

FISCAL YEAR MARCH 2025 FIRST QUARTER
FINANCIAL RESULTS



MAZDA CX-70

August 7, 2024
Mazda Motor Corporation

MAZDA MOTOR CORPORATION

- Thank you for joining our earnings announcement today.

PRESENTATION OUTLINE

- **FY March 2025 First Quarter Results**
- **FY March 2025 Full Year Forecast**
- **Summary**

- This is the outline of today's presentation.

FY MARCH 2025 FIRST QUARTER RESULTS

- First, I will take you through the highlights of the first quarter results.

FY MARCH 2025 FIRST QUARTER RESULTS

- Global sales were 309,000 units, same level as the prior fiscal year
 - Sales volumes in the North American market hit a first-quarter record high*
 - Responded flexibly to changes in the competitive environment in major markets. Enhanced sales promotion measures and sales progressed as planned
- Consolidated net sales rose 11% from the prior fiscal year to ¥1,205.6 billion, the highest results of any first quarter
- Operating income rose 68% from the prior fiscal year to ¥50.4 billion
 - Achieved year-on-year increase in both net sales and profits, thanks to the depreciation of the yen offsetting the impact of increased sales incentives
 - The financial impact of irregularities in applications for type designation is limited. Efforts to restore trust through thorough implementation of recurrence prevention measures

- These are the headlines for the first quarter.
- Global sales were 309,000 units, which is the same level as the prior fiscal year.
- Sales in the North American market remained strong and hit a first-quarter record high.
- Despite the changes in the competitive environment in key markets, we responded in an agile manner to strengthen sales promotion. As a result, sales are progressing as planned.
- Consolidated net sales were up 11% from the prior fiscal year to 1,205.6 billion yen, a record for the first quarter.
- Operating income was up 68% from the prior fiscal year to 50.4 billion yen.
- Increases in sales incentives were offset by the effect of the yen's depreciation, and we achieved an increase in both net sales and profits compared to the previous year.
- In regard to type designation application irregularities, we temporarily suspended shipments of the two affected models for Japan but resumed shipments on July 1. The financial impact for the quarter was limited, and there will be no impact on our full-year performance. We will continue to take thorough measures to prevent a recurrence and make every effort to regain the trust of our stakeholders.

FY MARCH 2025 FIRST QUARTER VOLUME RESULTS

(Thousand Units)	FY March 2024	FY March 2025	Change from Prior Year	
	1st Quarter	1st Quarter	1st Quarter	
Production Volume*	284	300	+17	+6%
Global Sales Volume				
Japan	42	29	-13	-31%
North America	128	146	+18	+14%
Europe	44	49	+5	+12%
China	20	18	-2	-9%
Other Markets	75	67	-8	-10%
Total	309	309	+1	0%
USA	95	102	+7	+7%
Australia	25	25	0	-1%

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

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- This slide shows production and sales volume in the quarter.
- Production volume increased by 6% year on year to 300,000 units.
- The Alabama Plant in the U.S., which began two-shift operations in July last year, and the Mexico Plant have improved utilization, leading to an increase in production volume.
- Global sales were 309,000 units, which is the same level as the prior fiscal year.
- Let's take a look at sales volume by market.
- Sales in North America remained strong, driven by the contributions of the CX-50 and CX-90, resulting in a 14% year-on-year increase.
- Conversely, in the Japanese market, sales volume declined mainly due to discontinuation of sales of the CX-8 and the end of the new car effect of the CX-60.
- As of the first quarter, we have achieved 22% of our full-year global sales forecast. This progress is broadly in line with our plan, as we are set to launch new models such as the CX-80 and CX-50 hybrid in the latter half of this year.

FY MARCH 2025 FIRST QUARTER FINANCIAL METRICS

(Billion Yen)	FY March 2024	FY March 2025	Change from Prior Year	
	1st Quarter	1st Quarter	1st Quarter	
Consolidated Wholesales (Thousand Units)	286	291	+6	+2%
Net Sales	1,091.0	1,205.6	+114.6	+11%
Operating Income	30.0	50.4	+20.4	+68%
Ordinary Income	63.9	80.3	+16.4	+26%
Net Income	37.2	49.8	+12.6	+34%
Operating Return on Sales	2.8 %	4.2 %	+1.4 pts	
EPS (Yen)	59.1	79.1	+20.0	
Exchange Rate (Yen)				
US Dollar	138	156	+18	
Euro	150	168	+18	
Thai Baht	3.99	4.25	+0.26	
Mexico Peso	7.79	9.06	+1.27	

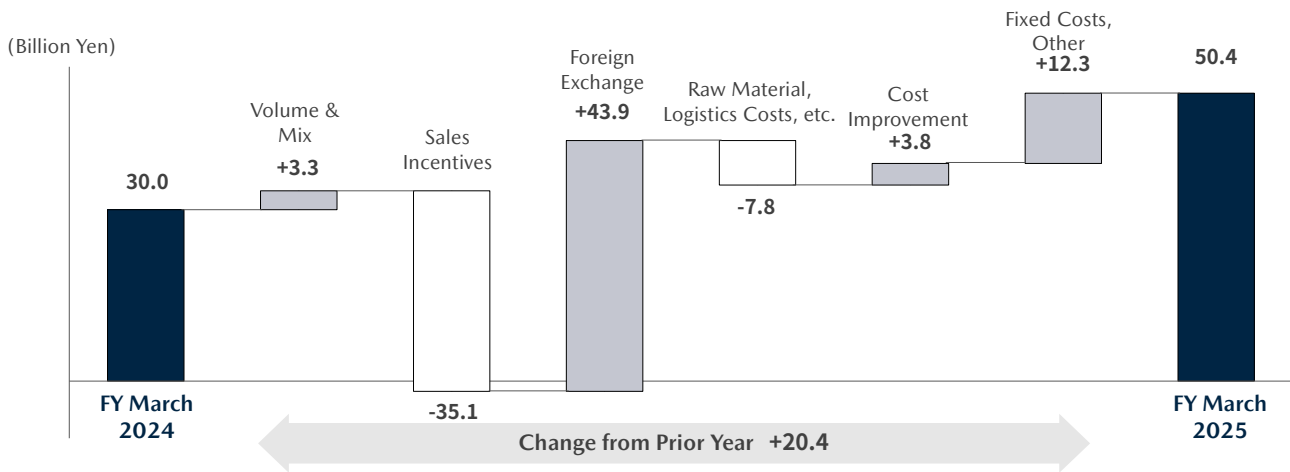
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*Net income indicates net income attributable to owners of the parent

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- Next is the financial metrics.
- Consolidated wholesales increased 2% year on year to 291,000 units.
- Net sales increased 11% year on year to 1,205.6 billion yen.
- Operating income increased 68% year on year to 50.4 billion yen.
- Net income increased 34% year on year to 49.8 billion yen.
- Operating return on sales (ROS) was 4.2%.
- The yen depreciated by 18 yen to 156 yen against the U.S. dollar and depreciated by 18 yen to 168 yen against the euro.

DIFFERENCE IN FY MARCH 2025 FIRST QUARTER OPERATING INCOME (vs. FY MARCH 2024 FIRST QUARTER)

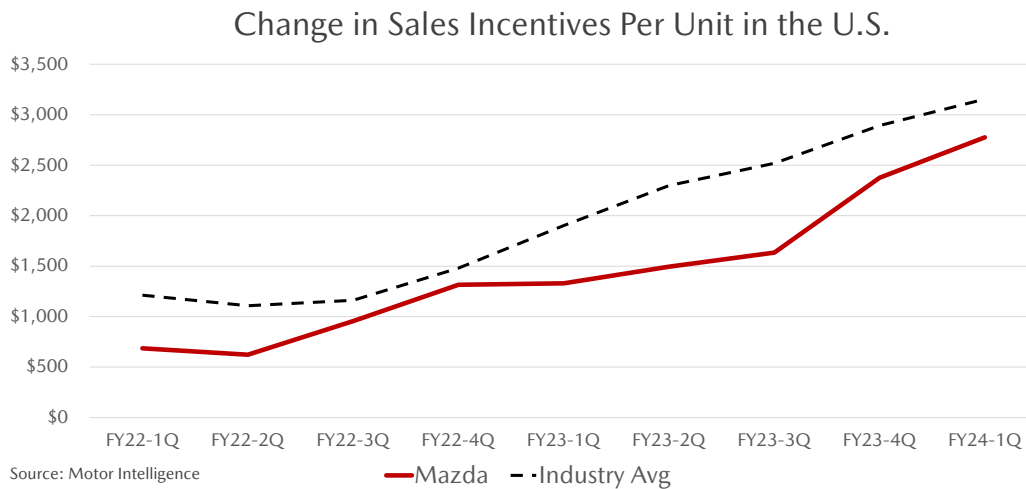


Volume & Mix	+3.3	Foreign Exchange	+43.9	Raw Material, Logistics Costs, etc.	-7.8	Fixed Costs, Other	+12.3
Volume & Mix, Price	+7.5	USD	+14.4	Raw Material Costs	-5.4	R&D Costs	-3.5
Other	-4.2	EUR	+10.0	Logistics Costs	-2.4	Depreciation Costs	-1.5
		AUD	+6.0			Quality-related Costs	+11.0
		THB	-3.8			Advertising Costs	-1.1
		MXN	+2.3			Other	+7.4
		Other	+15.0				

- Now let me take you through the factors behind the year-on-year improvement in operating income.
- Volume and mix, excluding sales incentives, improved by 3.3 billion yen, as an increase in consolidated wholesale volume, primarily of Large products, contributed to profit improvement.
- On the other hand, sales incentives had a negative impact of 35.1 billion yen due to changes in the competitive environment.
- Foreign exchange contributed to a 43.9 billion yen improvement, as the yen significantly depreciated against major currencies from the previous year.
- Although the increase in sales incentives exceeded our initial forecast, this increase was offset by the effect of foreign exchange, and we are taking flexible measures to achieve top-line growth.
- Raw materials and logistics costs negatively impacted profits by 7.8 billion yen, due to increases in steel and other material costs, as well as higher energy costs and labor costs for procured parts.
- Cost improvements contributed to a 3.8 billion yen improvement in earnings.
- Fixed costs and other contributed to a 12.3 billion yen profit increase.

TREND OF U.S. SALES INCENTIVES

- Strengthen sales promotions for top-line growth in response to market trends
- Reduce sales incentives post-2Q peak through new products and enhanced product appeal



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- Now, I would like to talk about the situation of the U.S. market in the first quarter.
- In the U.S., sales incentives have been on an upward trend as supply has recovered following the Covid pandemic and supply chain challenges.
- We are also increasing sales incentives to respond to changes in competitive environment to achieve top-line growth this fiscal year, but we have maintained these at a level lower than the industry average.
- We plan to reduce sales incentives after their second-quarter peak by introducing new products such as the CX-50 hybrid and by enhancing the product appeal at the time of the model year switchover.

FY MARCH 2025 FULL YEAR FORECAST

- Now let's take a look at the forecast for this fiscal year.

FY MARCH 2025 FULL YEAR FORECAST

**Aim to grow top line by leveraging North American market and Large products.
Make steady progress in electrification and value creation for the future as well as
improvement in management efficiency**

Full year forecast

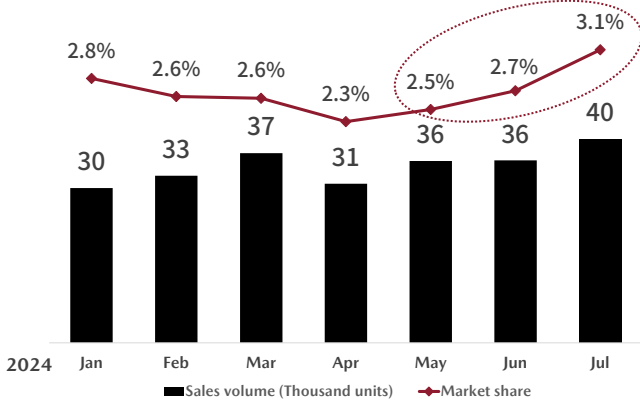
- Forecast for global sales and consolidated wholesale volumes remains unchanged
 - Respond flexibly to changes in competitive environment in major markets
Ensure volume growth with new products by maintaining sales momentum
- Profit forecast remains unchanged from our May announcement, while foreign exchange rate assumptions are revised
 - Curb sales incentives by introducing new products and strengthening product appeal
 - Accelerate cost reduction activities in unison with suppliers to improve profitability
Reexamine costs in areas other than those essential for future growth such as investment in electrification and people

- The full year forecast for sales and wholesales remains unchanged from our May announcement.
- Growth will be fueled by new products such as the CX-70, CX-80, and CX-50 hybrid model.
- We maintain our profit forecast as announced in May. In light of recent exchange rate fluctuations, we revise our full-year exchange rate assumptions.
- In addition to curbing sales incentives through introduction of those new products, we plan to accelerate cost reduction activities to improve profitability.
- For variable costs, we will work closely with our suppliers to reduce costs by streamlining the number of models, as well as parts, materials, and equipment that do not add sufficient customer value.
- For fixed costs, we will intensify our efforts to reduce costs by reevaluating cost-effectiveness in areas other than those essential for future growth, while we continue to prioritize investments in electrification and people.

PROGRESS OF INITIATIVES FOR RAISING TOP LINE RESULTS (U.S. EXAMPLE)

- Market share in the U.S. hit a first-quarter record high*
- Segment share of the CX-90 hit a record high in July 2024*

U.S. Sales Volume & Market Share



300th Retail Evolution (RE) dealership with Luther Mazda, Kansas City

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*U.S. record high since 1990

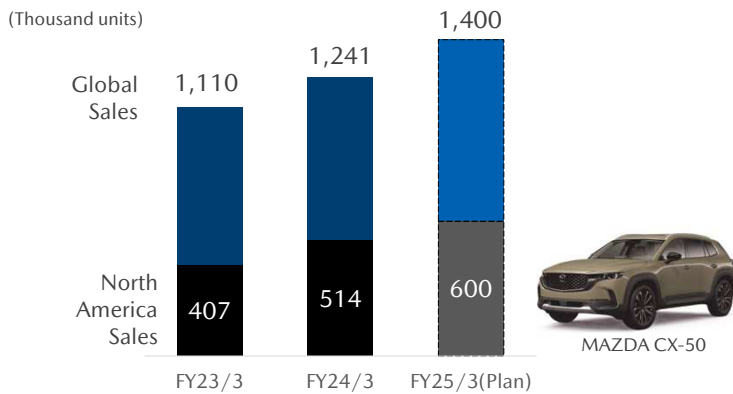
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- Next, let me talk about the progress of top-line growth in the current fiscal year.
- In the U.S., we achieved a highest first-quarter market share ever and a record high single-month market share in July at 3.1%.
- Large products contributed to the sales increase, with the CX-90 achieving the highest market share in its segment.
- The number of next-generation dealerships in the U.S. reached more than 300 this year. The level of commitment and optimism of dealers to the Mazda business remains high.

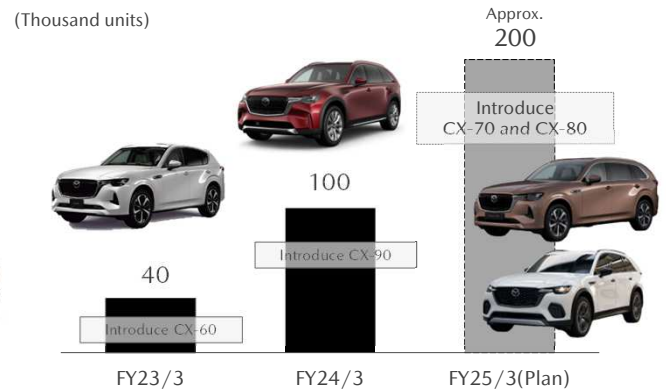
PROGRESS OF INITIATIVES FOR RAISING TOP LINE RESULTS

- Steady growth in global sales, especially in North America
- Begin sales of the CX-50 hybrid model in the latter half of 2024
- Introduce CX-70 and CX-80 in this fiscal year. All four Large products will become available and drive volume growth

Global and North America sales volume



Global sales of Large Products



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- In North America, in addition to the CX-70, we will introduce the CX-50 hybrid model in the latter half of 2024. We aim to sell 600,000 units for the first time in North America this year.
- We will introduce the CX-80 in Japan and Europe this fiscal year, completing the introduction of all four Large products to global markets.
- We expect sales of Large products to approximately double this year to 200,000 units.
- Leveraging the strong North American market and Large products, we aim to achieve top-line growth and sell 1.4 million units globally this fiscal year.

PROGRESS TOWARD ELECTRIFICATION

- Steady progress in multi-solution initiatives to achieve carbon neutrality (CN)
 - Combination of gasoline, diesel, and rotary engines with electrification devices offers a wide variety of options
 - Subaru, Toyota and Mazda announced their commitment to developing in their own respective ways new engines tailored to electrification
 - Pre-production prototypes of MAZDA EZ-6 BEV and PHEV models for the Chinese market rolled off the production line, with mass production scheduled to begin this September for introduction in October



ROTARY-EV SYSTEM CONCEPT (2 ROTOR)

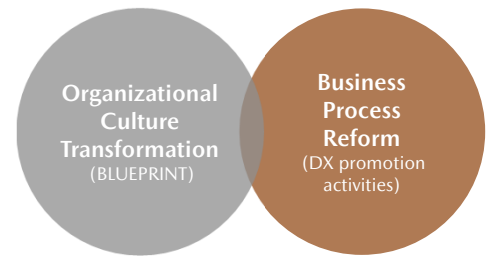


MAZDA EZ-6

- We are also making steady progress in our efforts toward electrification.
- First, toward the realization of carbon neutrality, under our multi-solution strategy, we will continue to offer a wide variety of options such as BEVs and various units combining engines and electrified devices to meet the needs and lifestyles of our customers.
- On May 28, we held a multi-pathway workshop together with Subaru Corporation and Toyota Motor Corporation and announced initiatives to develop engines and promote the use of carbon neutral fuels in the electrification era. We will take on the challenge of developing the rotary engine, which is compatible with electrification and carbon neutral fuel, as a technology that can widely contribute to society.
- Second, pre-production prototypes of the MAZDA EZ-6, jointly developed with our partner in China, have already rolled off the production line in preparation for the start of mass production in September. In October, the MAZDA EZ-6 will be introduced to the Chinese market, where electrification is making rapid progress.

VALUE CREATION AND IMPROVEMENT OF MANAGEMENT EFFICIENCY THROUGH INVESTMENT IN PEOPLE AND CO-CREATION BETWEEN PEOPLE AND IT

- Promote organizational culture transformation and operational process reform through DX to create an environment in which employees can focus on work that creates value
 - "BLUEPRINT" organizational culture transformation initiative completed for more than 10,000 indirect employees. Plans for implementation for direct employees this fiscal year
 - Company-wide launch of DX promotion activities to shift resources to value creation by streamlining operations through the use of AI and IT



Promoting both organizational culture transformation and business process reform



BLUEPRINT Program

- People are the company's greatest asset in solving industry challenges such as carbon neutrality and electrification. We are making great strides in transforming our company culture to one which is much more inclusive, collaborative and customer-focused through our Blueprint program.
- More than 10,000 indirect employees have been engaged since November last year, and we will roll this out to our direct employees later this year.
- At the same time as we transform our working culture, we want to enable employees to create more value using the latest IT digital tools and AI. With both of these "wheels" turning, we aim to double productivity by 2030.

FY MARCH 2025 FULL YEAR VOLUME FORECAST

(Thousand Units)	FY March 2024		FY March 2025		Change from Prior Year		Change from May Forecast
	Full Year	Full Year	Full Year	Full Year	Full Year	Full Year	
Global Sales Volume							
Japan	160	180	+20	+13%	0		
North America	514	600	+86	+17%	0		
Europe	180	183	+3	+2%	0		
China	97	98	+1	+1%	0		
Other Markets	289	339	+50	+17%	0		
Total	1,241	1,400	+159	+13%	0		
USA	375	445	+70	+19%	0		
Australia	98	106	+7	+7%	0		

- Now, let's look at some of the numbers.
- Sales volume forecast is unchanged from our May announcement.

FY MARCH 2025 FULL YEAR FINANCIAL METRICS

(Billion Yen)	FY March 2024	FY March 2025	Change from Prior Year		Change from May Forecast
	Full Year	Full Year	Full Year		Full Year
Consolidated Wholesales (Thousand Units)	1,202	1,300	+98	+8%	0
Net Sales	4,827.7	5,350.0	+522.3	+11%	0.0
Operating Income	250.5	270.0	+19.5	+8%	0.0
Ordinary Income	320.1	220.0	-100.1	-31%	0.0
Net Income	207.7	150.0	-57.7	-28%	0.0
Operating Return on Sales	5.2 %	5.0 %	-0.2 pts		0.0 pts
EPS (Yen)	329.6	238.0	-91.6		-0.1
Exchange Rate (Yen)					
US Dollar	145	150	+5		+7
Euro	157	162	+5		+7
Thai Baht	4.11	4.11	+0.01		+0.11
Mexico Peso	8.35	8.31	-0.04		-0.10

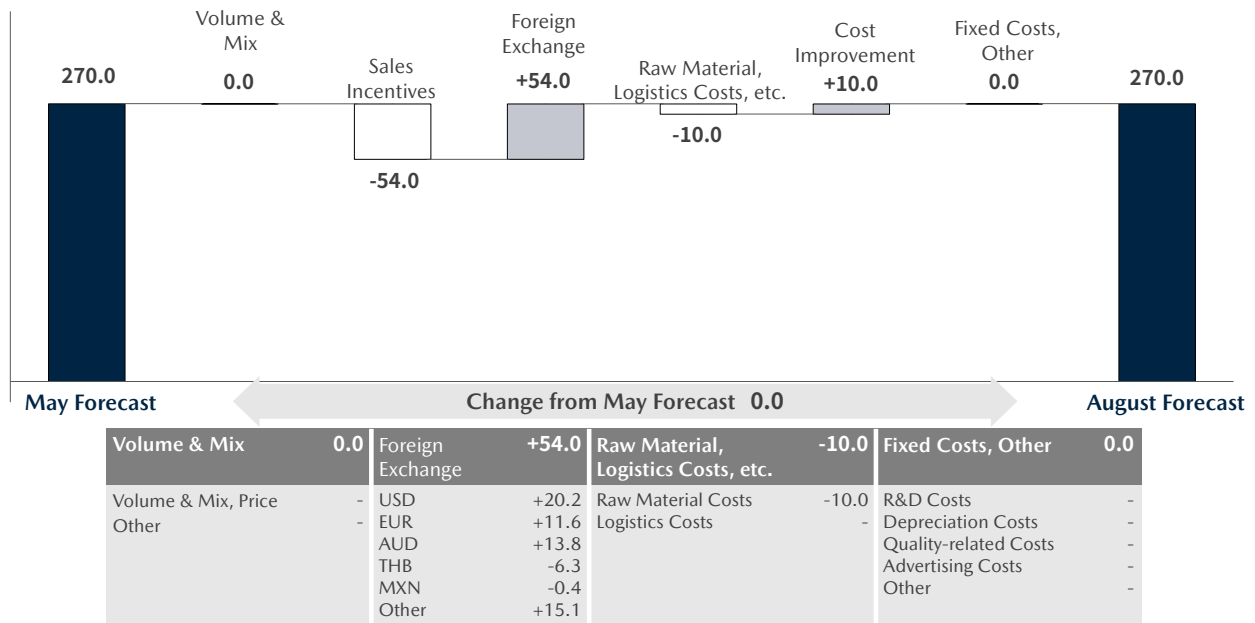
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*Net income indicates net income attributable to owners of the parent 16

- Next is the financial metrics.
- In light of recent exchange rate fluctuations, we revised our exchange rate assumptions.
- The full-year average rate is 150 yen per US dollar, 7 yen weaker than our May projection; and 162 yen per euro, also 7 yen weaker.
- We maintain profit forecast from our May announcement.
- We'll look at this in more detail on the next slides.

DIFFERENCE IN FY MARCH 2025 OPERATING INCOME (vs. MAY FORECAST)

(Billion Yen)

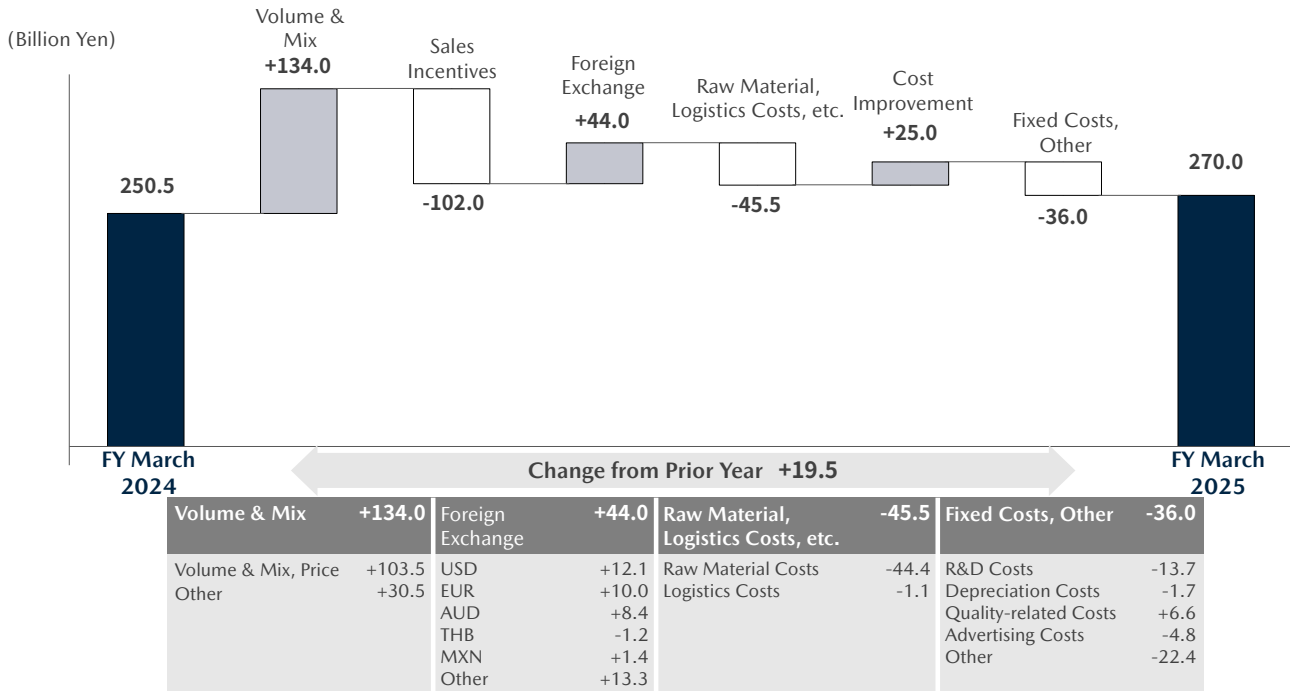


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- Compared with our May announcement, there is no change to volume and mix excluding sales incentives.
- We project incentives about 54 billion yen higher than the May forecast due to the change in the competitive environment.
- Exchange rates are expected to offset the cost of higher incentives.
- In terms of raw material and logistics costs, we have accounted for the risk of an additional 10 billion yen deterioration due to rising parts procurement costs driven primarily by higher costs for labor.
- We plan to offset this deterioration by promoting cost improvements.

DIFFERENCE IN FY MARCH 2025 OPERATING INCOME (vs. FY MARCH 2024)



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- Now let me explain the breakdown of operating income improvements from the prior year.
- Volume and mix excluding sales incentives are expected to contribute to a profit increase of 134 billion yen, reflecting growth in North American markets and Large products.
- The full year impact of higher sales incentives is projected to be 102 billion yen.
- Foreign exchange is expected to contribute to a profit increase of 44 billion yen because of the yen's depreciation against major currencies.
- Raw material and logistics costs are projected to increase by approximately 45 billion yen and this is offset partially by continuous cost improvements of about 25 billion yen.
- Fixed costs and other are assumed to have a negative impact of 36 billion yen.

SUMMARY

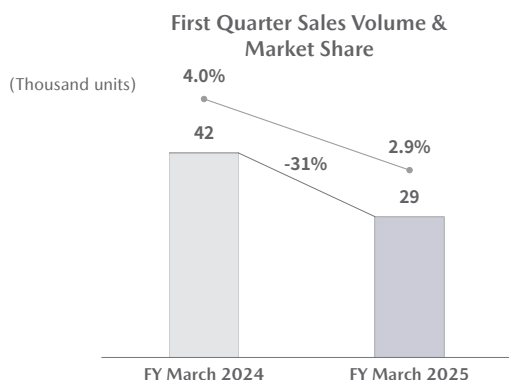
- Continued strong sales in North America mainly due to contributions of Large products
- Forecast for global sales volume and consolidated wholesales volume remains unchanged
- Profit forecast remains unchanged from our May announcement, while foreign exchange rate assumptions are revised
- Steady progress in initiatives for top line growth, and electrification and value creation for the future

- This slide summarizes today's key messages.



APPENDIX

JAPAN

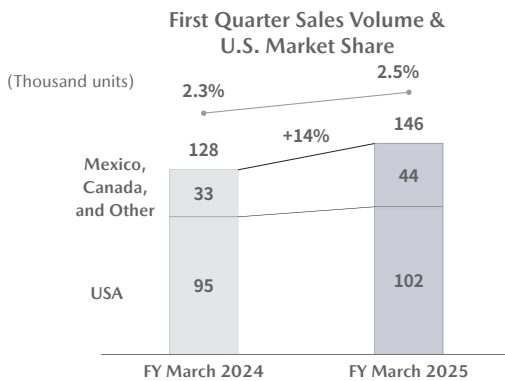


- 29,000 units sold, down 31% year on year
- Sales declined mainly due to discontinuation of CX-8 production in December 2023 and the end of the new car effect of the CX-60
- Market share declined 1.1 points to 2.9% year on year. Registered vehicle market share was 3.2%, down 1.8 points year on year
- The fourth model in the Large product lineup, the new three-row SUV Mazda CX-80, will be introduced in Japan this fiscal year
- Full year sales forecast is 180,000 units, up 13% year on year



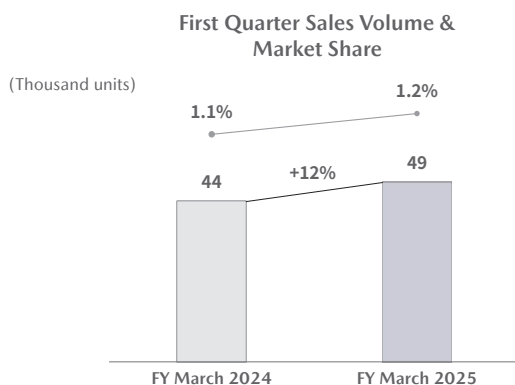
MAZDA CX-80 (European version)

NORTH AMERICA



- 146,000 units sold, up 14% year on year, achieving the highest-ever first quarter sales
- Full year sales forecast is 600,000 units, up 17% year on year
- USA:
 - 102,000 units sold, up 7% year on year. Market share was 2.5%, up 0.2 points year on year
 - The addition of a second shift at the Alabama Plant contributed to increased production and sales volume of the CX-50. The Large product CX-90 also contributed to the increase in sales
- Mexico:
 - 24,000 units sold, up 59% year on year. Market share was 6.8%
 - June saw the highest single-month sales volume ever
- Canada:
 - 19,000 units sold, up 14% year on year

EUROPE

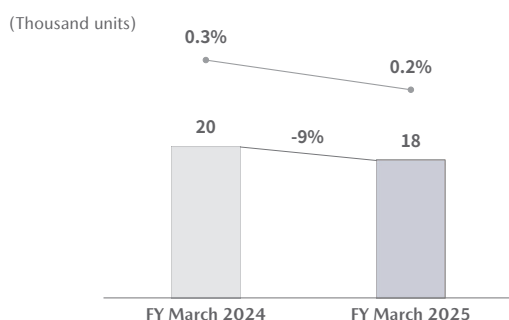


- 49,000 units sold, up 12% year on year
- Market share rose 0.1 points year on year to 1.2%
- Sales volume and market share improved due to continued strong sales. Sales volumes of the CX-30, CX-5 and Mazda2 increased through measures to strengthen sales in each country
- Full year sales forecast is 183,000 units, up 2% year on year
- Sales in key countries
 - Germany: 12,000 units, up 15% year on year
 - UK: 7,000 units, down 11% year on year

CHINA



First Quarter Sales Volume & Market Share

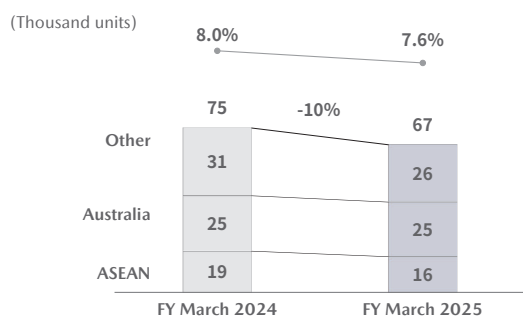


- 18,000 units sold, down 9% year on year
- Market share declined 0.1 points year on year to 0.2%
- Demand for new energy vehicles increased. Sales volume and market share decreased due to increased competition of vehicles with internal combustion engines
- In April 2024, the Mazda EZ-6, a dedicated electrified model, made its world premiere at Auto China 2024. It is scheduled to go on sale by the end of this year
- Full year sales forecast is 98,000 units, up 1% year on year

OTHER MARKETS



First Quarter Sales Volume & Australia Market Share



- 67,000 units sold, down 10% year on year
- Full year sales forecast is 339,000 units, up 17% year on year
- Australia:
 - 25,000 units sold, down 1% year on year. CX-5, CX-3 and MX-5 maintained strong sales and increased the volumes
 - Market share was down 0.4 points year on year to 7.6%
- ASEAN:
 - 16,000 units sold, down 14% year on year
 - Thailand: 3,000 units sold, down 50% year on year
 - Vietnam: 7,000 units sold, up 16% year on year
 - Malaysia: 4,000 units sold, down 18% year on year

CASH FLOW AND NET CASH

(Billion Yen)	FY March 2024	FY March 2025	Change from
	Full Year	1st Quarter	Prior FY End
Cash Flow from Operating Activities	418.9	26.2	-
Cash Flow from Investing Activities	-179.9	-20.2	-
Free Cash Flow	239.0	6.0	-
Cash and Cash Equivalents	919.3	944.9	+25.6
Interest-bearing Debt	567.8	578.9	+11.1
Net Cash	351.5	366.0	+14.5
Total Assets	3,791.8	3,883.2	+91.4
Equity	1,737.6	1,786.1	+48.5
Equity Ratio	46 %	46 %	0 pts

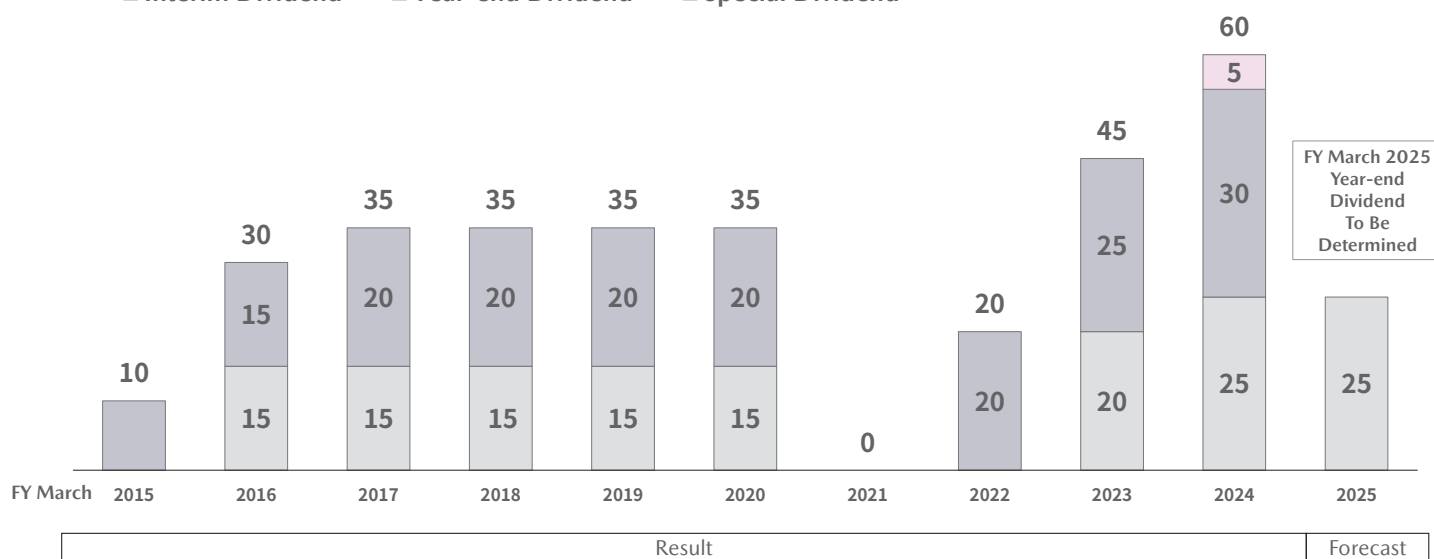
EXCHANGE RATES

(Yen)	FY March 2024	FY March 2025	Change from Prior Year	Change from May Forecast
	Full Year	Full Year	Full Year	Full Year
US Dollar	145	150	+5	+7
Euro	157	162	+5	+7
Canadian Dollar	107	109	+2	+3
Australian Dollar	95	99	+4	+5
British Pound	182	190	+8	+9
Thai Baht	4.11	4.11	+0.01	+0.11
Mexico Peso	8.35	8.31	-0.04	-0.10

DIVIDEND PAYMENT

Dividend Payment Per Share (Yen)

Interim Dividend
 Year-end Dividend
 Special Dividend



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.

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