9
Income before Income Taxes	109.3	60.7	170.0	+73.4	-15.8	+57.6	+51%	+10.0
Net Income	85.9	56.9	✓ 142.8	+62.0	-0.8	+61.2	+75%	+2.8
Operating Return on Sales	3.4 %	✓ 4.0 %	✓ 3.7 %	+0.7 pts	0 pts	+0.4 pts		-0.1 pts
EPS (Yen)	136.3	90.4	226.7	+98.4	-1.2	+97.2		+4.5
Exchange Rate (Yen)								
US Dollar	134	137	136	+24	+22	+23		+1
Euro	139	143	141	+8	+13	+10		+1

*Net income indicates net income attributable to owners of the parent

- I would now like to present our financial metrics for FY March 2023.
- Consolidated wholesales were 1,059,000 units, up 7% year on year.
- Net sales were ¥3,826.8 billion, up 23% from the prior year, hitting a record-high. Net sales per unit, which is calculated by dividing net sales by wholesale volume, was approximately ¥3.6 million, up about ¥500,000 from the prior year.
Operating income was up 36% to ¥142.0 billion, and net income attributable to owners of the parent was up 75% to ¥142.8 billion year on year.
- As we achieved year-on-year growth in net sales and profits, operating return on sales improved to 3.7%.
- Operating income fell below the forecast in February due to the impact of a delay in wholesales and other factors, but the shortfall was partially offset by streamlining fixed costs.
- Net sales and operating profit increased from the first half to the second half of the year, and operating return on sales in the second half improved to 4.0%.

CHANGE IN FY MARCH 2023 FULL YEAR OPERATING INCOME (vs. FY MARCH 2022 FULL YEAR)

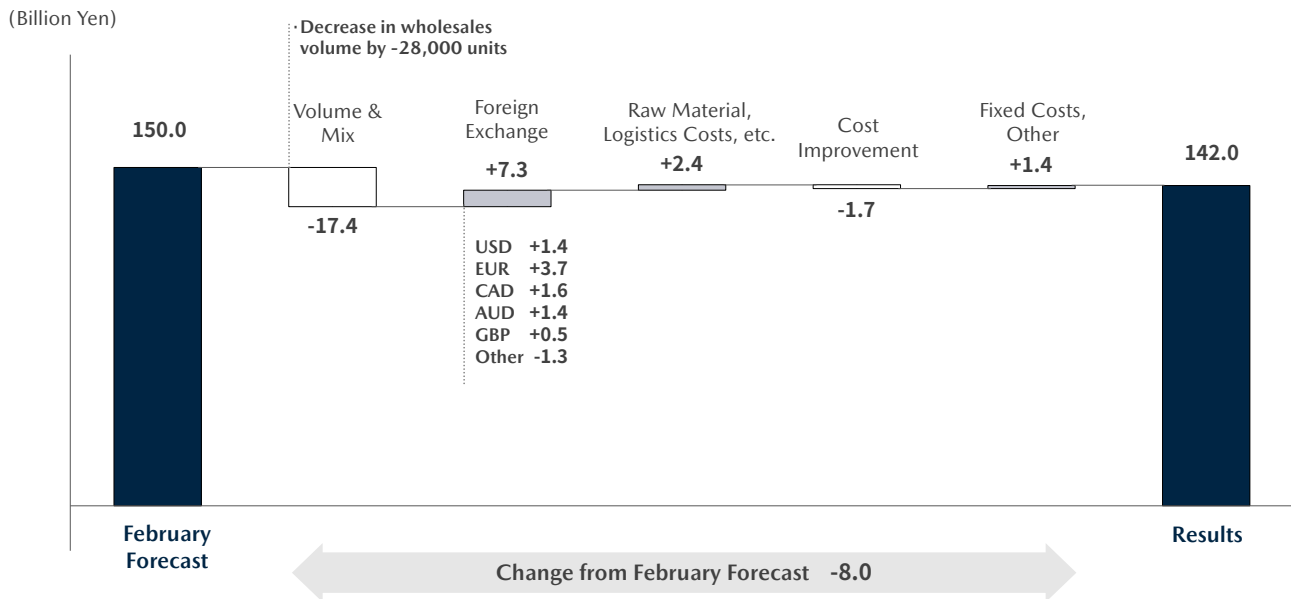


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- Let me explain the ¥37.8 billion year-on-year improvement in operating income for the full-year.
- Volume & mix improved ¥103.4 billion. An increase of 68,000 units in wholesale volume resulted in an increase in profit of about ¥40 billion, but a deterioration in product mix and other factors resulted in a decrease in profit of about ¥25 billion, partially offsetting profit gains from the higher wholesale volume. Furthermore, per-unit price improvement achieved through appropriate price adjustments implemented globally and sales efforts to reduce marketing expenses resulted in an improvement of ¥88 billion, and a net profit increase of ¥103.4 billion.
- Foreign exchange contributed ¥119.2 billion to operating income as the yen weakened significantly, mainly against the US dollar, from the prior year.
- In the area of variable costs, the negative impact from hikes in raw material prices and logistics costs was ¥173.5 billion, but this was partially offset by ¥41.5 billion in cost improvements achieved through collaborative efforts with suppliers to enhance competitiveness.
- Fixed costs and other had a negative profit impact of ¥43.9 billion year on year, due to increased depreciation costs on investments for growth in Large Products and our US plant, an increase in our provision for quality-related costs, and higher costs related to environmental regulations.

CHANGE IN FY MARCH 2023 FULL YEAR OPERATING INCOME (vs. FEBRUARY FORECAST)



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- Let me now explain the factors behind the change in operating income versus the February forecast.
- Volume & mix deteriorated ¥17.4 billion as the consolidated wholesale volume declined by 28,000 units from the February forecast due mainly to the impact of delays in shipments to the profitable US market and other logistical issues.
- However, this was partially offset thanks to a greater than forecast depreciation of the yen and an improvement in fixed costs, resulting in a decline of ¥8 billion in total.
- In the fourth quarter, we could have expected the operating return on sales to reach the 4% level if we had achieved wholesales of 350,000 units, but due to lower wholesales than planned, stemming mainly from the impact of logistics, the actual result was 2.9%.

FY MARCH 2024 FORECAST

- Next, I would like to explain our forecast for FY March 2024.

FY MARCH 2024 FULL YEAR VOLUME FORECAST

(Thousand Units)	FY March 2023	FY March 2024	Change from Prior Year	
	Full Year	Full Year	Full Year	
Global Sales Volume				
Japan	165	183	+19	+11%
North America	407	496	+90	+22%
Europe	160	189	+29	+18%
Other Markets	294	306	+12	+4%
Sub Total (Excl. China)	1,026	1,175	+149	+15%
China	84	125	+41	+48%
Total	1,110	✓ 1,300	+190	+17%
USA	301	367	+66	+22%
Australia	91	100	+8	+9%
ASEAN	78	80	+1	+2%

- This is our volume forecast.
- We anticipate global sales of 1.3 million units, up 17% year on year.
- In this fiscal year, our plant in Alabama in the US will start two-shift operations and the wholesale and retail volumes will improve year on year mainly in North America and Europe.
- The CX-90, which was introduced in the North American market this fiscal year, has received strong positive feedback from dealers and the media, and we expect it to contribute to volume growth along with the CX-60 introduced in the previous fiscal year.
- In China, we started taking pre-sales orders for the CX-50 at the Shanghai Motor Show in April. We plan to grow the sales volume in China through the introduction of new products and other initiatives.

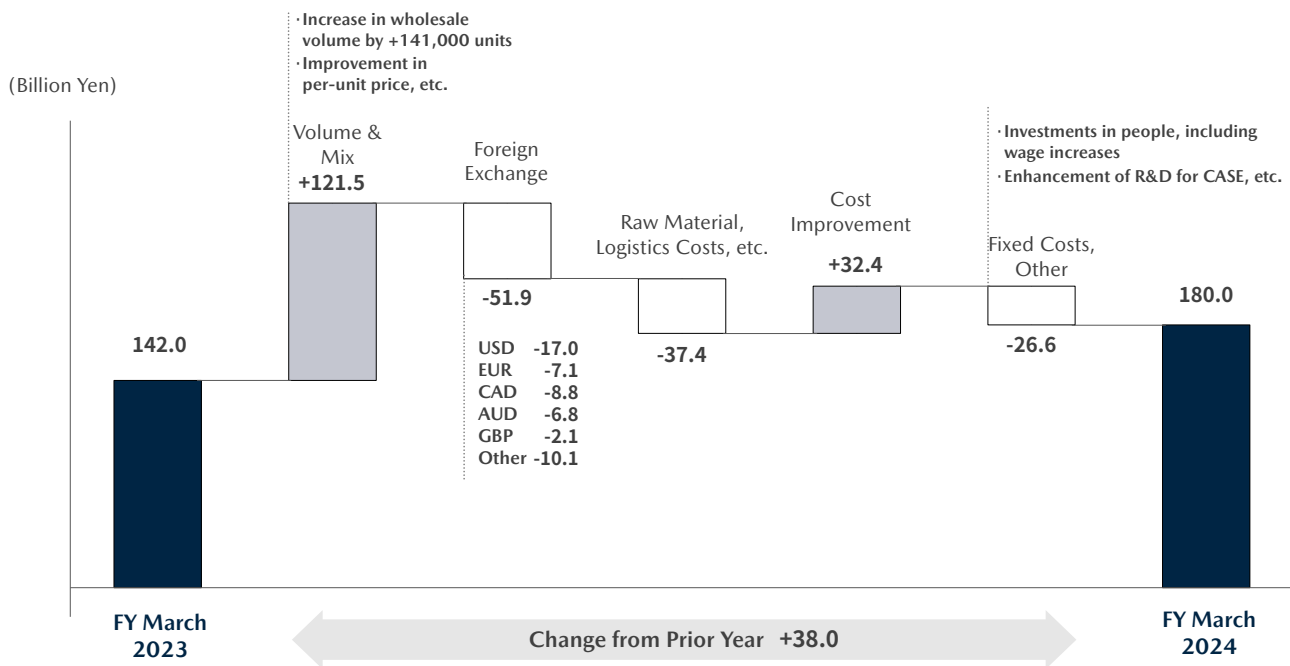
FY MARCH 2024 FULL YEAR FINANCIAL METRICS

(Billion Yen)	FY March 2023	FY March 2024	Change from Prior Year	
	Full Year	Full Year	Full Year	
Consolidated Wholesales (Thousand Units)	1,059	✓ 1,200	+141	+13%
Net Sales	3,826.8	4,500.0	+673.2	+18%
Operating Income	142.0	✓ 180.0	+38.0	✓ +27%
Ordinary Income	185.9	172.0	-13.9	-7%
Income before Income Taxes	170.0	168.0	-2.0	-1%
Net Income	142.8	✓ 130.0	-12.8	✓ -9%
Operating Return on Sales	3.7 %	4.0 %	+0.3 pts	
EPS (Yen)	226.7	206.4	-20.3	
Exchange Rate (Yen)				
US Dollar	136	128	-7	
Euro	141	139	-2	

*Net income indicates net income attributable to owners of the parent

- Next, I would like to present our financial metrics for FY March 2024.
- Consolidated wholesales are projected to be 1.2 million units, up 13% year on year, and net sales are forecasted at ¥4.5 trillion, up 18% year on year.
- Operating income is projected to be ¥180 billion, up 27% year on year with 4% operating return on sales.
- Our forecast for net income attributable to owners of the parent is ¥130 billion, down 9% year on year. We are assuming that the yen will settle at a stronger exchange rate at the end of this fiscal year than at the end of the previous fiscal year, and thus net income attributable to owners of the parent will be down slightly from the prior year mainly due to a non-operating foreign exchange valuation loss.
- Our exchange rate assumptions for the full year are ¥128 to the US dollar and ¥139 to the euro.

CHANGE IN FY MARCH 2024 FULL YEAR OPERATING INCOME (vs. FY MARCH 2023 FULL YEAR)



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- The operating income for this fiscal year is projected to increase ¥38 billion year on year. I would like to explain the breakdown of the improvement.
- In addition to an increase in profit due to an increase in consolidated wholesales mainly in Large Products, efforts to improve per-unit price in response to hikes in raw material prices from the previous fiscal year contributed to a total increase in operating income of ¥121.5 billion.
- On the other hand, we assume that the yen will appreciate from the prior fiscal year, which is a factor in the decrease in profit of ¥51.9 billion.
- Raw materials and logistics costs are expected to have a negative impact on profit of ¥37.4. While logistics costs mainly for container ships are declining, prices of raw materials continue on an upward trend.
- On the other hand, cost improvement initiatives are expected to result in an improvement of ¥32.4 billion, offsetting most of the impact of raw material price hikes.
- Fixed costs and other deteriorated ¥26.6 billion due to investments in people in areas such as wage increases, enhancement of R&D for CASE, and an increase in depreciation costs accompanying an increase in capital expenditure.

SUMMARY

■ FY March 2023 Results

- Sales and profit improved year on year. Operating return on sales grew 0.4 points year on year to 3.7%
- Increase in consolidated wholesales, initiatives to improve per-unit price and reduce marketing expenses, and the effects of a weaker yen contributed to offsetting the impact of material price hikes

■ FY March 2024 Forecast

- Consolidated wholesales at 1.2 million units, and global sales volume at 1.3 million units. Net sales at ¥4.5 trillion, operating income at ¥180 billion, and net income at ¥130 billion
- Operating return on sales is forecast at 4.0%, up 0.3 points year on year

■ Annual Dividend

- For FY March 2023, projected to be ¥45/share with a year-end dividend of ¥25/share, up ¥5 from the previous forecast
- For FY March 2024, projected to be ¥45/share

*Net income indicates net income attributable to owners of the parent

- I will now summarize financial results.
- In FY March 2023, we achieved growth in both sales and profit year on year. As a result, our operating return on sales improved 0.4 points from the previous year to 3.7%.
- Amid an extremely difficult and challenging environment with chronic semiconductor shortages, the lockdown in Shanghai, hikes in raw material prices, and insufficient car transport vessels, we quickly took measures to wholesale as many vehicles as possible, improve per-unit price, and reduce marketing expenses. We also benefited from the effects of weaker yen. As a result, we were able to offset the impact of raw material price hikes.
- For FY March 2024, we forecast consolidated wholesales of 1.2 million units and global sales volume of 1.3 million units.
- We are projecting record-high net sales of ¥4.5 trillion, operating income of ¥180 billion and net income attributable to owners of the parent of ¥130 billion during the phase of stronger growth in our Medium-Term Management Plan. We will also grow our profit through increases in wholesale and sales volumes as well as the full-scale introduction of our Large Products, and we are projecting a 4% operating return on sales.
- In regard to shareholder return, we plan to increase the year-end dividend by ¥5 to ¥25 per share. Combined with the interim dividend, the annual dividend for FY March 2023 will be ¥45 per share.
- We are also planning to provide an annual dividend of ¥45 per share- for FY March 2024.
- We will continue our efforts and make ongoing improvements in all areas to reach our targets this fiscal year and achieve the strong growth we committed to in our Medium-Term Management Plan.

OVERVIEW OF INITIATIVES IN THE LAST 5 YEARS

[Akira Marumoto, Representative Director, President and CEO]

- I would like to summarize our efforts in the five years since I took office in 2018.

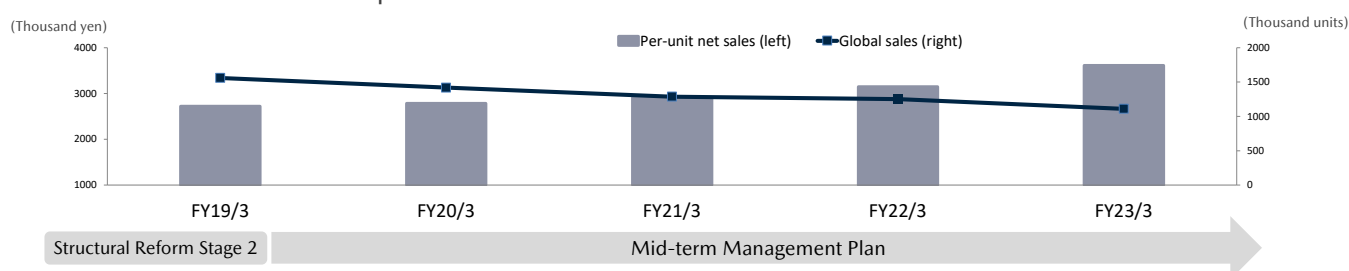
OVERVIEW OF INITIATIVES IN THE LAST 5 YEARS

- Environmental change in the last 5 years
 - Political turmoil, unstable exchange rates, torrential rains and flooding
 - Sharp drop in demand and deterioration in cash flow due to Covid-19
 - Decline in production due to semiconductor shortages
 - Ongoing material price surges and logistics disruptions since the Covid outbreak
 - Growing demand for corporate social responsibility
- Business quality improvement and strengthening of business foundation
 - Qualitative improvement in sales
 - Advances in Monotsukuri Innovation
 - Improvement in business efficiency through fixed cost/cost reductions
 - Earlier than planned achievement of our break-even point target of lower than 1 million units in FY March 2022
 - Ongoing investment and strengthening of partnerships for future growth

- There have been many environmental changes in the last five years.
- In particular, the sharp drop in demand due to the Covid-19 pandemic, the decline in production due to semiconductor shortages as well as ongoing raw material and energy price surges and logistics disruptions have had a significant financial impact.
- In the non-financial area, there is a growing demand for corporate social responsibility in regard to ESG, for example, and we as automakers have an obligation to contribute to a safe and secure automobile society and carbon neutrality.
- Amid major changes in the environment, we have made steady progress in improving the quality of our business and strengthening our business foundation.
- In terms of qualitative improvement in sales, we have improved per-unit net sales by enhancing product appeal and capping incentives as well as strengthening brand appeal and customer relationships.
- In the area of manufacturing, we have refined our strengths in Monotsukuri Innovation and model-based development, resulting in fixed cost reductions through improved efficiencies in development and preparation for mass-production.
- In addition, to further control costs, we have made all-out efforts to eliminate inefficiency, inconsistency, and waste from the entire supply chain and value chain to improve management efficiency.
- As a result, we were able to achieve our break-even point target of lower than 1 million units earlier than planned in the FY March 2022.
- For future growth, we have continued to invest in product and technology development, our U.S. plant, restructuring of US sales network, and digital talent development, while strengthening our relationships with our partners.

OVERVIEW OF INITIATIVES IN THE LAST 5 YEARS

■ Global sales volume and per-unit net sales*



【FY March 2019】

*Consolidated wholesale basis

Per-unit net sales*	¥2,719,000
Global sales volume	1,561,000 units

Net sales	¥3,564.2 billion
Operating profit (ROS)	¥82.3 billion (2.3%)
Net income	¥63.2 billion
Dividend per share	¥35
Equity ratio	41.8%

Earnings power improvement



Stakeholder focus

【FY March 2023】

Per-unit net sales*	¥3,612,000
Global sales volume	1,110,000 units

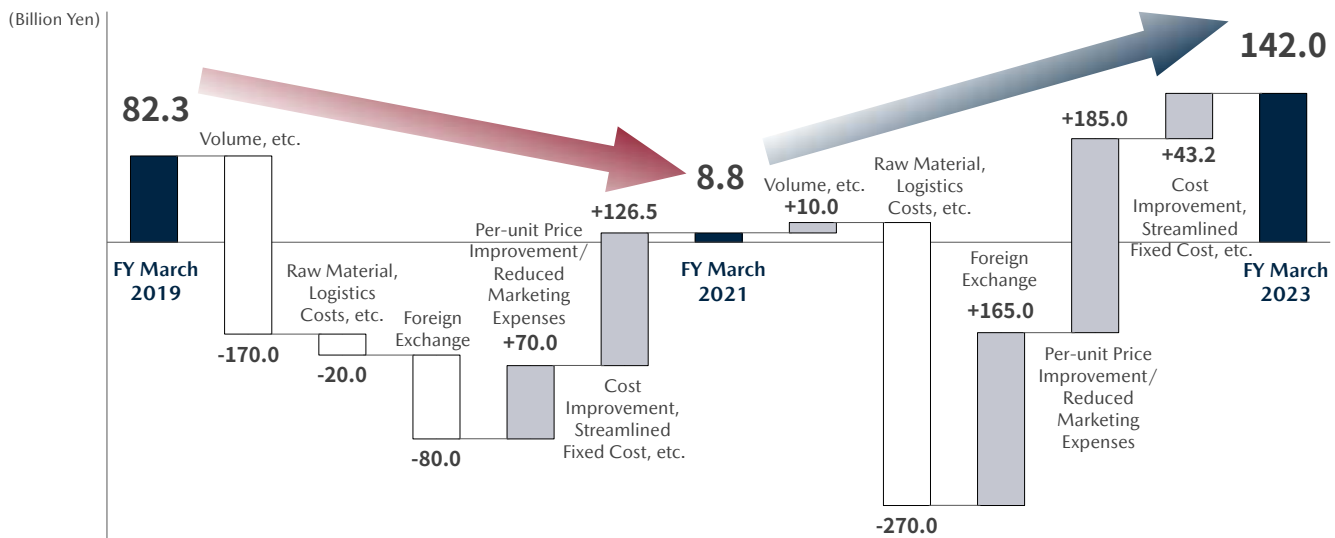
Net sales	¥3,826.8 billion (Record-high)
Operating profit (ROS)	¥142.0 billion (3.7%)
Net income	¥142.8 billion (2 nd highest)
Dividend per share	¥45
Equity ratio	44.2%

- Here is a numerical review of progress since FY March 2019.
- Global sales volume decreased from FY March 2019 to FY March 2023 due to changes in the business environment, such as lower demand in the wake of the Covid-19 pandemic and lower production caused by semiconductor shortages as mentioned earlier. Nevertheless, we were able to increase net sales by approximately ¥260 billion and operating profit by approximately ¥60 billion, resulting in an increase in per-unit net sales of about ¥900,000, from ¥2,719,000 to ¥3,612,000.
- Furthermore, we promoted stakeholder-centered management. We increased dividends from ¥35 to ¥45 and improved our equity ratio from 41.8% to 44.2%, while recognizing that it is still insufficient.
- Over the past five years, we have steadily improved our earning power and made progress in building a strong business foundation.

OVERVIEW OF INITIATIVES IN THE LAST 5 YEARS - OPERATING INCOME CHANGES SINCE FY MARCH 2019

- ✓ In addition to declines in demand and impact on production due to Covid-19, the yen appreciated
- ✓ We maintained profitability by improving quality of sales and thoroughly streamlining fixed costs

- ✓ The impact of hikes in raw material and logistics costs and delays in production recovery due to semiconductor shortages was offset by per-unit price improvement, reduced marketing expenses and cost improvement
- ✓ We benefited from the weaker yen as sales increased through penetration of brand value in US



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- I will now explain the changes in operating income since FY March 2019.
- In the first half of the period, we faced an extremely challenging external environment due to declines in demand and impacts on production in the wake of the global spread of Covid-19 as well as a strengthening of the yen.
- Despite these conditions, we were able to maintain profitability in FY March 2021 by improving the quality of sales through per-unit price improvement and reduced marketing expenses, as well as a thorough streamlining of fixed costs.
- In the last 2 years, the latter half of the period, new issues such as semiconductor shortages and surges in raw material prices, energy prices and logistics costs merged. These had a negative impact on earnings of around ¥270 billion, but we responded by making further efforts to strengthen quality of sales and reduce costs.
- In addition, in the US, where we had been concentrating on reinforcing our sales network, we capitalized on the benefits of a weaker yen by increasing our sales through brand value penetration and improving per-unit profit. As a result, profits significantly rose in FY March 2023 compared to profits in FY March 2019.
- We also made progress in strengthening our profit structure by improving per-unit variable profits, and in strengthening our financial base by improving our equity ratio and a net-cash position.

OVERVIEW OF INITIATIVES IN THE LAST 5 YEARS

■ Restructuring of the US sales network to improve sales quality

➤ Transaction price

Increased approximately \$7,000 from \$26,700 in 2018 to \$33,700 in 2022

Source: Power Information Network®

➤ Residual value improvement

[Residual Value Rate at launch]

CX-90	Launched 2023	63%	2nd/18 vehicles
CX-50	Launched 2022	62%	1st/21 vehicles
CX-30	Launched 2020	61%	1st/22 vehicles
CX-5	Launched 2017	57%	3rd/15 vehicles

Source: ALG

➤ Customer satisfaction

Improved substantially from 15th place in 2018 to 3rd place in 2022

Source: J. D. Power CSI

- Let me show you an example of sales quality improvement in the United States, the most important market for us.
- The transaction price was up as much as \$7,000 in 5 years from \$26,700 in 2018.
- Since we rolled out the CX-30, our 7-gen product, the CX-30, CX-50 and CX-90 have maintained top-level residual value ratings in their segments since their launch.
- In JD Power's survey of customer satisfaction regarding automobile services, Mazda rose significantly from 15th position in 2018 to 3rd position in 2022.

OVERVIEW OF INITIATIVES IN THE LAST 5 YEARS

- Start of operation of new US plant in Alabama



- Introduction of BEV and development/introduction of electrification technologies
 - MX-30 EV MODEL, CX-30 EV for China
 - PHEV, mild hybrid, R-EV

- Development and introduction of Large Products



MAZDA CX-60



MAZDA CX-90

- Announcement of mid-term management plan update and management policy up to 2030 (November 2022)

- We can boast a series of achievements – the transformation of our sales network in the US, the start of production in the Alabama plant, the development and introduction of Large Products like the CX-60 and CX-90, and the BEV product launch of the MX-30, and the development and introduction of PHEV and other electrification technologies.
- In November last year, we announced our mid-term management plan update and management policy up to 2030 and presented our phased strategy and direction of initiatives for reducing global warming, which will contribute to society by making cars safer and more secure, and at the same time increase our brand value.

FY MARCH 2024 DIRECTION OF INITIATIVES

[Masahiro Moro, Director, Senior Managing Executive Officer]

- I will now explain the direction of our initiatives for FY March 2024.

FY MARCH 2024 DIRECTION OF INITIATIVES

■ Achievement of growth through new products and sales

- This year is an important year for getting on a growth path by utilizing assets accumulated through our building block strategy
- The introduction of the CX-90 in North America and increase in the supply of CX-50s, and the start of CX-50 production in China will drive growth
- Our plan is to maintain quality sales and achieve ambitious sales targets in all markets

■ External environment

- Semiconductors: Despite expectations for an improvement in semiconductor supplies thanks to the progress of countermeasures, the situation remains unpredictable
- Logistics: Tight supply for transport vessels is expected to continue
- Foreign exchange/raw material prices: Strengthening of the yen and soaring raw material prices are expected to continue this fiscal year
- Trends in key overseas markets

US: The impact of the economic slowdown on automobiles will be limited in the first half
China: An economic upturn is expected, accelerating growth of new energy vehicles

Enhance the speed, transparency, and discipline of operations,
and respond quickly to changes in the business environment

- This fiscal year marks the midpoint of the mid-term management plan. It is an important year for us for leveraging the investments and assets we have built as we emerge from the Covid pandemic and position ourselves for growth.
- The introduction of CX-90 (a Large Product) in North America, increased supply of CX-50s through two-shift production at the Alabama plant, and the start of CX-50 production in China are expected to contribute to company's sales performance throughout the year and we expect these will drive our growth.
- In sales, we will continue to focus on the quality of sales and work persistently to increase sales. To this end, we have set ambitious sales targets in efforts to grow all markets.
- On the other hand, we recognize that the external environment for our business remains challenging.
- With regard to semiconductors, we expect that various countermeasures will progress and that we will have a more stable supply than last year. However, we will remain vigilant as the situation is still unpredictable. Meanwhile, there is a risk that a shortage in transport vessels will impede our plans this fiscal year, and we will conduct operations with this in mind in the short-term.
- As for foreign exchange rates, we expect the yen to appreciate, but we are also assuming that soaring raw material prices will continue this fiscal year due to rising prices and labor costs.
- As for overseas markets,
 - In the U.S., we do not expect the economic slowdown to have a significant impact on the automotive sector in the first half of the year. Total industry demand is expected to exceed 15 million units, and we will closely monitor various market indicators.
 - In China, an economic upturn is expected, but we will continue to closely monitor the accelerating growth of China's own new energy vehicles.
- The key targets for FY March 2024 are transitional steps toward the goals of the Medium-Term Management Plan. We will enhance the speed, transparency and discipline of operations and promote reforms to enable quick responses to changes in the business environment, in order to increase per-unit net sales in line with value enhancement and manage the company with fixed costs under control.

FY MARCH 2024 INITIATIVES

1. Increase in net sales per unit
2. Market introduction of electrified products
3. Building of partnerships for electrification
4. Promotion of cost reduction activities across the company
5. Initiatives in carbon neutrality

- Based on this recognition of the environment and direction, we have identified the five initiatives we will work on in the current fiscal year.

FY MARCH 2024 INITIATIVES

1. Increase in net sales per unit

- Successful full-scale introduction of the CX-90 in the US in April
 - Customer feedback was used to develop product marketability. The response from customers/dealers from the beginning of publicity has been excellent
 - The CX-90 achieved one of the highest residual value ratings for its segment
 - The full-scale introduction of PHEV and other electrification technologies is underway
- Increase in the supply of CX-50s with the start of two-shift operations at the Alabama plant in the US
- Start of CX-50 production in China followed by full-scale sales



MAZDA CX-90



MAZDA CX-50 (Chinese version)



Increase the CX-5, CX-50 and Large Product sales mix, and boost net sales per unit

- First, I would like to talk about our efforts to increase net sales per unit.
- What we are focusing on the most is the successful introduction of the CX-90 in North America, which is the flagship of the Large Products. Based on customer feedback in North America, we developed specific product attributes for the CX-90. Since we began our publicity campaign, we have been receiving excellent responses and a keen show of interest from customers and dealers alike. The CX-90 has strong, well-balanced fittings, performance and price. In addition, it is the first product with the full-scale introduction of electrification technology in the US. We hope that this Mazda-unique PHEV will win the hearts of customers in North America. I am eager to deliver its quality and develop it into a strong-seller.
- In addition, the Alabama plant, which has been affected by the tight labor market in North America, is about to begin two-shift operations to increase the supply of CX-50s in stages. In China, this year will be a rebound year, and we will start production and full-scale sales of the long-awaited CX-50.
- By increasing the sales mix of the CX-5, CX-50 and Large Products such as the, CX-60 and CX-90, we will also increase net sales per unit in stages.
- The motivation of distributors around the world who were unable to receive sufficient supplies is also very high, and I hope we can drive further growth together.

FY MARCH 2024 INITIATIVES

2. Market introduction of electrified products

- Utilizing multi-electrification technology, expand the introduction of PHEVs and mild hybrid applications to Large Products
- Introduce MX-30 e-SKYACTIV R-EV in Europe and Japan

3. Building of partnerships for electrification

- Continue efforts to develop electrification technologies, procure batteries, and reduce CO₂ emissions
- Steadily move ahead with preparations for the transition to electrification in Phase 2 (2025 - 2027) as indicated in the management policy up to 2030

4. Promotion of cost reduction activities across the company

- Appoint executive officers under the CFO to oversee/take charge of cost innovation in each area*
- Thoroughly eliminate inefficiency, inconsistency, and waste from the entire supply chain and value chain

* As of the close of the general meeting of shareholders in June

- The second initiative for this fiscal year is the market introduction of electrified products.
- Utilizing multi-electrification technology, we will expand the introduction of PHEV and mild hybrid to Large Products, and introduce the MX-30 e-SKYACTIV R-EV, which uses a newly developed rotary engine for power generation. We would like to keep introducing electrified products, listen earnestly and attentively to the voices of customers and dealers, and continuously learn from them.
- Next is "building of partnerships for electrification."
- We will continue to drive initiatives for future electrification technology development, battery procurement, and CO₂ reduction, and steadily advance transition for Phase 2 and beyond, as indicated in the Mazda's management policy up to 2030. We will share the progress with you at the right timing.
- The fourth is the promotion of cost reduction activities across the company.
- Under the new management team, with the CFO as the head, five supervising officers and seven officers in charge of cost innovation will be appointed to promote cost reduction activities across the company.
- By going into the actual sites (genba) and thoroughly eliminating inefficiency, inconsistency, and waste in the current planning processes, and operations, from the entire supply chain and value chain, we will remove fixed and hidden costs that are a management burden, including business partners.

5. Initiatives in carbon neutrality

- Set targets and create a roadmap to carbon neutrality (CN), and accelerate initiatives based on the following principles
 - Using all available means and technologies, reduce carbon emissions as much as possible in our respective work operations
 - In addition to introducing vehicles with multi-electrification technologies into the market, promote the development and implementation of a variety of technologies including the development and increased use of CN fuels to contribute to CO₂ emission reductions of vehicles including vehicles on the road
 - Promote decarbonization initiatives and their social implementation based on the availability of renewable energy and the development of infrastructure

- The fifth is initiatives in carbon neutrality.
- This year we will set targets and create a roadmap to carbon neutrality. We will lay the foundation and accelerate our initiatives in accordance with these three principles.
- Once released into the air, carbon dioxide can remain in the atmosphere for more than 100 years. Therefore, it is imperative that we use every possible means and technology to reduce car-related carbon emissions. Since Mazda's announcement of its Sustainable Zoom-Zoom in 2007, signaling its uncompromising commitment to driving pleasure as well as outstanding environmental and safety performance, Mazda has consistently worked toward reasonable, practical CO₂ reductions from the viewpoint of the Life Cycle Assessment (LCA) of cars through its unique multi-solution approach.
- From this viewpoint, we believe it is very effective and also important not only to introduce vehicles with multi-electrification technologies into the market, but also to reduce CO₂ emissions from vehicles including vehicles already on the road, which are said to emit up to 15 times more CO₂ than new vehicles. Therefore, developing a variety of technologies for practical application, such as carbon neutral fuels like biofuels and synthetic fuels, is critical.
- As energy resources are scarce in Japan, we believe initiatives for decarbonization and their social implementation will become increasingly important as infrastructure essential for electrification including the supply of renewable energy develops.

FY MARCH 2024 INITIATIVES

5. Initiatives in carbon neutrality

- Reduce Mazda's global CO₂ emissions in business areas by promoting energy conservation and the use of renewable energy and CN fuels (SCOPE1-2)
 - In FY2021 Mazda achieved an approximate 30% reduction in CO₂ emissions compared with emissions in FY2013
 - Step up initiatives with partners in the use of renewable energy and CN fuels throughout the entire energy supply chain
 - Expand use of renewable energy in this region based on activities of the Chugoku Region Carbon Neutrality Promotion Council
 - Concluded offsite corporate power purchase agreement (PPA) on solar power generation
 - Reduce fossil fuel usage by building a supply chain to produce, transport, and store CN fuel
 - Cooperation in biofuel production business through partnership with Euglena Co. Ltd.
 - Joined Research Association of Biomass Innovation for Next Generation Automobile Fuels
 - Established the Council for Utilizing Namikata Terminal as a Hub for Introducing Fuel Ammonia

- Based on these principles, we are reducing global CO₂ emissions in business areas also by focusing on 3 pillars – energy conservation, renewable energy, and carbon-neutral fuel utilization.
- We have been promoting energy conservation efforts for many years and achieved an approximate 30% reduction in CO₂ emissions globally from FY2013 to FY2021. We will continue our efforts in this area.
- In renewable energy and carbon-neutral fuel utilization, we are now working with our partners to develop specific actions throughout the entire energy supply chain.
- Mazda is a member of the Chugoku Region Carbon Neutrality Promotion Council, and based on its activities, we concluded an offsite corporate power purchase agreement (PPA) on solar power generation in March. We will accelerate efforts like this to expand renewable energy business across the region.
- We are also collaborating with our partners in the areas of CN fuel production, transport, and storage. With partners like Euglena Co. Ltd., the Research Association of Biomass Innovation for Next Generation Automobile Fuels, and the Council for Utilizing Namikata as a Hub for Introducing Fuel Ammonia, we are actively working to reduce the consumption of fossil fuels by promoting specific business studies and technical cooperation.

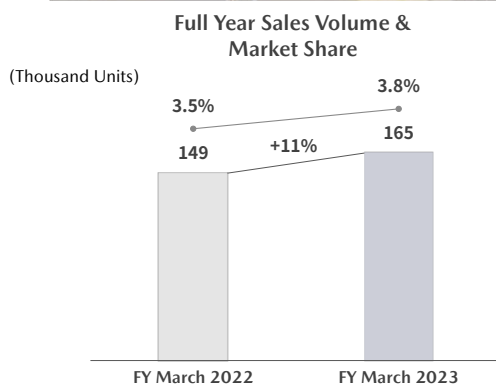


[Akira Marumoto, Representative Director, President and CEO]

- We expect the business environment to remain uncertain, but under the management policy up to 2030 announced in November last year, we are determined to continue to pursue even higher efficiency in our business management.
- We are also committed to embracing our human-centric philosophy, enhancing the brand value management through Monotsukuri and Creating Human Connections, and continuing to deliver fun and the joy of life.
- I wish for the successful achievement of these objectives under the strong leadership of Mr. Moro, our new president.
- I sincerely appreciate your great support thus far, and your continued support for our new leadership team will be profoundly appreciated. Thank you.

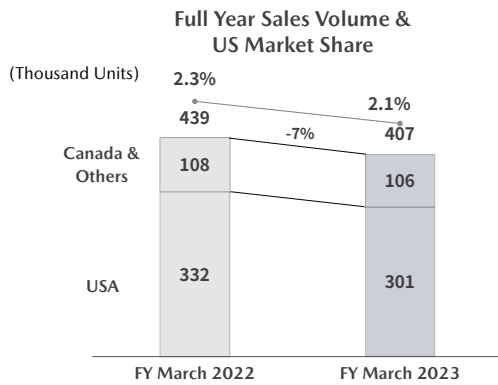
APPENDIX

JAPAN



- Sales in the three months of the fourth quarter were up 6% year on year, continuing the trend from the second and third quarters of outperforming the prior year
- Full-year sales were 165,000 units, up 11% year on year. Market share increased 0.3 points year on year to 3.8%, while registered vehicle market share increased 0.4 points to 4.9%
- Sales of the new CX-60, the CX-5 and Roadster (MX-5) contributed to year-on-year increases in sales volume and market share
- Sales of the CX-60 have reached 17,000 units since September

NORTH AMERICA



■ USA:

- Sales in the three months of the fourth quarter increased 7% year on year and also increased 11% from the third quarter. Sales performance continues to improve
- In addition to the CX-50 launched in April 2022, the CX-30 and other models contributed to the sales increase
- Full-year sales volume was down 9% year on year mainly due to cuts in production in the first half of the fiscal year. Market share declined 0.2 points year on year to 2.1%
- Sales of the CX-90, a new crossover SUV launched in April 2023, have got off to a good start

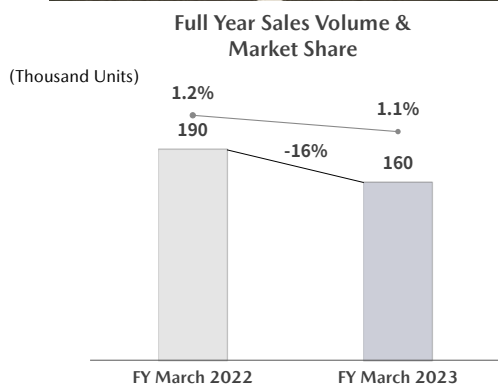
■ Canada:

- Full-year sales: 48,000 units, down 20% year on year

■ Mexico:

- Full-year sales: 56,000 units, up 23% year on year
- The Mazda2 and CX-5 are performing well and driving sales

EUROPE



- Sales in the three months of the fourth quarter, led by electrified models such as the Mazda2 Hybrid and the CX-60, rose 21% year on year

- Full-year sales: 160,000 units, down 16% year on year. Market share decreased 0.1 points year on year to 1.1%

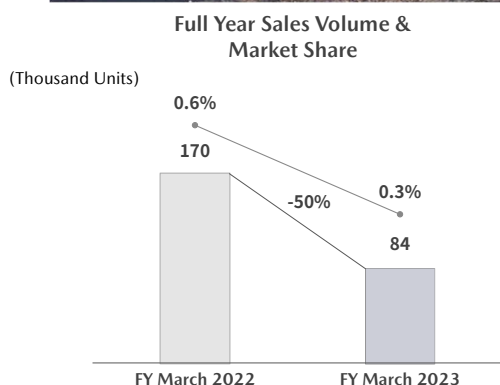
- Full-year sales declined mainly due to cuts in production in the first half of the fiscal year and contractions in sales in Russia and Ukraine

- Sales of the CX-60 have reached 20,000 units since the summer 2022

■ Sales in key countries (full year)

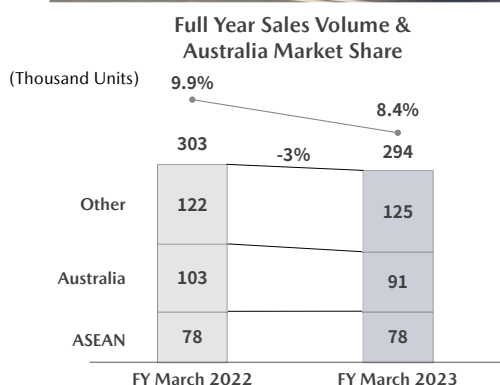
- Germany: 38,000 units, down 8% year on year
- UK: 27,000 units, the same level as the prior year

CHINA



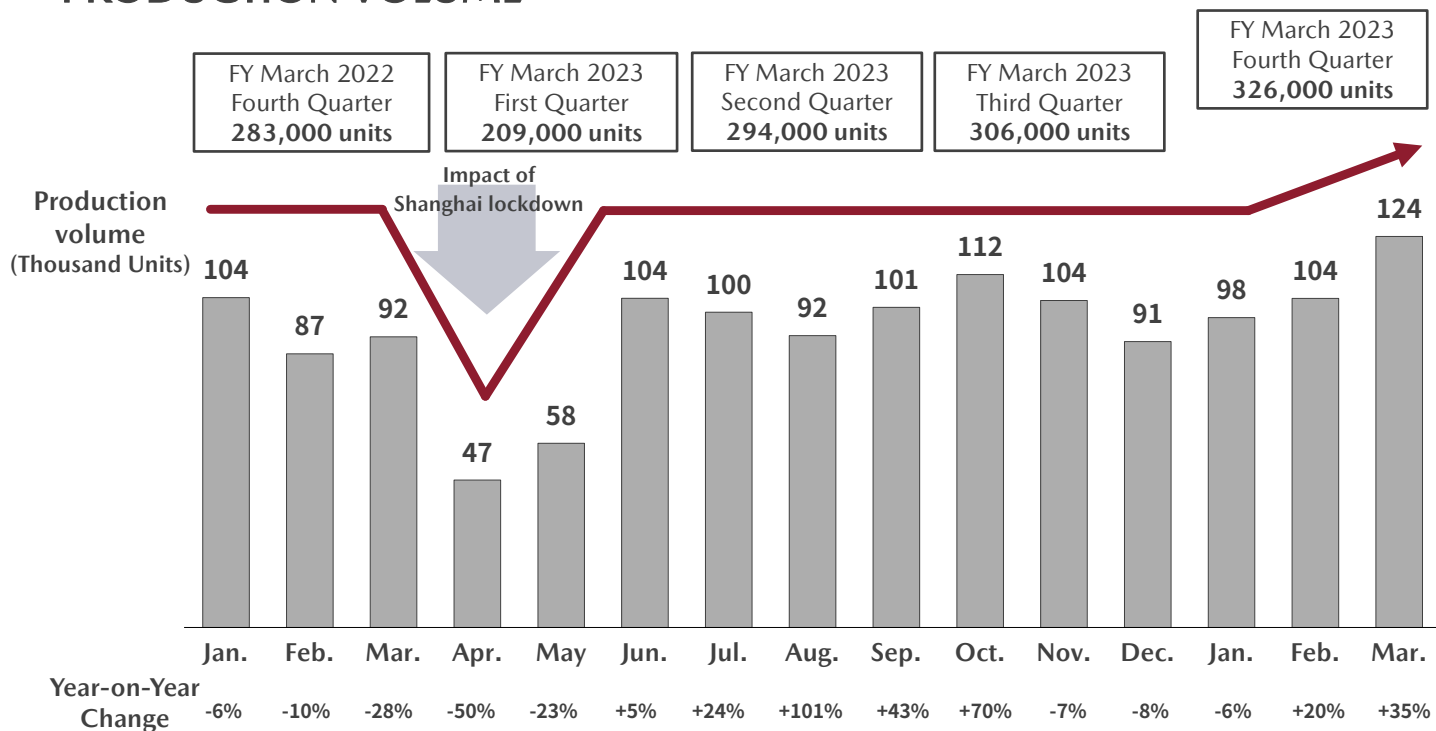
- Sales in the three months of the fourth quarter were down 66% year on year
- Full-year sales: 84,000 units, down 50% year on year. Market share declined 0.3 points to 0.3%
- Sales decreased year on year due to intensified price competition in addition to the completion of a round of key model cycles. Mazda continued to focus on strengthening its sales network while steering away from price competition
- The CX-50 is scheduled to launch in May 2023

OTHER MARKETS



- Sales in the three months of the fourth quarter were down 8% year on year
- Full-year sales volume was 294,000 units, down 3% year on year
- Australia:
 - Full-year sales: 91,000 units, down 12% year on year. Market share declined 1.5 points to 8.4%
 - Sales in the three months of the fourth quarter were down 15% year on year. The authority tightened quarantines on incoming vehicles, resulting in logistical delays that affected sales
- ASEAN:
 - Full-year sales: 78,000 units, the same level as the prior year
 - Thailand: 25,000 units, down 30% year on year
 - Vietnam: 29,000 units, up 26% year on year

PRODUCTION VOLUME



*Based on our monthly disclosure (global production volume including volume in China, excluding vehicles received from other OEMs)

CASH FLOW AND NET CASH

(Billion Yen)	FY March 2022	FY March 2023	Change from Prior FY End
	Full Year	Full Year	
Cash Flow from Operating Activities	189.2	137.4	-
Cash Flow from Investing Activities	-136.2	-99.4	-
Free Cash Flow	52.9	38.0	-
Cash and Cash Equivalents	740.4	717.1	-23.3
Interest-bearing Debt	680.8	615.5	-65.3
Net Cash	59.6	101.6	+42.0
Total Assets	2,968.1	3,259.3	+291.2
Equity	1,301.1	1,439.6	+138.5
Equity Ratio	44 %	44 %	0 pts

FY MARCH 2023 FOURTH QUARTER GLOBAL SALES AND CONSOLIDATED WHOLESALES (3 MONTHS)

(Thousand Units)	FY March 2022		FY March 2023		Change from Prior Year		Change from Feb. Forecast
	4th Quarter	4th Quarter	4th Quarter	4th Quarter	4th Quarter	4th Quarter	Full Year
Global Sales Volume							
Japan	54	57			+3	+6%	-9
North America	107	119			✓ +12	+12%	-15
Europe	43	52			+9	+21%	-12
China	36	12			-24	-66%	-5
Other Markets	81	74			-7	-8%	-13
Total	321	315			-6	-2%	-53
USA	82	88			+6	+7%	-12
Australia	30	25			-5	-15%	-4
ASEAN	24	16			-8	-33%	-6
Consolidated Wholesales							
Japan	48	50			+2	+4%	-4
North America	121	126			✓ +5	+4%	-14
Europe	46	53			+7	+15%	-2
Other Markets	88	93			+5	+6%	-8
Total	303	322			+19	+6%	-28
USA	95	93			-2	-2%	-8

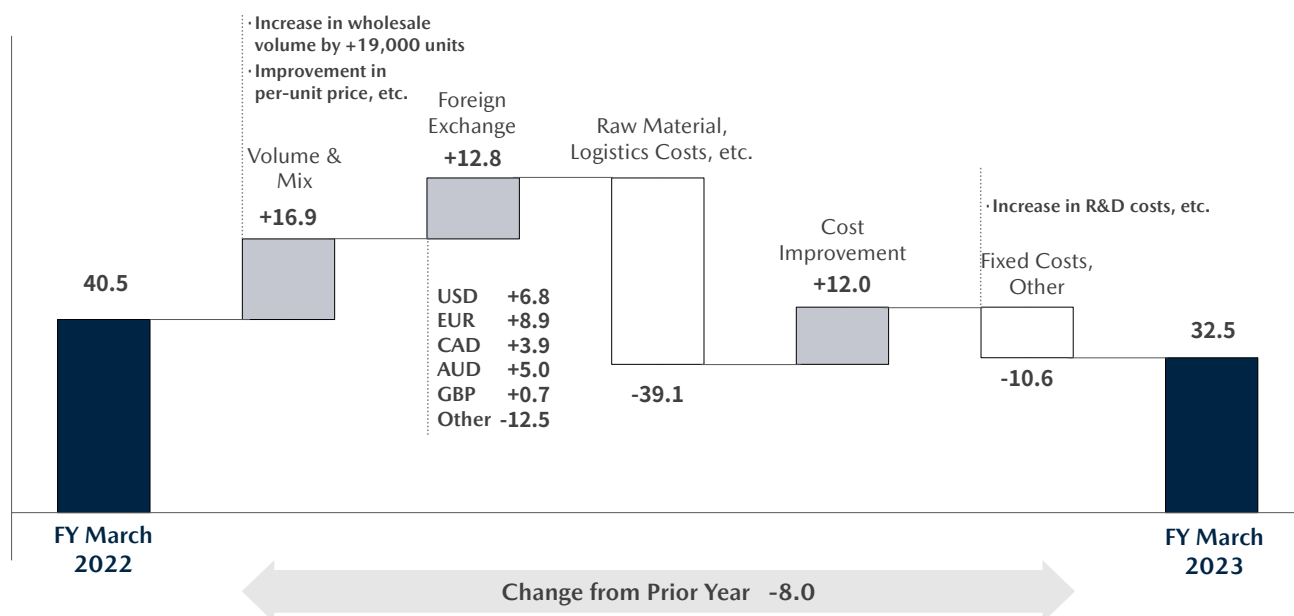
FY MARCH 2023 FOURTH QUARTER FINANCIAL METRICS (3 MONTHS)

(Billion Yen)	FY March 2022		FY March 2023		Change from Prior Year	
	4th Quarter	4th Quarter	4th Quarter	4th Quarter	4th Quarter	4th Quarter
Net Sales	957.9	1,130.5			+172.6	+18%
Operating Income	40.5	32.5			-8.0	-20%
Ordinary Income	63.9	50.5			-13.4	-21%
Income before Income Taxes	61.5	47.6			-13.9	-23%
Net Income	52.2	39.2			-13.0	-25%
Operating Return on Sales	4.2 %	2.9 %			-1.3 pts	
EPS (Yen)	82.8	62.3			-20.5	
Exchange Rates (Yen)						
US Dollar	116	132			+16	
Euro	130	142			+12	

*Net income indicates net income attributable to owners of the parent

CHANGE IN FY MARCH 2023 FOURTH QUARTER OPERATING INCOME (vs. FY MARCH 2022 FOURTH QUARTER)

(Billion Yen)



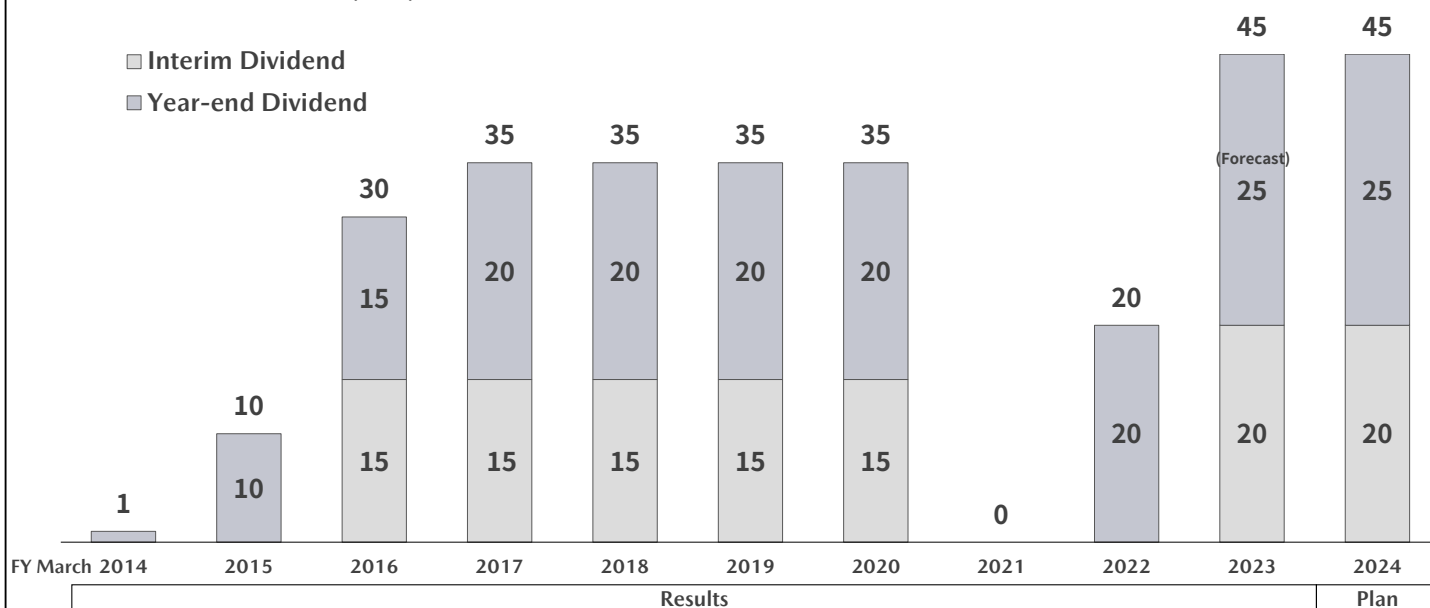
EXCHANGE RATE

(Yen)	FY March 2023	FY March 2024	Change from Prior Year
	Full Year	Full Year	Full Year
US Dollar	136	128	-7
Euro	141	139	-2
Canadian Dollar	102	97	-6
Australian Dollar	93	90	-3
British Pound	163	160	-4

DIVIDEND PAYMENT

Dividends Per Share (Yen)

- Interim Dividend
- Year-end Dividend



Note: A share consolidation was implemented on common stock with a ratio of five shares to one on August 1, 2014. The 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 conditions of the world economy in the future, trends in the automotive industry, and the risk of exchange rate fluctuations. Consequently, Mazda's actual performance may differ substantially from these projections.

If you are interested in investing in Mazda, you are requested to take the foregoing into consideration and make a final investment decision at your own discretion.

Please note that neither Mazda nor any third party providing information concerning Mazda will be liable for any damages incurred as a result of investment in Mazda based on information in this presentation.