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(For your information)

**Mazda Motor Corporation**  
**FISCAL YEAR MARCH 2013 FINANCIAL RESULTS**  
(Speech Outline)

**Representative Director, Chairman of the Board,  
President and CEO  
Takashi Yamanouchi**

**1. HIGHLIGHTS**

For FY March 2013, revenue and profits in all profit categories exceeded the February forecast. Revenue was ¥2 trillion 205.3 billion. Operating profit was ¥53.9 billion. Net income was ¥34.3 billion.

SKYACTIV products, such as the CX-5 and the new Mazda6/Atenza, which generate profits even in the strong yen environment, significantly contributed to the profit improvement. Global sales volume was 1,235,000 units. While sales grew in some major markets there was reduced demand in China and Europe. Sales of the CX-5 were strong worldwide and reached 200,000 units, greatly exceeding the initial forecast. The new Mazda6, the second of our SKYACTIV products, also enjoyed favorable sales that exceeded the initial forecast in the markets where it was introduced.

Concerning the forecast for FY March 2014, revenue is projected to grow and profits are projected to more than double FY March 2013 levels in all profit categories. We forecast revenue of ¥2 trillion 480 billion, operating profit of ¥120 billion and net income of ¥70 billion. SKYACTIV products, such as the CX-5 and the new Mazda6, contribute greatly to profit and sales enhancement, following FY March 2013 results. On the sales front, we plan further sales growth of CX-5, expand the global introduction of the new Mazda6 and introduce the third SKYACTIV product, beginning in the second half of this fiscal year. We forecast global sales volume of 1,335,000 units, up 8% from the prior year, driven by the sales increase of these products. We will expand our investments for the future including the investment in our new plant in Mexico, whose operation starts early next year. We will also accelerate the four initiatives of the Structural Reform Plan, which we will explain to you in detail later on.

**Executive Officer**  
**Takashi Furutama**

## **2. FISCAL YEAR MARCH 2013 RESULTS**

Consolidated revenue was ¥2 trillion 205.3 billion, up ¥172.2 billion from the prior year. Consolidated operating profit was ¥53.9 billion, ¥92.6 billion better than the prior year. This was mainly driven by significant improvements in the volume and mix from the new-generation products such as CX-5 and new Mazda6. Ordinary profit was ¥33.1 billion. Profit before tax was ¥39.1 billion and net income was ¥34.3 billion. Revenue and profits exceeded our February forecast in all profit categories. The exchange rate on average was ¥83 to the dollar and ¥107 to the Euro. The yen weakened ¥4 to the dollar and strengthened ¥2 to Euro from the prior year.

Global sales volume was 1,235,000 units, down 12,000 units from the prior year, due to the tough sales environment in China and Europe. Sales in major markets such as Japan, the United States, Australia and ASEAN were strong and exceeded the prior year levels. CX-5 sales reached 200,000 units, driving global sales.

Now, I would like to explain the sales results by market.

In Japan, sales were 216,000 units, up 5% from the prior year. The CX-5 and the new Atenza drove the sales improvement. The CX-5, which won Japan Car of the Year Award, was the top-selling SUV in Japan in FY2012. The new Atenza, which was launched in November last year, has sold 10,000 units, twice as much as the target, in just 5 months from the launch. Just as with the CX-5, thanks to the high acclaim for the diesel engine, diesel mix of the new Atenza reached approximately 70%, significantly exceeding our initial plan.

In North America, we sold 372,000 units, the same level as the prior year. In the United States, sales were 273,000 units, up 2% year-over-year, driven by sales of the SKYACTIV CX-5 and Mazda3. With the introduction of a 2.5L engine, sales of the CX-5 continue to be strong. The new Mazda6 is off to a good start, receiving high acclaim. We continue to hold down incentives and reduce the fleet mix to enhance brand value.

In Europe, sales were 172,000 units. As supply of the CX-5 has been improving, its sales substantially increased in the fourth quarter. The new Mazda6 was highly evaluated in Germany, UK, Russia and Switzerland. In major markets, such as UK, sales have been recovering thanks to new car introductions.

In China, sales declined 22% from the prior year to 175,000 units.

In the fourth quarter sales dropped 22%, which is less than the decline of 33% seen in the third quarter. The dealer outlet count increased by 25 from the end of the prior fiscal year to 396 stores as of the end of March. We are steadily enhancing our sales network.

Sales in other markets increased 14% from the prior year to 300,000 units.

In Australia, we achieved a record 104,000 sales and 9.3% market share. The Mazda3 became the best-selling model for two consecutive fiscal years. The CX-5 achieved the highest sales in its segment and Mazda ranked third in sales among all makers for two consecutive fiscal years.

In the ASEAN region, sales were 101,000 units, up 54% from the prior year.

In Thailand, we set a sales record of 78,000 units, up 68% from the prior year. The Mazda2 and BT-50 contributed to the sales increase.

In Indonesia and Malaysia, we also achieved record sales.

I would now like to explain the key factors behind the ¥92.6 billion year-over-year improvement of consolidated operating profit.

Volume and mix substantially improved by ¥33.8 billion. The CX-5 and the new Mazda6, as well as the reduction of incentive spending mainly for SKYACTIV products, were the main contributors.

Next is foreign exchange. We had a ¥11.8 billion positive impact from the US dollar, ¥2 billion negative impact from the Euro and ¥8.6 billion good news in other currencies. The total exchange impact was ¥18.4 billion positive.

In the variable cost area, as there was a material price reduction in addition to cost improvement, we achieved a ¥36.7 billion improvement.

Marketing expense increased ¥6.8 billion due to advertisement enhancement to support the CX-5 and the global launch of the new Mazda6.

In the area of other fixed cost, we achieved a ¥10.5 billion improvement.

Next, I would like to explain the factors contributing to the ¥8.9 billion consolidated operating profit improvement compared to our guidance publicized in February.

In the area of volume and mix, volume reduction led to a deterioration of ¥3.8 billion.

With regard to exchange rate, thanks to further yen depreciation, we had good news of ¥3.8 billion to the US dollar, ¥2.5 billion versus the Euro and ¥3.6 billion in other currencies, totaling a ¥9.9 billion improvement.

We achieved improvements of ¥1.2 billion in marketing expense and ¥1.6 billion in other cost.

Now, let me give you an update on the sales status of SKYACTIV products. We achieved 200,000 sales with the CX-5, far exceeding the initial forecast of 160,000 units. Responding to its worldwide success, we increased annual production capacity of the CX-5 to 240,000 units. The model won the “Japan Car of the Year” award and has enjoyed high acclaim globally. The new Mazda6 was introduced in Japan, Europe and North America and achieved higher than planned sales volume and is growing in popularity.

In Japan, we sold 10,000 units of the new Mazda6 in 5 months from the launch, twice as much as the target. The model is creating a new market for diesel engine vehicles in Japan just as the CX-5 did. It is also highly evaluated for its safety performance and earned the “TOP Safety Pick plus”, from the US Insurance Institute for Highway Safety (IIHS), it's highest rating award. We will implement sales enhancement initiatives this fiscal year to support its full-scale launch in key markets.

### **3. FISCAL YEAR MARCH 2014 FORECAST**

Revenue is projected at ¥2 trillion 480 billion, up 12% year-over-year.

Operating profit is projected at ¥120 billion and net income at ¥70 billion. We forecast profits to more than double FY March 2013 levels in all profit categories.

The exchange rate is projected at ¥90 to the dollar and ¥120 to Euro.

Global sales volume in FY March 2014 is forecasted at 1,335,000 units, up 100,000 units from the prior year. The sales increase will be driven by SKYACTIV products including the CX-5 and the new Mazda6. We will explain the sales initiatives later on.

Now I would like to explain the key factors of the ¥66.1 billion year-over-year improvement of consolidated operating profit. Projected volume and mix improvement is ¥49.9 billion by sales expansion of SKYACTIV products.

Regarding the exchange rate, we project improvement of ¥17 billion from the US dollar, ¥20.7 billion from the Euro and ¥18.3 billion from other currencies. Projected total improvement is ¥56 billion.

Targeting to build a business structure that is not impacted by the exchange rate, we are expanding foreign currency denominated purchases. By expanding the dollar denominated purchases in this fiscal year, we forecast that our sensitivity to the US dollar will be reduced from ¥3.5 billion of FY March 2013 to ¥2.5 billion in FY March 2014.

On the other hand, our sensitivity to the Euro increases from ¥1.2 billion to ¥1.5 billion due to the sales increase in Europe.

In the cost area, we expect an improvement of ¥15.7 billion, offsetting the raw material price hikes. Marketing expense is projected to increase ¥18.3 billion through worldwide sales enhancements, mainly for SKYACTIV products. Other fixed cost is projected to increase

¥37.2 billion by expanding our investments for the future.

Now I would like to explain our global sales initiatives in this fiscal year.

We plan to boost sales worldwide by increasing CX-5 sales, continuing the regional roll-out of the new Mazda6, and introducing the third SKYACTIV product.

To support sales, we will enhance fixed marketing to increase sales of SKYACTIV products and improve brand image. For existing models, we maintain the sales trend by enhancing marketing initiatives. Also, we continue to enhance our brand and residual values by improving transaction prices and reducing the fleet mix. We continue to promote network enhancement as well in key regions.

**Representative Director, Chairman of the Board,  
President and CEO  
Takashi Yamanouchi**

#### **4. STRUCTURAL REFORM PLAN UPDATE**

I will first summarize the status.

We announced the four initiatives of our Structural Reform Plan in February last year. We have steadily implemented these initiatives over the past year and made significant achievements. By continuing to implement the four initiatives, we aim to achieve the medium- and long-term forecast of an operating profit of ¥150 billion, global sales volume of 1.7 million units and Return on Sales of 6% or more. I will update the status for each of these initiatives.

The first one is Business Innovation by SKYACTIV.

Our plan is to have eight SKYACTIV models launched through to FY March 2016. Two of them, the CX-5 and the New Mazda6, were introduced over the past year. The CX-5 has been highly acclaimed both in Japan and overseas, and is making a substantial contribution to our sales and profits. The demand for the new Mazda6 continues to be strong in markets where it has been introduced. We will enhance the sales actions this fiscal year to support the full-scale launch in key markets such as Europe and the US. In line with the launch of SKYACTIV models, we have been globally deploying an innovation in sales methodology. Leveraged by the strong marketability of our products, it has resulted in a reduction in incentives and improvement of residual values. Significant contributions to the improvement of profit as well as the brand value have been made.

With regard to cost improvements through Monotsukuri Innovation, we achieved the expected results on the new Mazda6, just as we did with the CX-5. We are making steadfast progress in building vehicles profitably even when the yen is strong, while we make improvements in product marketability at the same time. We have taken measures to enhance resistance to currency fluctuations, such as optimizing global sourcing and expansion of sourcing in foreign currencies.

Next, reinforce business in emerging countries and establish a global production footprint. We have been working over the past year to reinforce business in emerging countries and establish a global footprint in six countries including the ASEAN region. It has been steadily bearing fruit, highlighted by the commencement of production of CX-5 and new Mazda6 in Russia.

I will now give you some updates on our global alliances.

Through the technical licensing agreement with Toyota for their hybrid system, we will start sales of a hybrid model with SKYACTIV technology within the fiscal year 2013. We are also planning to start production of their compact model based on the Mazda2 at our new plant in Mexico in 2015, with a planned volume of 50,000 units annually. In Indonesia where the market is growing rapidly, starting this spring we are going to introduce a three-row compact model through an OEM agreement with Suzuki. With regard to Nissan, we began to supply them with a vehicle that incorporates SKYACTIV technology. In addition, our alliances with overseas manufacturers are also advancing, including supply of a two-seater sports car to Fiat, the start of JV production with Sollers in Russia, and commencement of CX-5 local production at a JV with Bermaz in Malaysia.

Let me summarize today's presentation. In FY March 2013, revenue and profits exceeded February's forecast in all profit categories. Operating profit was ¥53.9 billion and net income was ¥34.3 billion. The CX-5, which has been selling well worldwide, and the new Mazda6, which is now being introduced in major markets, greatly contributed to the profit improvement. In FY March 2014, profits are projected to more than double FY March 2013 levels in all profit categories, with operating profit of ¥120 billion and net income of ¥70 billion. In this fiscal year, we are also expecting contributions from SKYACTIV products to both profits and sales. As explained earlier, we will accelerate the Structural Reform Plan initiatives.

After we achieved a record profit of ¥162.1 billion in FY March 2008, our profit significantly declined due to various factors including the Lehman Brothers collapse, the historic super appreciation of the yen and the Great East Japan Earthquake. In such a business environment, we announced the "Structural Reform Plan" in February last year and we are steadily making progress with structural reforms leveraging our SKYACTIV TECHNOLOGY. Consequently, despite the tough environment, we achieved profitability in all profit categories in FY March 2013, thanks to the contribution from our SKYACTIV products that generate profit even in the strong yen environment. We are projecting profits that more than double FY March 2013 levels due to the profit expansion led by our SKYACTIV products in FY March 2014. While we forecast an external environment that continues to be tough in the future, we will continue our momentum to achieve our medium- and long-term forecast. We will also change our business structure to be more robust, by further accelerating the Structural Reform Plan, so that we will not be influenced by the fluctuation of exchange rates.

We appreciate your continuous support.

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