



FISCAL YEAR END MARCH 2013 FIRST HALF FINANCIAL RESULTS



New Mazda6 (Atenza)

Mazda Motor Corporation
October 31, 2012

PRESENTATION OUTLINE

- **Highlights**
- **Fiscal Year March 2013 First Half Results**
- **Fiscal Year March 2013 Full Year Forecast**
- **Sales Initiatives in the Second Half of the Fiscal Year**
- **Structural Reform Plan Update**
- **Summary**
- **Wrap-up**





HIGHLIGHTS

HIGHLIGHTS (1) - FIRST HALF RESULTS

- **Revenue is ¥1,023.5 billion. Operating profit is ¥11.5 billion. Net profit is ¥5.7 billion.**
- **Achieved profitability in all profit categories, exceeding the April forecast.**
- **The new CX-5 largely contributed to the profitability in operating profit.**
- **Global sales volume is 613,000 units, about the same as last year.**
- **The new CX-5 led the global sales increase.**
- **SKYACTIV models are highly acclaimed globally.**
- **Continued to enjoy successful sales in Australia and ASEAN.**

HIGHLIGHTS (2) – FULL YEAR FORECAST

- **Increase the new CX-5 sales.**
- **Introduce the new Mazda6/Atenza, the 2nd vehicle fully-equipped with SKYACTIV TECHNOLOGY.**
- **Introduce the new CX-9.**
- **Global sales volume of 1,255,000 is forecasted.**
- **Full year forecast for operating profit is revised to ¥25 billion by incorporating volume reduction in China.**
- **Ordinary profit of ¥15 billion and net income of ¥10 billion remain unchanged from April forecast.**
- **Structural Reform Plan is progressing smoothly according to the plan.**



FISCAL YEAR END MARCH 2013 FIRST HALF RESULTS

FY END MARCH 2013 FINANCIAL METRICS

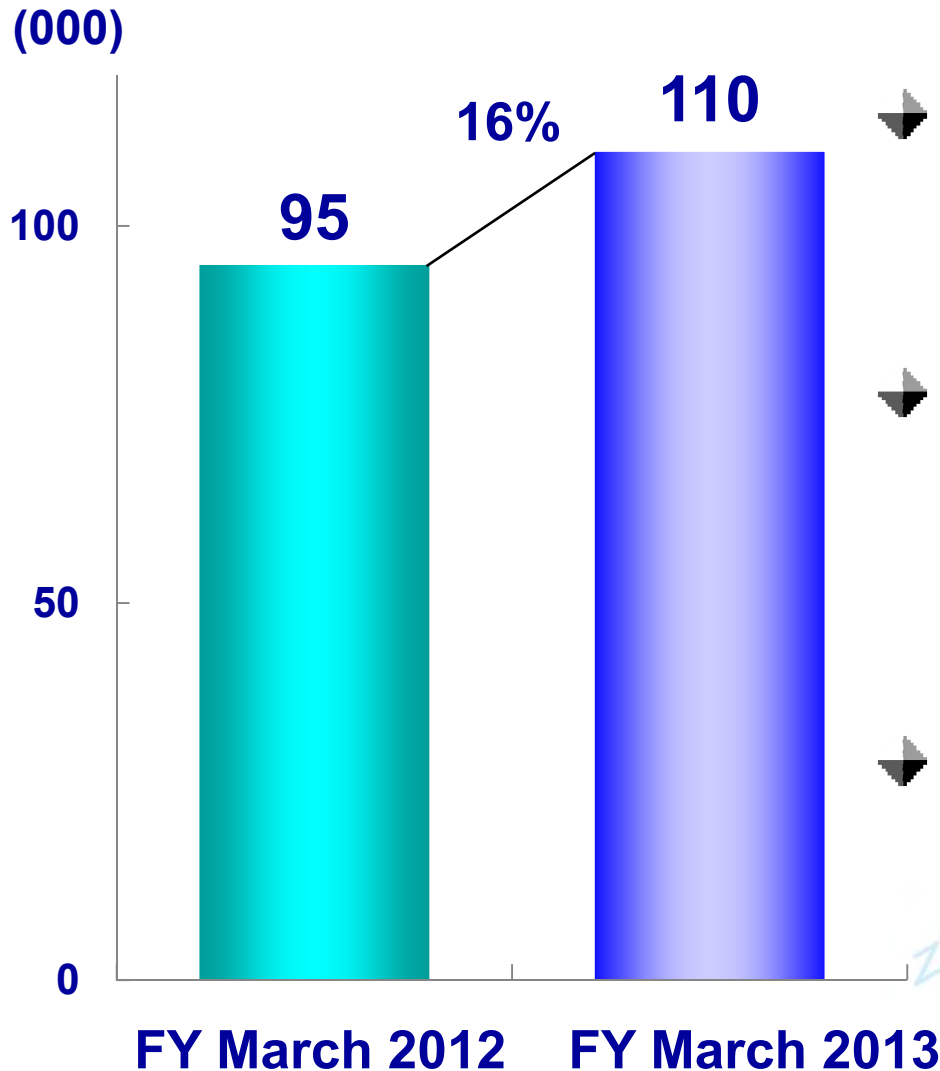
(Billion yen)	FY End March 2013			First Half	
	1st Quarter	2nd Quarter	1st Half	Prior Year	April Forecast
Revenue	506.6	516.9	1,023.5	64.3	(16.5)
Operating profit	1.8	9.7	11.5	33.1	1.5
Ordinary profit	(8.9)	9.3	0.4	31.0	2.4
Profit before tax	(9.7)	17.0	7.3	44.0	5.3
Net income	(6.5)	12.2	5.7	45.6	0.7
Operating ROS	0.4 %	1.9 %	1.1 %	3.4 pts	0.1 pts

KEY DATA

	FY End March 2013			First Half Change from	
	1st Quarter	2nd Quarter	1st Half	Prior Year	April Forecast
Global sales volume (000)					
Japan	51	59	110	15	(7)
North America	90	92	182	0	(11)
USA	62	65	127	0	(9)
Europe	44	41	85	(6)	(10)
China	46	44	90	(17)	(32)
Other Markets	69	77	146	17	3
Total	300	313	613	9	(57)
Exchange rate					
US\$ / Yen	80	79	79	(1)	(1)
€ / Yen	103	98	101	(13)	(4)

JAPAN

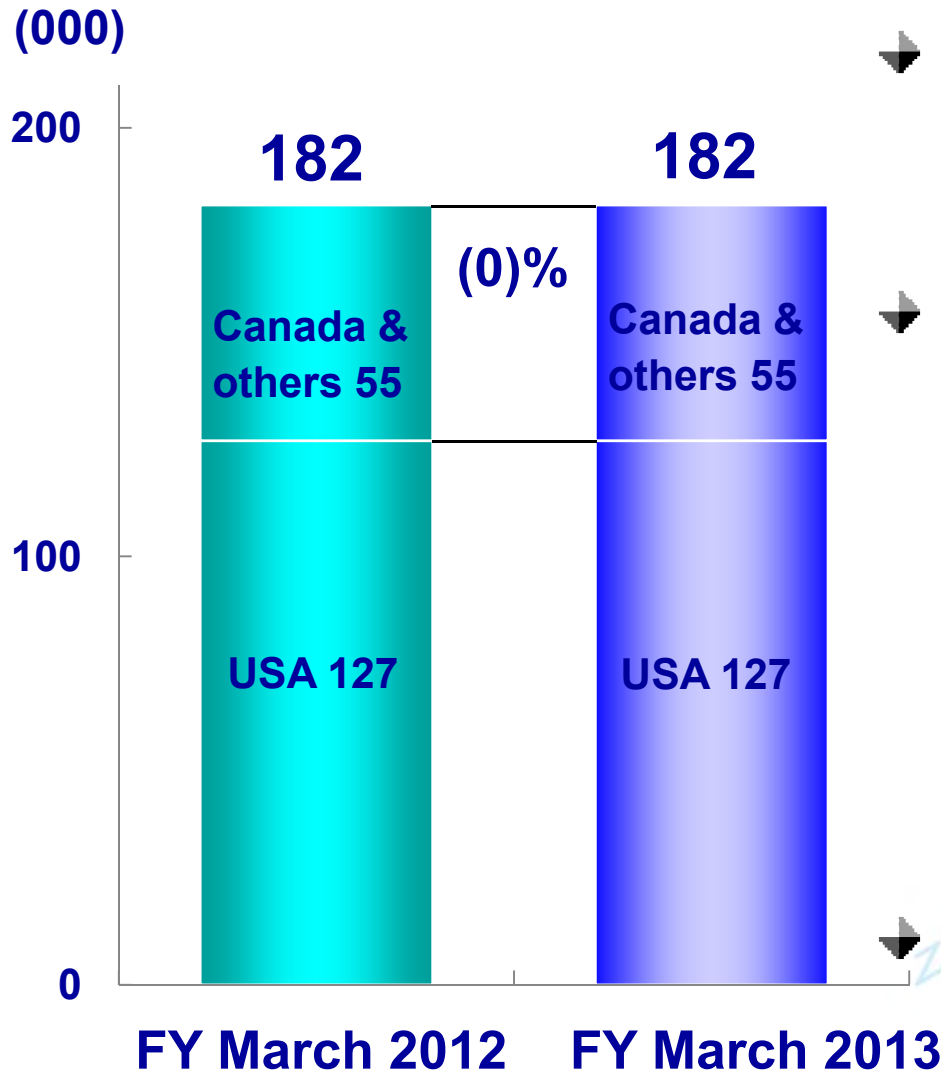
Sales Volume in the First Half



- **Sales of 110,000 units, are up 16% YOY.**
- **The success of the new CX-5 led the sales increase.**
- **Diesel engine models continued to receive high appraisals.**

NORTH AMERICA

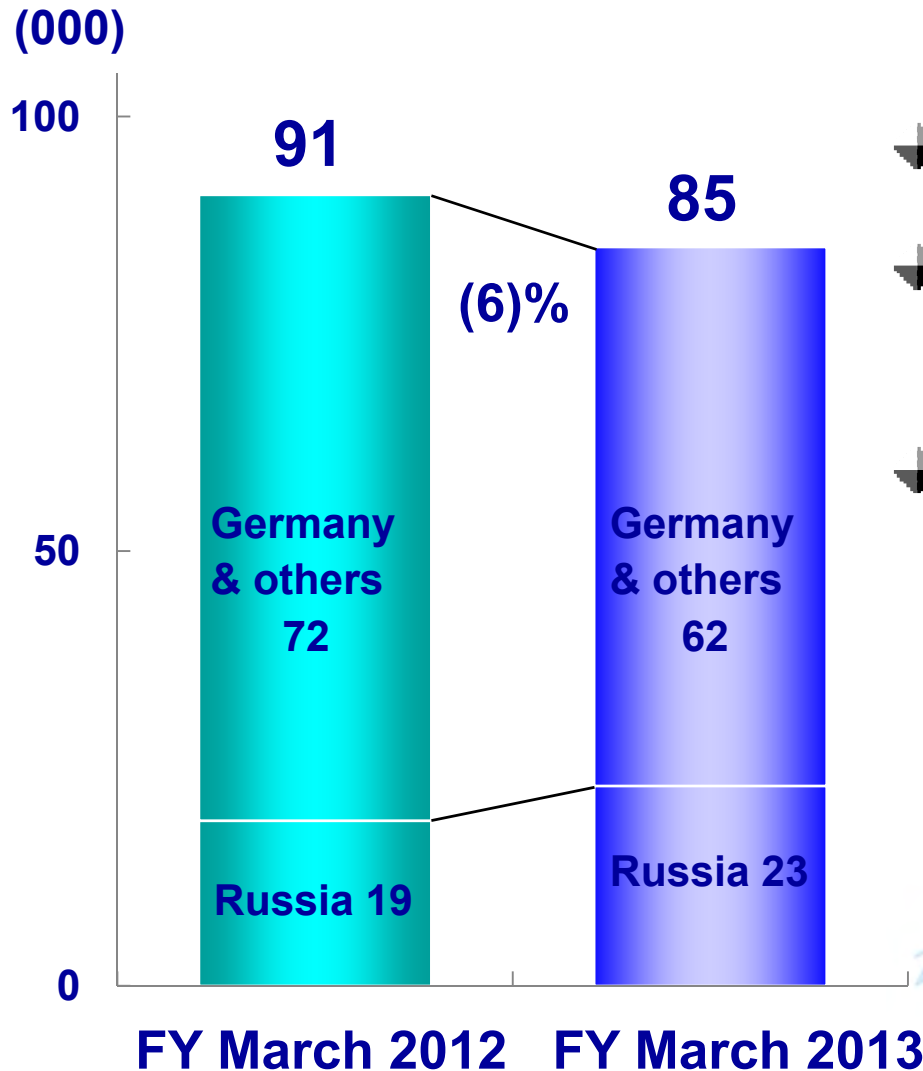
Sales Volume in the First Half



- Sales were 182,000 units, almost the same as last year.
- USA: Sales were 127,000 units.
 - The new CX-5 and Mazda3 SKYACTIV largely contributed to the increase.
 - Continued actions to improve brand value.
- Canada: Achieved sales of 42,000 units, up 4% YOY.

EUROPE

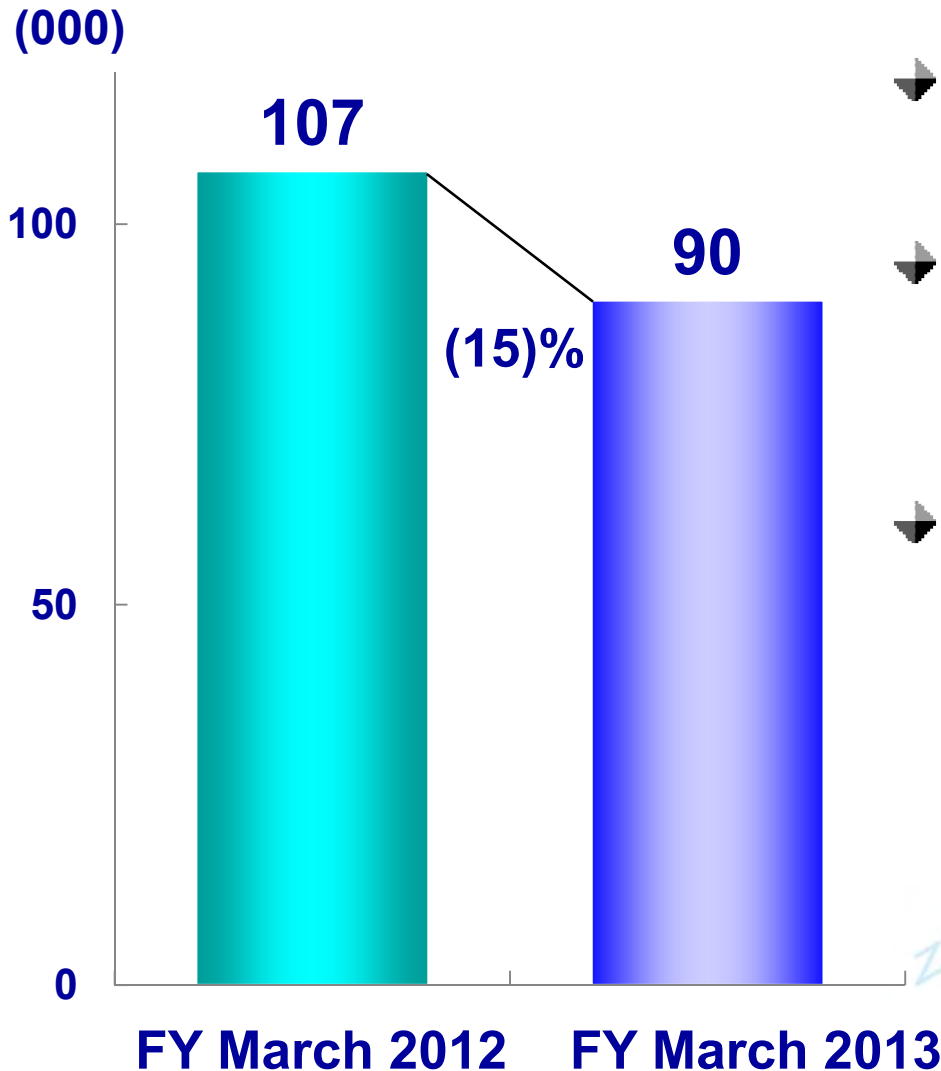
Sales Volume in the First Half



- Total sales of 85,000 units.
- The success of the new CX-5 continues.
- Russia: Sales of 23,000 units are up 20% YOY and share of 1.5%, is up 0.1 %.

CHINA

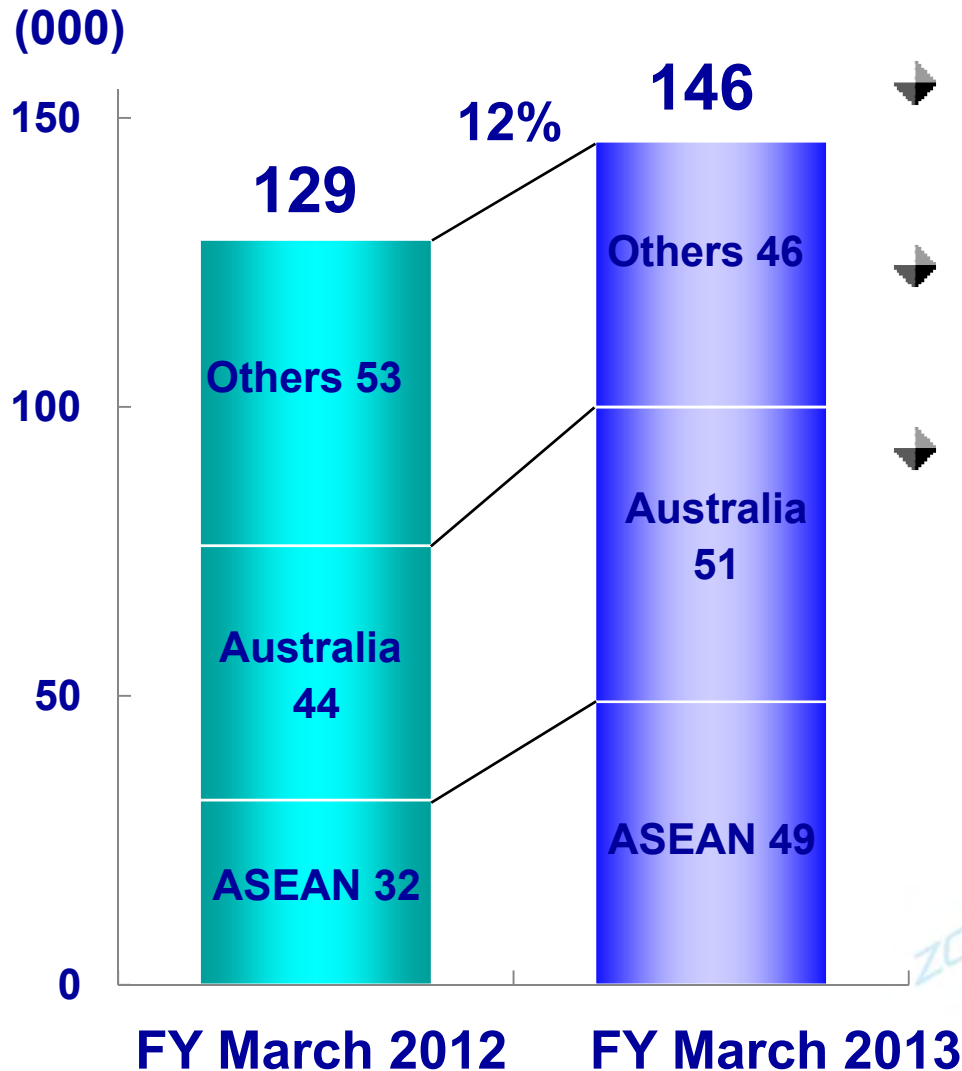
Sales Volume in the First Half



- Sales were 90,000 units, down 15% YOY.
- Introduced the new CX-5 with SKYACTIV technology in the second quarter.
- Sales of Mazda3 were about the same as last year thanks to the new model, introduced last year.

OTHER MARKETS

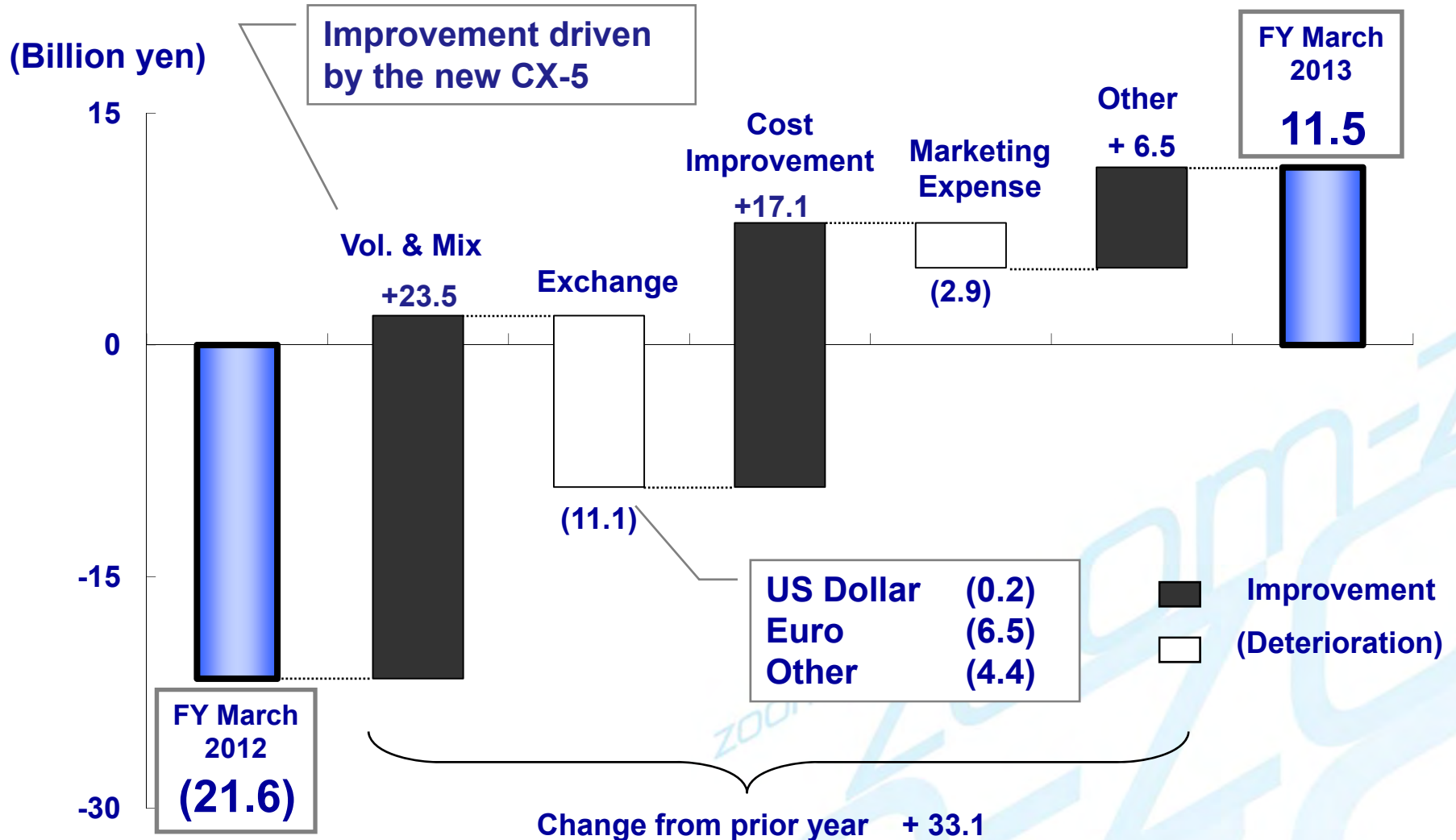
Sales Volume in the First Half



- Sales of 146,000 units, are up 12% YOY.
- Australia: Achieved a record high sales and share.
- ASEAN: Sales of 49,000 units, are up 54% YOY. Achieved record high sales and share in Thailand, Indonesia and Malaysia.

OPERATING PROFIT CHANGE

FY End March 2013 1st Half vs. FY End March 2012 1st Half





FISCAL YEAR END MARCH 2013 FULL YEAR FORECAST

FY END MARCH 2013 FINANCIAL METRICS

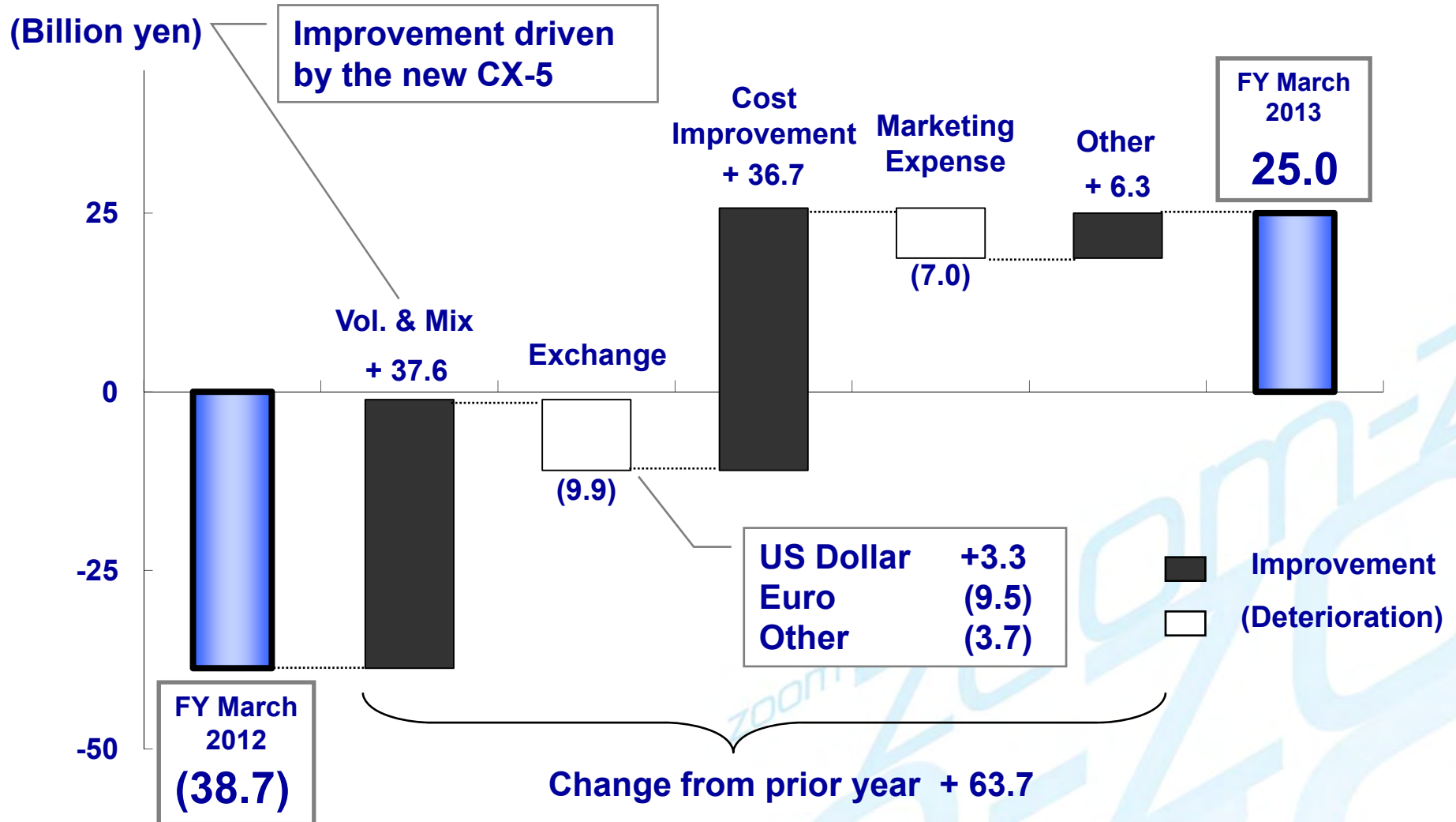
(Billion yen)	FY End March 2013			Full Year Change	
	1st Half	2nd Half	Full Year	from Prior Year	from April Forecast
Revenue	1,023.5	1,146.5	2,170.0	136.9	(30.0)
Operating profit	11.5	13.5	25.0	63.7	(5.0)
Ordinary profit	0.4	14.6	15.0	51.8	0.0
Profit before tax	7.3	9.7	17.0	72.3	0.0
Net income	5.7	4.3	10.0	117.7	0.0
Operating ROS	1.1 %	1.2 %	1.2 %	3.1 pts	(0.2)

KEY DATA

	<u>FY End March 2013</u>			<u>Full Year Change</u>	
	<u>1st Half</u>	<u>2nd Half</u>	<u>Full Year</u>	<u>from Prior Year</u>	<u>from April Forecast</u>
Global sales volume (000)					
Japan	110	104	214	8	(11)
North America	182	201	383	11	(7)
USA	127	153	280	12	(5)
Europe	85	97	182	(1)	(3)
China	90	80	170	(53)	(85)
Other Markets	146	160	306	43	21
Total	613	642	1,255	8	(85)
Exchange rate					
US\$ / Yen	79	80	80	1	0
€ / Yen	101	100	100	(9)	(5)

OPERATING PROFIT CHANGE

FY End March 2013 Full Year vs. FY End March 2012 Full Year

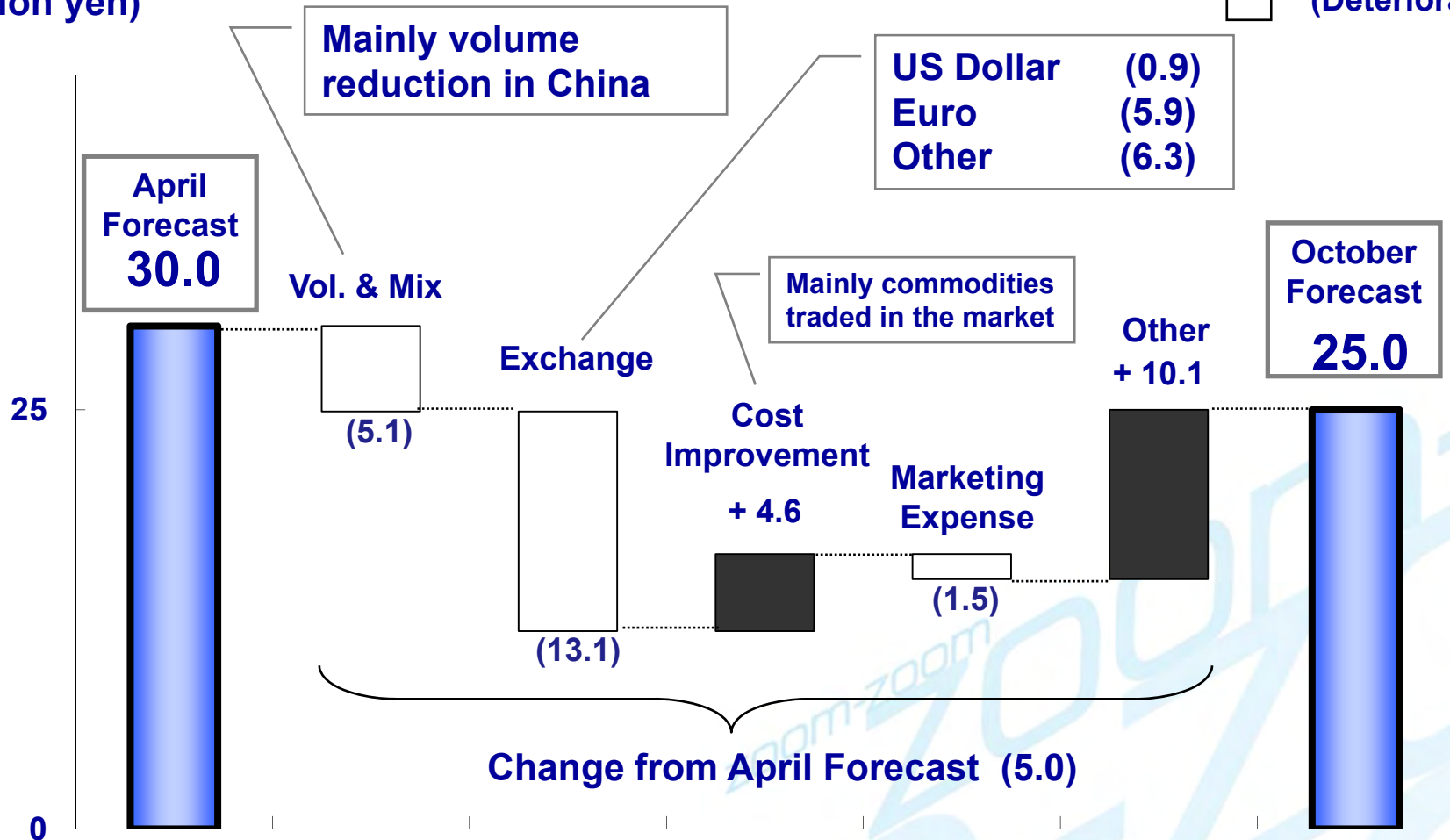


OPERATING PROFIT CHANGE

FY End March 2013 Full Year October Forecast vs. April Forecast

(Billion yen)

■ Improvement
□ (Deterioration)



SALES INITIATIVES IN THE SECOND HALF OF THE FISCAL YEAR (1)

- **Japan**
 - **Ensure successful launch of the new Atenza.**
 - **Maintain sales momentum of the new CX-5.**
- **North America**
 - **Introduce 2.5L model of the new CX-5.**
 - **Introduce the new CX-9.**
 - **Successful launch of the new Mazda6.**
 - **Continue and reinforce brand enhancement.**
- **Europe**
 - **Expand sales of the new CX-5.**
 - **Strengthen the sales in Russia.**
 - **Successful launch of the new Mazda6.**

➤ **China**

- **Ensure successful launch of the new CX-9.**
- **Strengthen efforts to promote sales, focusing mainly on Mazda3 and Mazda6.**

➤ **Other Markets**

- **Australia: Expand sales with the introduction of the new CX-9 and the new Mazda6, along with the best-selling Mazda3.**
- **ASEAN: Implement sales enhancement measures in markets such as Thailand, Indonesia, and for models such as Mazda2 and New BT-50.**

STRUCTURAL REFORM PLAN UPDATE (1)

- ▶ **Business Innovation through SKYACTIV TECHNOLOGY**
 - New CX-5 receives high appraisals for its design, driving performance and fuel economy, and is in high demand in every market it is sold around the world.
 - The strong product marketability and fair price contributed to a reduction in incentive spending as well as improvements in residual value and profit.
 - Ensure further expansion of sales by increasing production capacity and introducing 2.5L model of the new CX-5 to North America.
 - The new Mazda6, our 2nd vehicle equipped with full SKYACTIV TECHNOLOGY, will be launched globally in a series of phases, starting before the end of this year. In addition to the design, driving performance and fuel economy, it will feature enriched safety performance.
 - Introduce 8 models that are equipped with SKYACTIV TECHNOLOGY in 5 years. (including new CX-5 and new Mazda6)

STRUCTURAL REFORM PLAN UPDATE (2)

- **Further Cost Improvement through Monotsukuri Innovation**
 - Cost improvement of new generation products, starting with CX-5, is proceeding according to the plan.
 - In addition to the improvement in product marketability, steadily making progress in the vehicle development that is profitable even in the strong yen environment.
- **Reinforce Business in Emerging Countries and Establish Global Production Footprint**
 - Construction of our plant in Mexico is progressing smoothly.
 - Started production at our joint venture production company in Russia (October 2012.)
 - Increased production capacity at AAT(May 2012.) Studying further capacity enhancement including passenger cars.
 - Study expansion of local production in Malaysia.

STRUCTURAL REFORM PLAN UPDATE (3)

- **Promote global alliances**
 - **Our alliance strategy is unchanged as “we pursue optimization of mutual benefits by product/ technology/ region.”**
 - **Discussing with Fiat on OEM supply of the sport car based on MX-5 (Roadster) to Fiat.**
 - **Restructuring in China was approved by NDRC and is now in the final stage.**
 - **Established a manufacturing JV with Sollers in Russia.**
 - **Established a JV to cooperate in manufacturing and sales with Bermaz in Malaysia.**



CHINA STATUS

➤ Sales

- Dealers are conducting business as usual since October.
- Recovery in showroom traffic and orders has been slow.

➤ Production

- Operations at the Nanjing plant are reduced to 1 shift (day shift) from the second half of October.

➤ Impact on This Fiscal Year and Next Steps

- Sales risk and financial impact for the this fiscal year have already been incorporated.
- Under the CFMA restructuring plan, the aim is to split the joint venture and establish a new company at the earliest timing.
- As China remains an important market, Mazda will continue its dedication to production and sales in the country in cooperation with its partners.

SUMMARY

<1st Half Results>

- Achieved profitability in all categories, exceeding the April forecast.
- SKYACTIV products earned high acclaim globally.
- The new CX-5 significantly contributed to the sales and profitability.

<Full Year Forecast>

- Full year operating profit is projected at ¥25 billion.
- Ordinary profits and profit categories under it are in line with the April forecast.
- Strengthen activities to ensure the successful launch of the new Mazda6/Atenza.
- Plans for introductions of new product, including 2.5L model of the new CX-5 and the new CX-9, are proceeding smoothly.
- Structural Reform Plan is progressing smoothly.

zoom-zoom

WRAP-UP

- **Achieved profitability in all profit categories that exceed the April forecast in the 1st Half, which is a clear step forward to turn around to profitability in the full year.**
- **The new CX-5, the first product that is fully equipped with SKYACTIV TECHNOLOGY significantly contributed to the profitability.**
- **Launch new Mazda6/Atenza, our second vehicle fully-equipped with SKYACTIV TECHNOLOGY globally in a series of phases starting from the introduction in Japan and other markets before the end of this year.**
- **“Structural Reform Plan” for our future is progressing smoothly according to the plan.**



mazda





APPENDIX

NON-OPERATING PROFIT/LOSS AND EXTRAORDINARY PROFIT/LOSS

(Billion yen) FY End March 2013

	<u>1st Half</u>	
Operating profit	11.5	<u>Main items</u> Exchange gain/loss (7.6) (incl. valuation loss of foreign currency receivables) Equity method profit 2.1 Interest paid and received (5.8)
<i>Non-operating profit/loss</i>	<i>(11.1)</i>	
Ordinary profit	0.4	<u>Main items</u> Gain on the sale of shares in an affiliate company 9.6
<i>Extraordinary profit/loss</i>	<i>6.9</i>	
Profit before tax	7.3	
<i>Corporate tax</i>	<i>(1.6)</i>	
Net income	5.7	

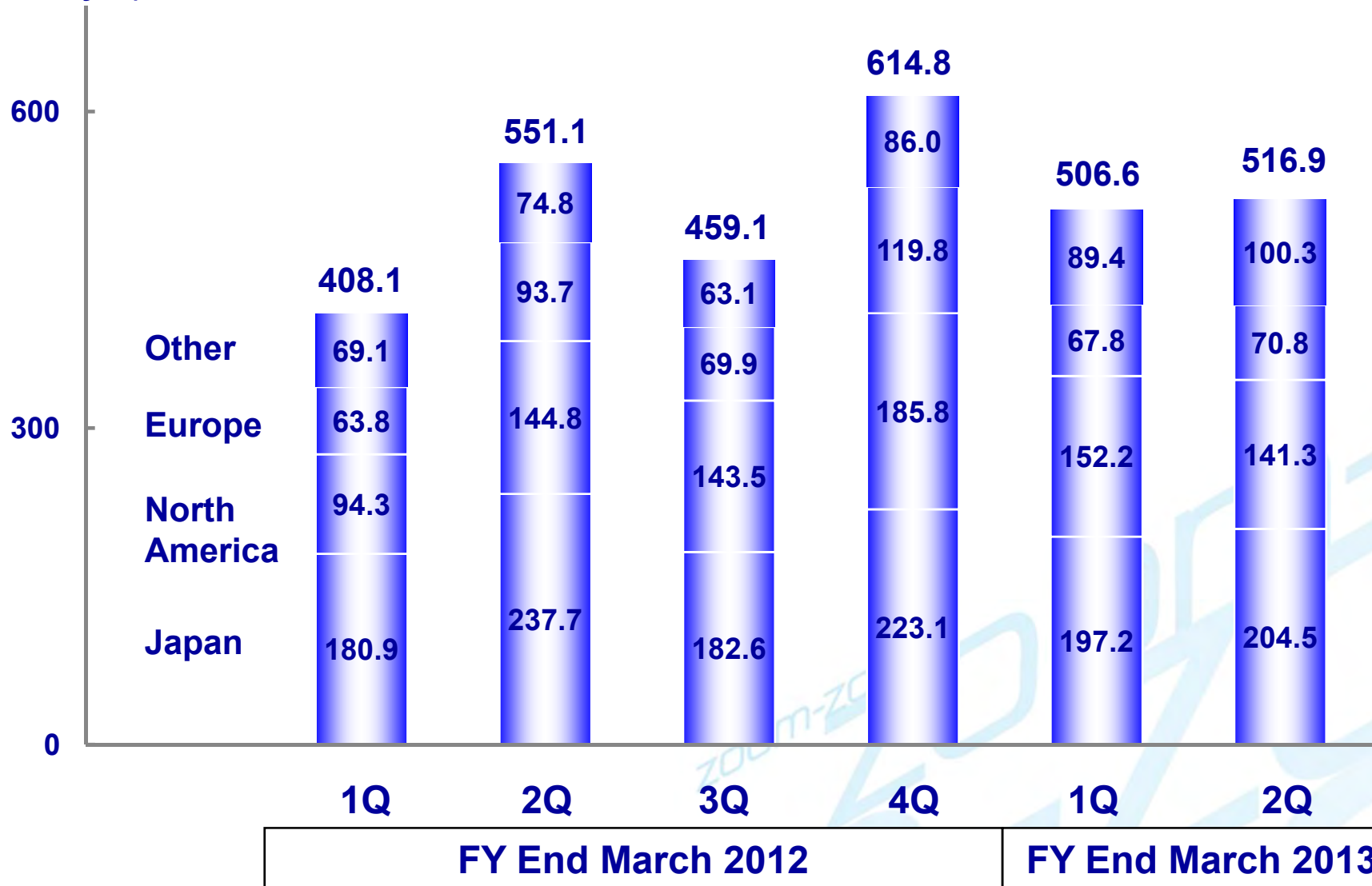
CASH FLOW AND NET DEBT

(Billion yen)	FY End March 2013			Changed from FY end Mar 2012
	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>1st Half</u>	
Cash Flow				
- From operating activities	(14.3)	2.6	(11.7)	-
- From Investing activities	(6.0)	(1.9)	(7.9)	-
- Free Cash Flow	(20.3)	0.7	(19.6)	-
Cash and Cash Equivalents	439.4	420.4	420.4	(56.9)
Net Debt	(326.5)	(324.3)	(324.3)	(23.5)
Net Debt-to-equity Ratio	69 / 58* %	68 / 56* %	68 / 56* %	(4) / (3)* pts
Equity Ratio	25 / 27* %	26 / 28* %	26 / 28* %	2 / 2* pts

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

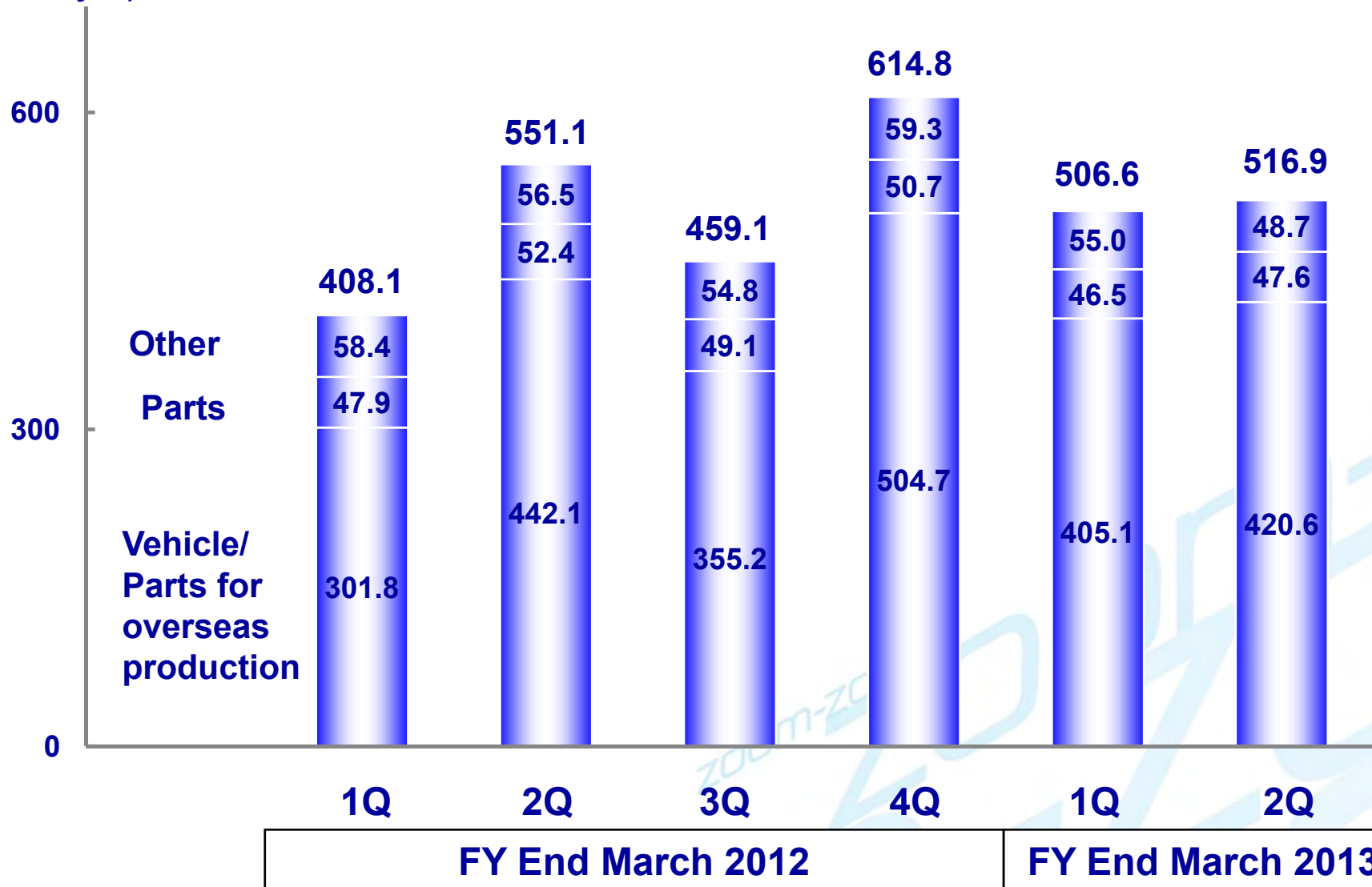
REVENUE BY GEOGRAPHIC AREA

(Billion yen)



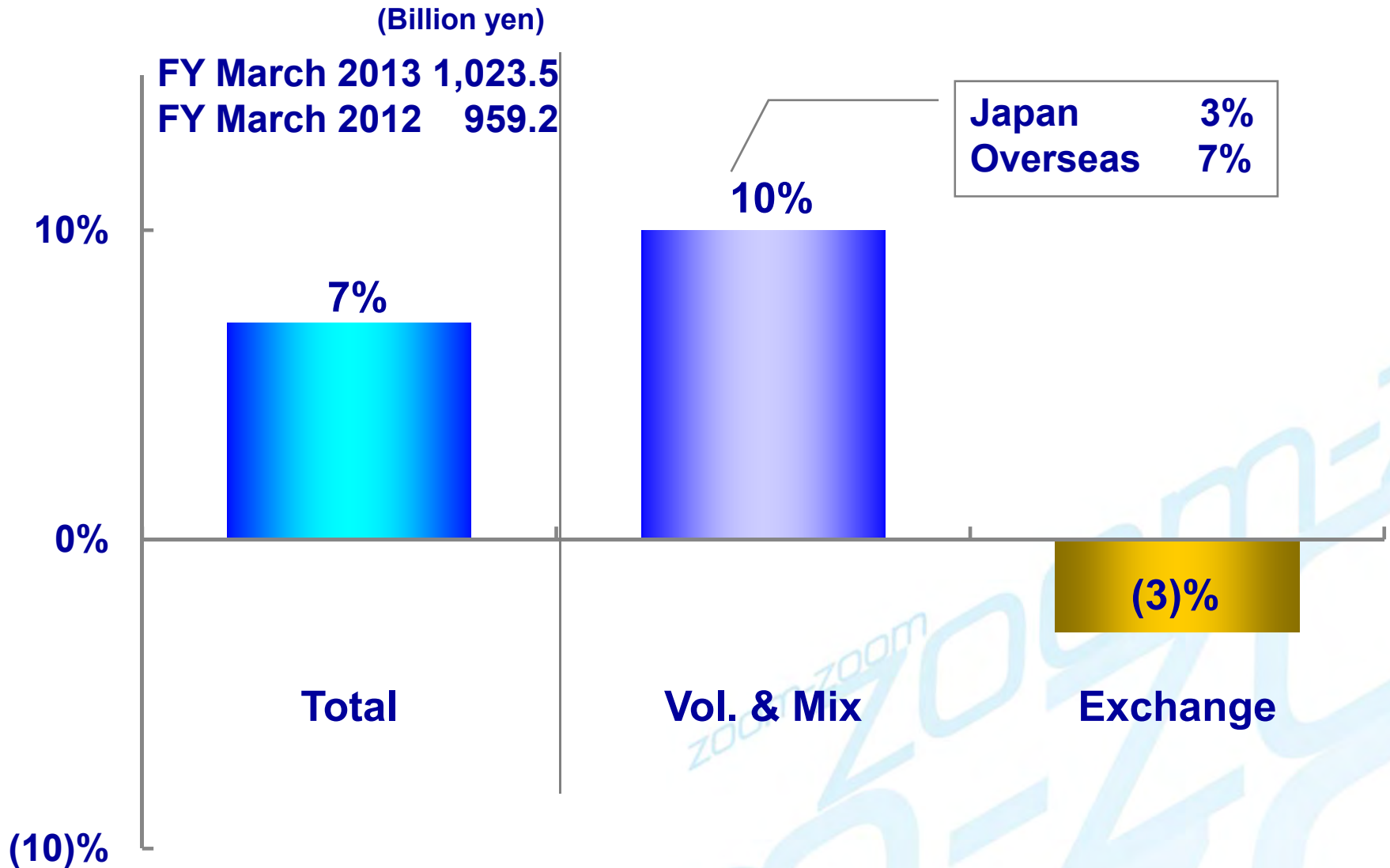
REVENUE BY PRODUCT

(Billion yen)



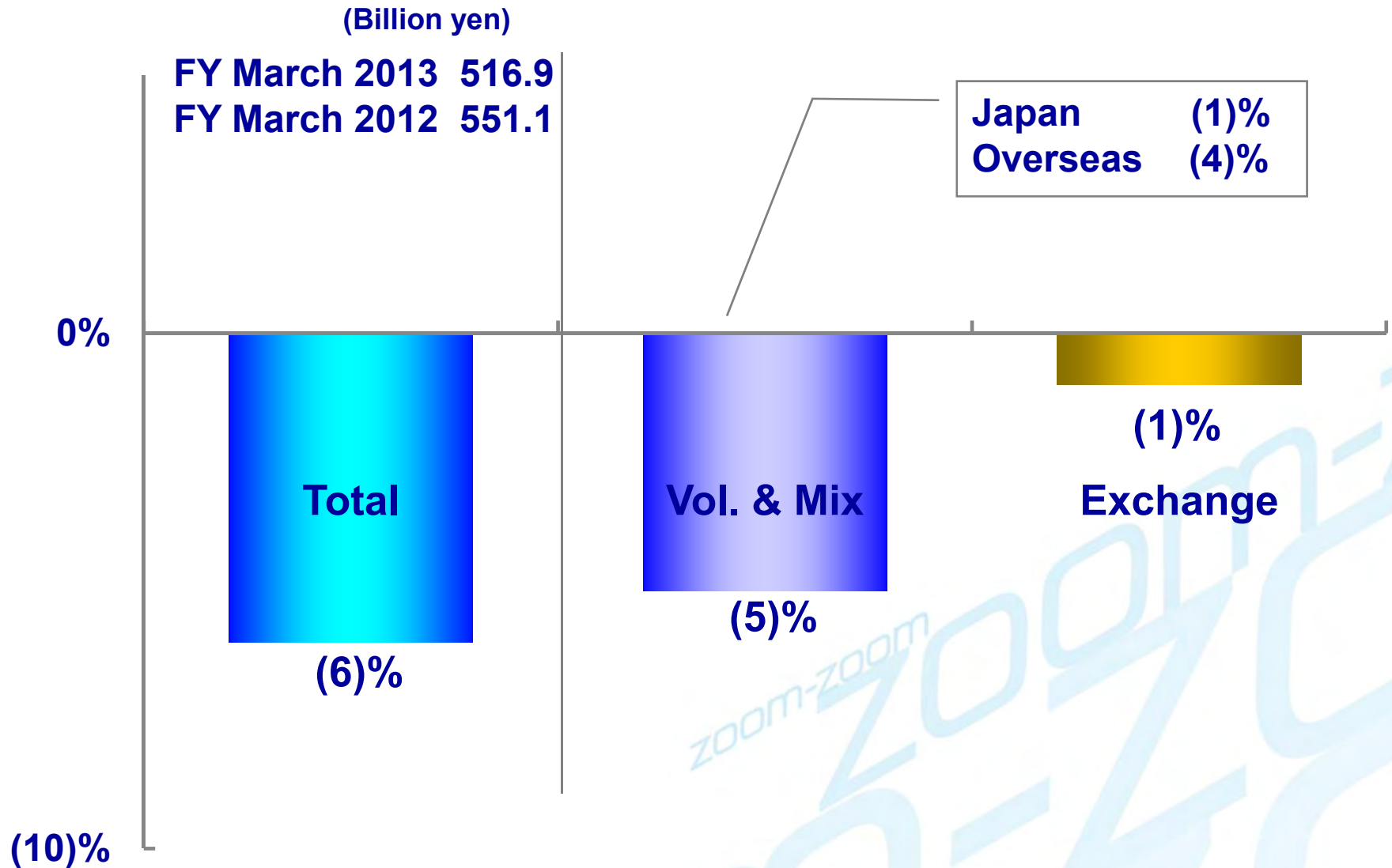
REVENUE CHANGE

FY End March 2013 1st Half vs. FY End March 2012 1st Half



REVENUE CHANGE

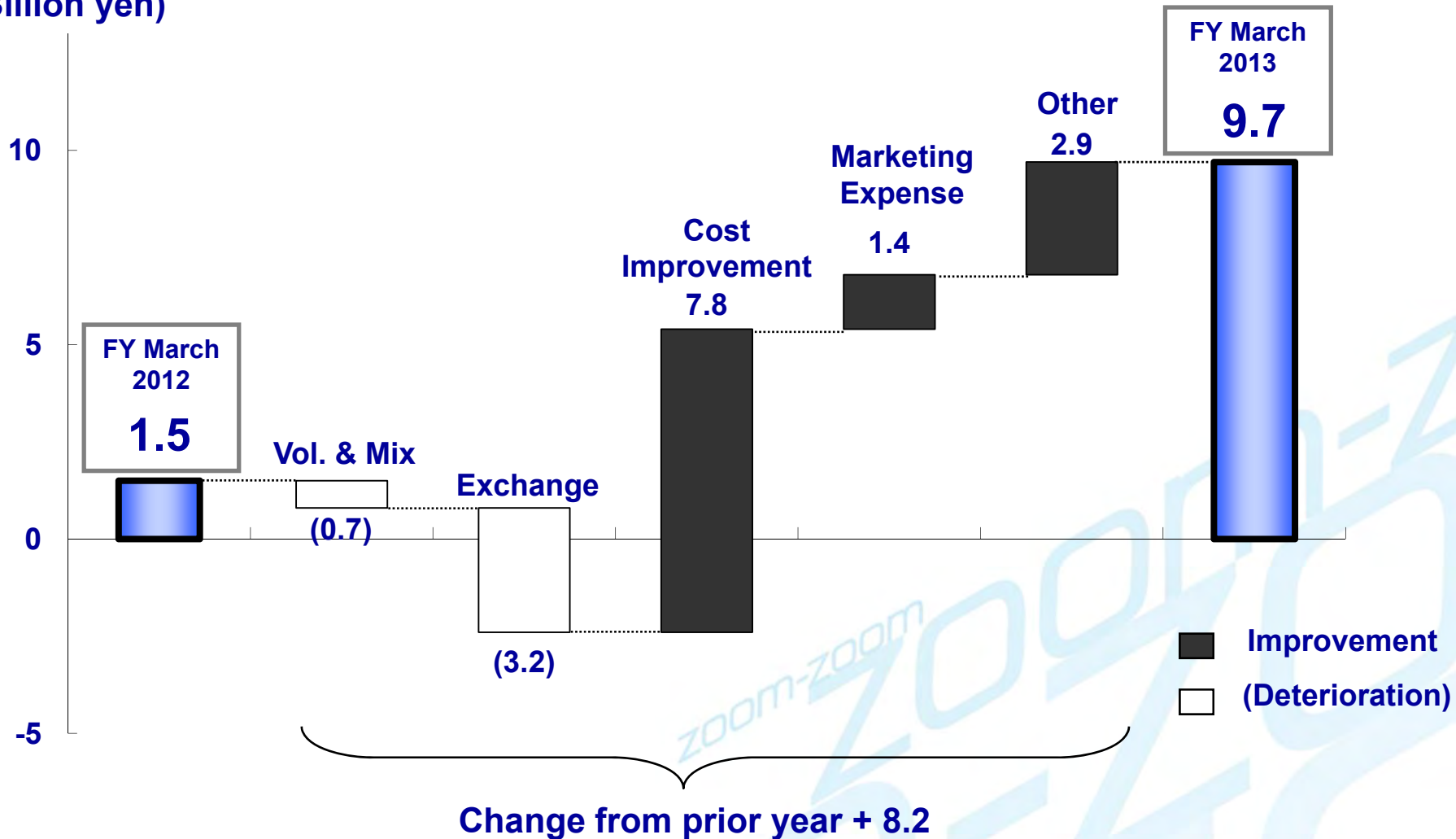
FY End March 2013 2nd Quarter vs. FY End March 2012 2nd Quarter



OPERATING PROFIT CHANGE

FY End March 2013 2nd Quarter vs. FY End March 2012 2nd Quarter

(Billion yen)



KEY DATA

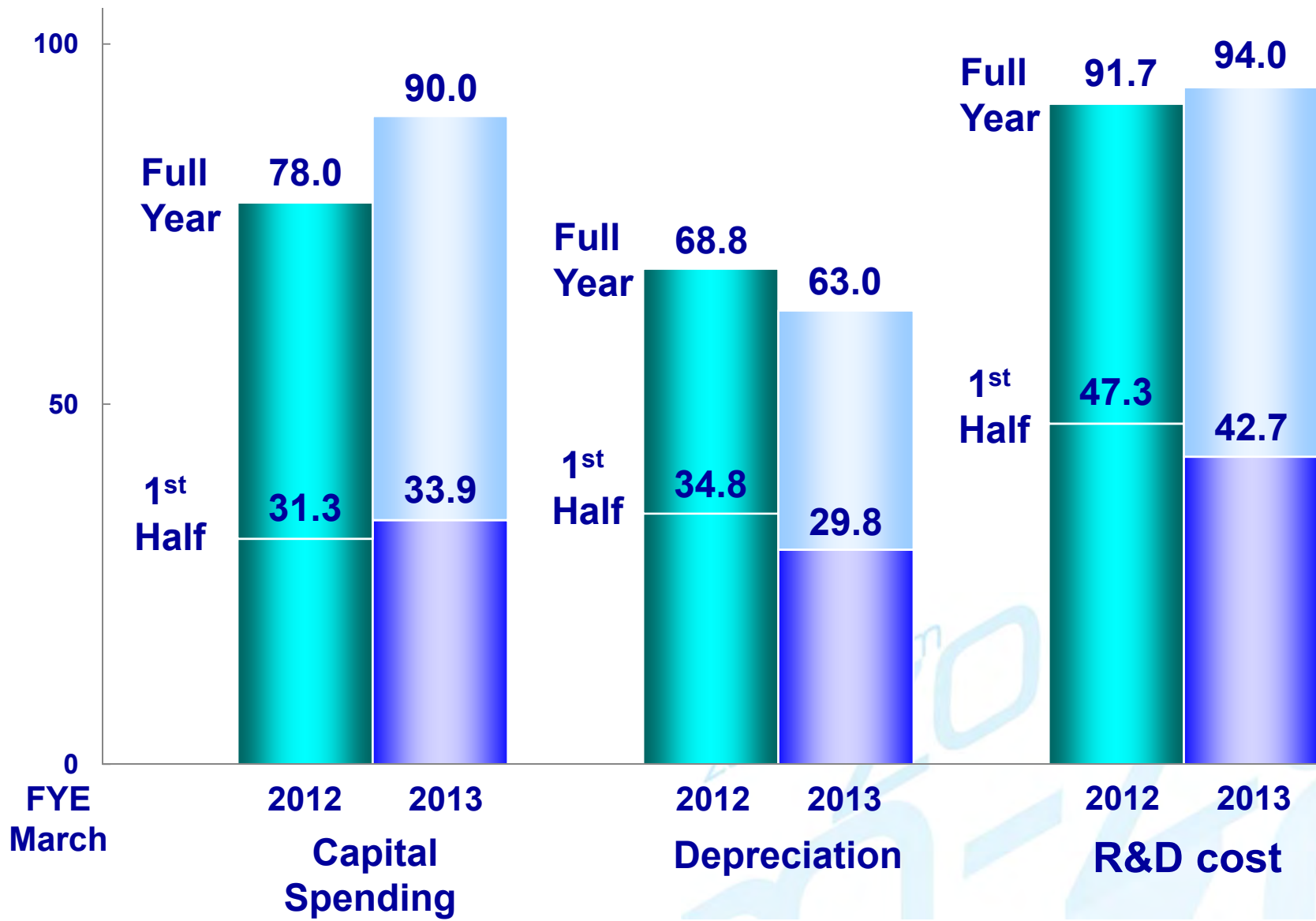
	FY March 2013			First Half Change from	
	1st Quarter	2nd Quarter	1st Half	Prior Year	April Forecast
Consolidated wholesales (000)					
Japan	54	61	115	6	(8)
North America	89	86	175	23	(1)
Europe	32	36	68	(6)	(4)
China	2	0	2	(6)	(5)
Other Markets	70	72	142	15	3
Total	247	255	502	32	(15)

KEY DATA

	<u>FY March 2013</u>			<u>Change from Prior Year</u>			<u>Change from</u>
	<u>1st Half</u>	<u>2nd Half</u>	<u>Full Year</u>	<u>1st Half</u>	<u>2nd Half</u>	<u>Full Year</u>	<u>April</u>
							<u>Forecast</u>
							<u>Full Year</u>
Global sales volume (000)							
Japan	110	104	214	15	(7)	8	(11)
North America	182	201	383	0	11	11	(7)
Europe	85	97	182	(6)	5	(1)	(3)
China	90	80	170	(17)	(36)	(53)	(85)
Other Markets	146	160	306	17	26	43	21
Total	613	642	1,255	9	(1)	8	(85)
Consolidated wholesales (000)							
Japan	115	112	227	6	(5)	1	(10)
North America	175	201	376	23	(9)	14	(16)
Europe	68	102	170	(6)	5	(1)	(1)
China	2	2	4	(6)	0	(6)	(14)
Other Markets	142	156	298	15	36	51	26
Total	502	573	1,075	32	27	59	(15)
Exchange Rate							
US\$ / Yen	79	80	80	(1)	2	1	0
€ / Yen	101	100	100	(13)	(4)	(9)	(5)

KEY DATA

(Billion yen)



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.