



FISCAL YEAR MARCH 2019 FINANCIAL RESULTS

PRESENTATION OUTLINE

- **Financial Results and Forecast Summary**
- **Fiscal Year March 2019 Results**
- **Fiscal Year March 2020 Forecast**
- **Progress of Key Initiatives**
- **Medium-Term Management Policy**

FINANCIAL RESULTS AND FORECAST SUMMARY

【FY March 2019 Results】

- Global sales were 1,561,000 units, down 4% year on year
 - Sales were down from the prior year due to declines in China, the US and Australia despite volume growth in Japan and ASEAN
 - Crossover SUVs maintained strong sales momentum with launches of updated CX-5 and CX-8
- Revenue was ¥3,564.7 billion, operating profit was ¥83 billion and net income was ¥63.5 billion

【FY March 2020 Forecast】

- Forecasting global sales of 1,618,000 units, up 4% year on year, revenue of ¥3,700 billion, operating profit of ¥110 billion and net income of ¥80 billion
- Start full-scale launches of all-new Mazda3 and CX-30, the first cars in a new-generation of products
- Proceed with key initiatives for the future, including the development and introduction of new-generation products and technologies, while responding to changes in the business environment such as intensifying competition and stricter regulations
- Plan to pay an annual dividend of ¥35 per share

FISCAL YEAR MARCH 2019 RESULTS

FY MARCH 2019 GLOBAL SALES VOLUME

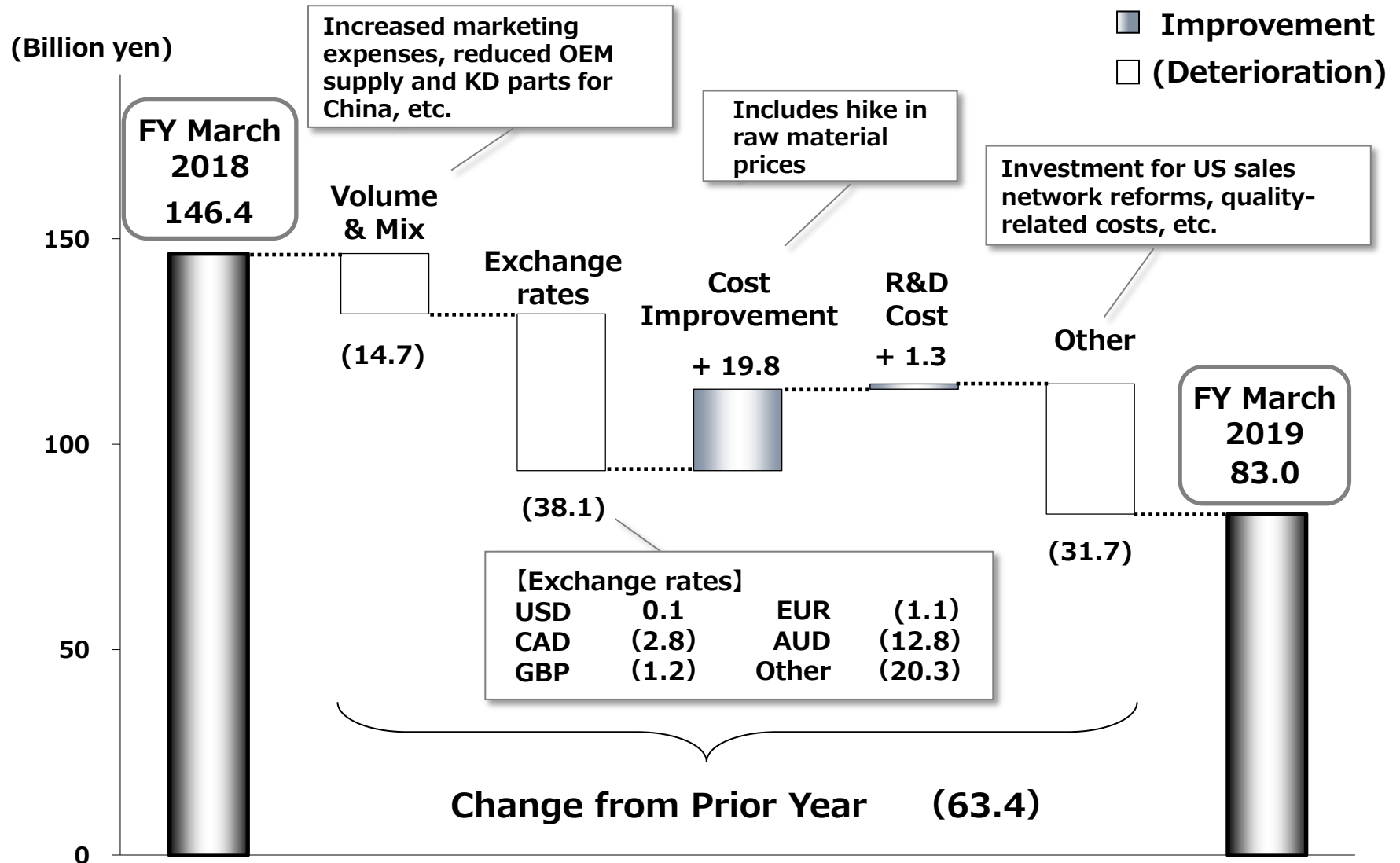
(000)	Full Year		Change from		
	FY March	FY March	Prior Year		Feb. Forecast
	2018	2019	Volume	YOY(%)	Volume
Global sales volume					
Japan	210	215	4	2 %	(3)
North America	435	421	(14)	(3)%	(7)
Europe	269	270	1	0 %	0
China	322	247	(75)	(23)%	(3)
Other Markets	394	409	14	4 %	4
Total	1,631	1,561	(69)	(4)%	(8)
<Breakdown>					
USA	304	287	(17)	(6)%	(5)
Australia	116	110	(6)	(5)%	(0)
ASEAN	116	137	20	18 %	2

FY MARCH 2019 FINANCIAL METRICS

(Billion yen)	Full Year		Change from		
	FY March	FY March	Prior Year		Feb. Forecast
	2018	2019	Amount	YOY(%)	Amount
Revenue	3,474.0	3,564.7	90.7	3 %	14.7
Operating profit	146.4	83.0	(63.4)	(43)%	3.0
Ordinary profit	172.1	116.8	(55.3)	(32)%	6.8
Profit before tax	157.5	108.3	(49.2)	(31)%	11.3
Net income	112.1	63.5	(48.6)	(43)%	8.5
Operating ROS	4.2%	2.3%	(1.9)pts		0.0 pts
EPS (Yen)	182.9	100.8	(82.1)		13.5
Exchange rate (Yen)					
US Dollar	111	111	0		0
Euro	130	128	(1)		0

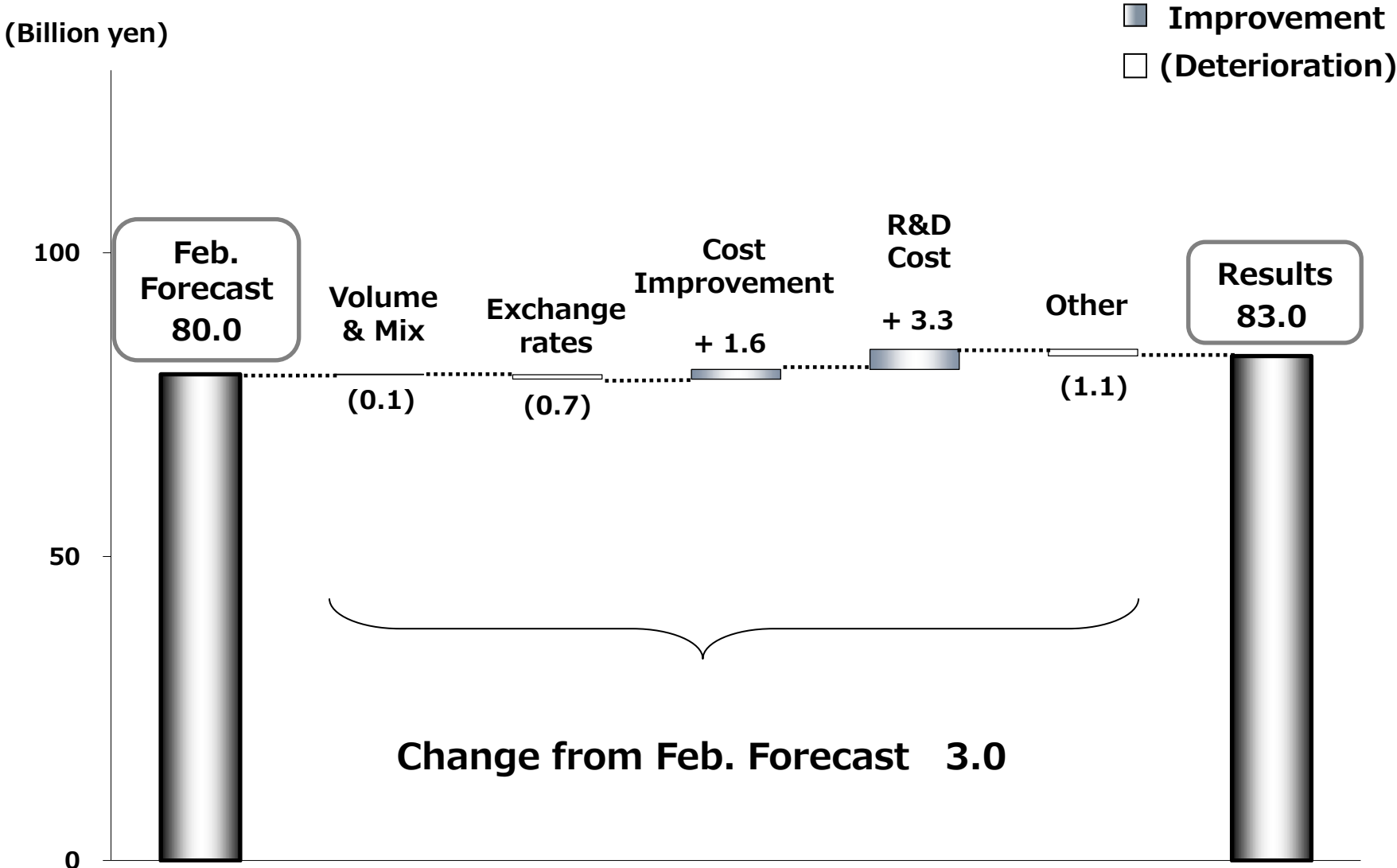
FY MARCH 2019 OPERATING PROFIT CHANGE

FY March 2019 Full Year vs. FY March 2018 Full Year



FY MARCH 2019 OPERATING PROFIT CHANGE

FY March 2019 Full Year vs. Feb. Forecast



FISCAL YEAR MARCH 2020 FORECAST

FY MARCH 2020 GLOBAL SALES VOLUME

(000)	Full Year		Change from	
	FY March 2019	FY March 2020	Prior Year Volume	YOY(%)
Global sales volume				
Japan	215	223	9	4 %
North America	421	456	35	8 %
Europe	270	286	17	6 %
China	247	265	18	7 %
Other Markets	409	387	(21)	(5)%
Total	1,561	1,618	57	4 %
<Breakdown>				
USA	287	324	37	13 %
Australia	110	100	(10)	(9)%
ASEAN	137	133	(3)	(2)%

FY MARCH 2020 FINANCIAL METRICS

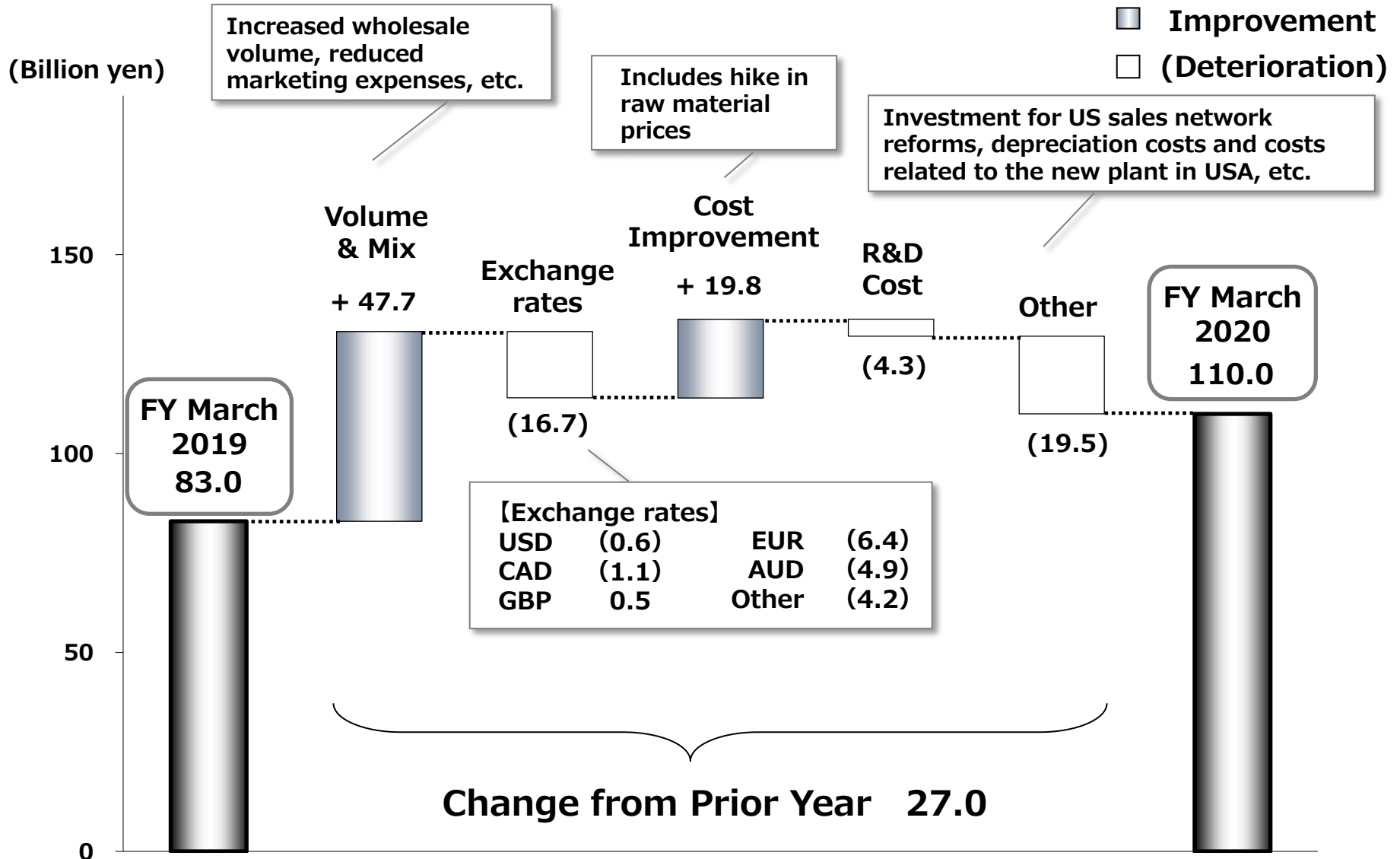
(Billion yen)	Full Year		Change from	
	FY March	FY March	Prior Year	
	2019	2020	Amount	YOY(%)
Revenue	3,564.7	3,700.0	135.3	4 %
Operating profit	83.0	110.0	27.0	33 %
Ordinary profit	116.8	125.0	8.2	7 %
Profit before tax	108.3	117.0	8.7	8 %
Net income	63.5	80.0	16.5	26 %
Operating ROS	2.3%	3.0%	0.7 pts	
EPS (Yen)	100.8	127.0	26.2	
Exchange rate (Yen)				
US Dollar	111	110	(1)	
Euro	128	126	(2)	

EXCHANGE RATES

(Yen)	Full Year		Change from Prior Year
	FY March 2019	FY March 2020	
US Dollar	111	110	(1)
Euro	128	126	(2)
Canadian Dollar	85	84	(1)
Australian Dollar	81	79	(2)
British Pound	146	147	1

FY MARCH 2020 OPERATING PROFIT CHANGE

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



PROGRESS OF KEY INITIATIVES

New-generation products

- **Global sales launches of all-new Mazda3**
 - Sales started in North America in January 2019, in Europe in March and Australia in April
 - Will be launched in Japan and other markets
 - Plan to introduce a model powered by SKYACTIV-X in late 2019 to enhance the lineup



- **CX-30 world premiere at Geneva Motor Show**
 - New compact crossover SUV, the second model in Mazda's new-generation lineup
 - As a new core model, global sales launches start from Europe this summer



Updates

- **Product updates to boost the appeal of current models**
 - Offer an engine lineup that meets a diverse range of needs, including making the SKYACTIV-G 2.5T available in Japan for the first time in the CX-5 and CX-8

PROGRESS OF KEY INITIATIVES

■ US sales network reform

- 265 dealers have signed up to invest in becoming next-generation brand dealers; the target is 300 dealers
- Annual sales volumes at the 65 dealers that have completed the changeover are rising steadily
- Focus on improving quality of operations mainly in 35 key markets



■ New joint-venture manufacturing plant in the US "Mazda Toyota Manufacturing, U.S.A., Inc."

- Preparations for start of operations in 2021 are on track

■ In a tough business environment, keep strengthening our financial foundation and paying a stable dividend while maintaining investments for future growth

MEDIUM-TERM MANAGEMENT POLICY

INTRODUCTION

100th Anniversary in 2020, and for the next 100 years



“Co-Creating With Others” Mazda’s Uniqueness

IDEAL FOR 2030-40

OUR DREAM

Mazda, together with
our friends sharing the same dreams,
through efforts to break through limitations,
will enable all stakeholders to feel alive,
proud of their connection
with Mazda, and emotionally
attached to the brand.



Making Dreams
Come True Together

POSITIONING OF MEDIUM-TERM MANAGEMENT POLICY

- “Next 6 years” toward ideal for 2030-40
- “Next 6 years” to fully introduce the new-generation lineup

Ideal for
2030-40

Structural Reform Plan

Transform business structure

Structural Reform Stage 2

Qualitative growth and brand value improvement

Medium-Term Management Policy

(FY March 2020 to FY March 2025)

Current-generation lineup

New-generation lineup

STRUCTURAL REFORM PLAN / STAGE 2 SUMMARY

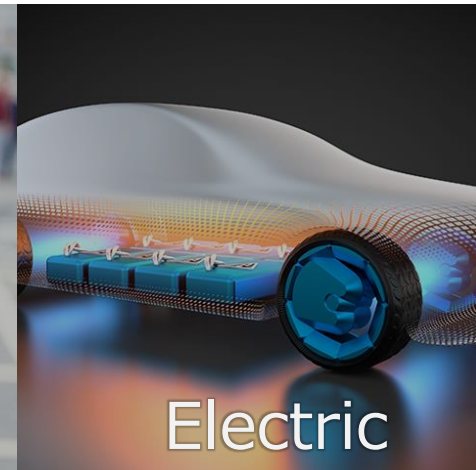
Effect of brand value improvement	<p>Per-unit revenue and residual values have improved, though progress varies by market</p>
Investment for brand value improvement	<ul style="list-style-type: none"> ■ Continued to improve products with Skyactiv technologies / Kodo Design ■ Continued upgrade to next-generation branded dealer facilities in Japan, Europe, and key emerging markets, and started in US
Expenses that depreciated brand value	<ul style="list-style-type: none"> ■ Increased marketing expenses ■ Increased quality costs
Investment in infrastructure	<p>Started to build an optimum supply structure</p>
Investment in partnership	<p>Comprehensive partnership with Toyota, in addition to enhanced alliances with existing partners</p>
Investment in employees / work environment	<p>Limited investment in work environment and employees</p>
Shareholder returns	<p>Resumed dividend payment in FY March 2014 to return about ¥90 billion to shareholders</p>
SDGs & CSR related Investment	<ul style="list-style-type: none"> ■ HIROJIREN (Hiroshima Council for the Promotion of Government, Academia, and Auto Industry Collaboration), demonstration test for regional revitalization ■ Limited investments related to SDGs & CSR
Financial structure improvement	<p>Improved net debt by ¥400 billion to achieve net cash position</p>

MAZDA'S STRENGTHS AND WEAKNESSES

Strengths	Weaknesses
Unique products and technologies	Economies of scale in sourcing
Well balanced overseas business	Fixed cost efficiency (R&D, capex, advertisement)
Culture of taking on difficult challenges	Financial power / funding capabilities
Variety of alliance partners	Car connectivity, autonomous driving, sharing

EXTERNAL ENVIRONMENTAL FACTORS AFFECTING AUTOMOBILE INDUSTRY

- Diversified spec requirements by market / diversified customer requests
- CASE (Connected, Autonomous, Shared, Electric)
- Declining birthrate and aging population, shrinking labor force (Japan)
- Worldwide social / economic uncertainties
- Climate change, environmental regulations
- Frequent natural disasters

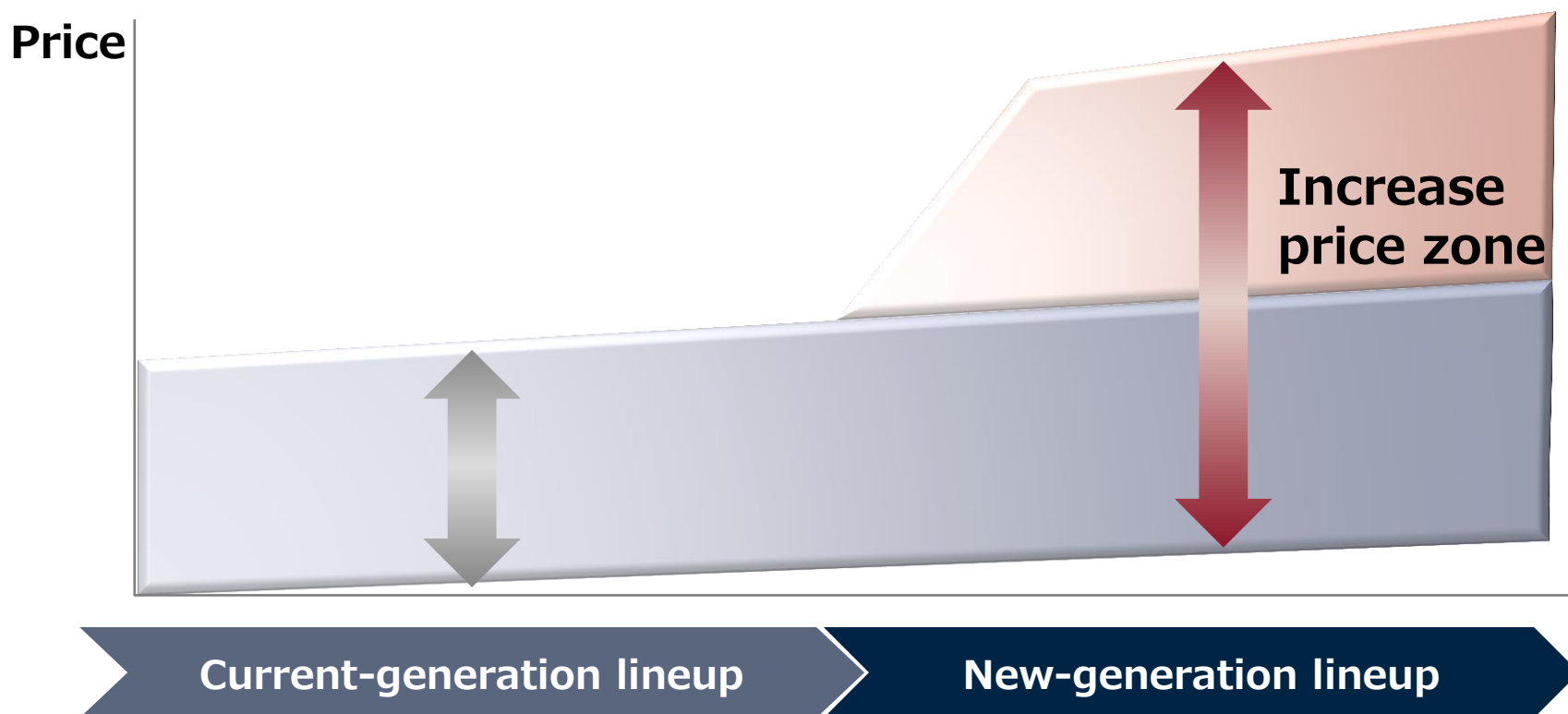


MEDIUM-TERM MANAGEMENT POLICY

- **Investment in unique products / customer experience**
- **Curb expenses that depreciate brand value**
- **Investment in the areas in which we need to catch up**

INVESTMENT FOR BRAND VALUE IMPROVEMENT (CUSTOMER AND MARKET DIVERSIFICATION)

- Expand the lineup of powertrains, including electric-drive technologies, and advanced technologies to meet the diverse needs of markets and customers



■ Maturing of Kodo Design



■ Small Architecture

- Skyactiv-G/D Upgrade, Skyactiv-X
- Mild Hybrid
- Independently-developed battery EV (xEVs)



■ Large Architecture

- Straight-six Skyactiv-X engine
- Straight-six Skyactiv-D (2nd-generation diesel engine)
- Longitudinal engine layout (incl. i-Activ AWD)
- 48V Mild Hybrid/Plug-in Hybrid

INVESTMENT FOR BRAND VALUE IMPROVEMENT (NEW TECHNOLOGY & INFRASTRUCTURE)

Connected

- Introduce Mazda Connect 2 with on-board communication device
- Start connected services

Autonomous

- Evolve and offer advanced safety technologies
- Deliver Mazda Co-Pilot concept

Shared

- Study participation in sharing business
- Jointly pilot shared mobility in rural area

Electric

- Introduce EV
- Introduce multi xEV
- Introduce plug-in hybrid

INVESTMENT FOR BRAND VALUE IMPROVEMENT (SALES & CUSTOMER EXPERIENCE)

- **Strengthen sales network**



- **Improve customer experience (CX)**



CURB EXPENSES THAT DEPRECIATE BRAND VALUE

- **Maintain and strengthen policy of sales based on communicating product values**
 - **Curb marketing expenses**
 - **Enhance trade cycle management**

- **Further improve quality**

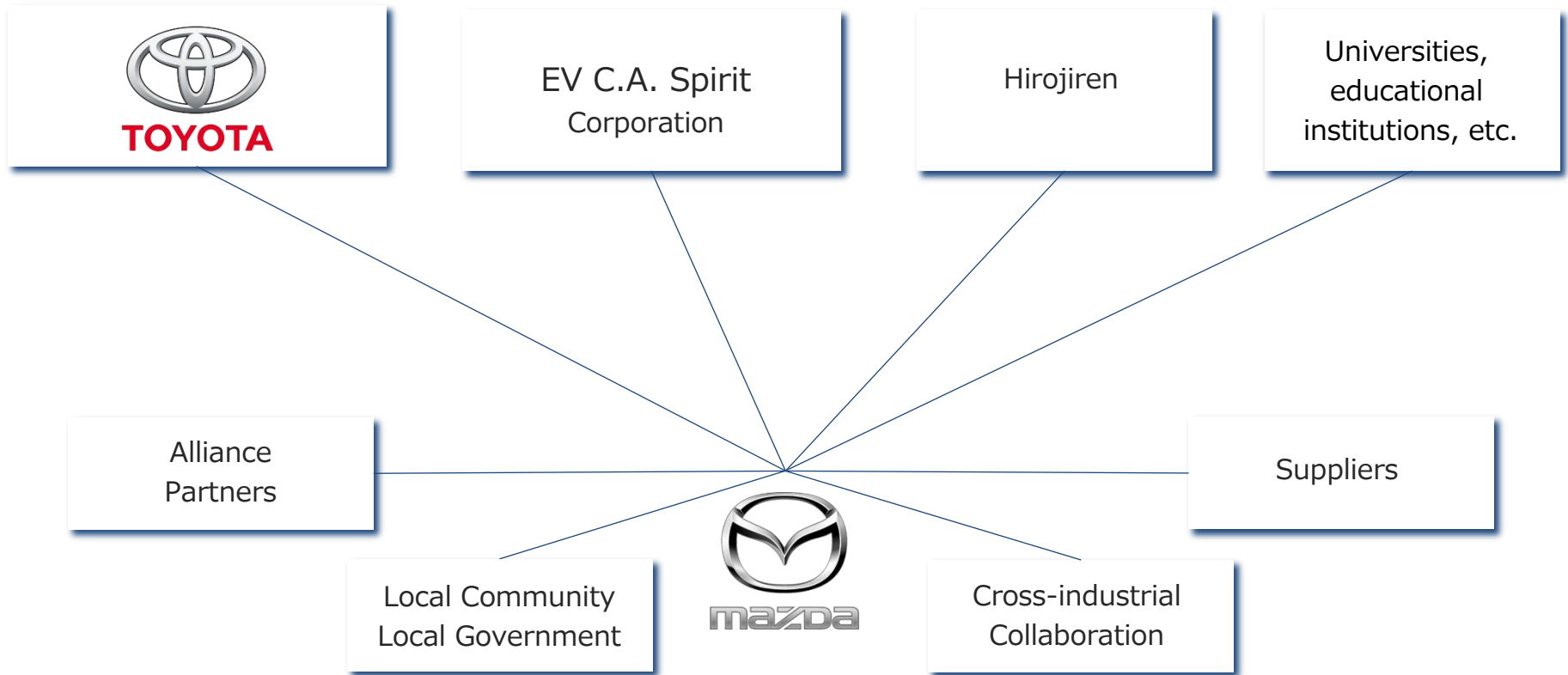
INVESTMENT IN INFRASTRUCTURE

- **Build an optimum production framework that supports local production for local consumption (Start operations at US joint venture plant in 2021)**
- **Infrastructure investment and collaboration with other companies and industries for connectivity, sharing business, etc.**



INVESTMENT IN PARTNERSHIP

- Promote collaboration with partners, working together on a basis of mutual trust



To maximize employees' contribution

- Support diverse work-styles and upgrade HR policies
- Enhance efficiency through work process reforms and continuous improvement
- Improve and enhance work environments

SDGs & CSR-RELATED INVESTMENT

- **Build a social contribution model that enriches people's lives**
- **Increase investment in environment and safety technologies**

“Joy of life” felt through social connections



DIRECTION OF INITIATIVES: SUMMARY

Effect of brand value improvement	Improve per-unit revenue by responding to customer and market diversification
Investment for brand value improvement	Invest in new-gen products, network, and customer experience
Curb expenses that depreciate brand value	<ul style="list-style-type: none">■ Trade cycle management, and reduce incentives■ Quality improvement to enhance customer satisfaction
Investment in infrastructure	<ul style="list-style-type: none">■ Build an optimum production structure that supports local production for local consumption■ Invest in infrastructure for connectivity/sharing business, etc.
Investment in partnerships	Based on mutual trust, enhance alliances with partners to work together
Investment in employees/ work environment	Improve work environment to enhance employee motivation
Shareholder returns	Continue stable shareholder returns
SDGs & CSR-related Investment	<ul style="list-style-type: none">■ Co-exist with society and focus on our raison d'être■ Increase investment in environment and safety technologies

MEDIUM-TERM MANAGEMENT POLICY METRICS FY MARCH 2025

Revenue	About ¥4.5 trillion
Profit	Stable earnings ROS* 5% or higher / ROE 10% or higher <small>*Operating return on sales</small>
Investment for future	<ul style="list-style-type: none">■ Capex and R&D: 7-8% of revenue (on average)■ Sales network, customer experience, infrastructure, employees & work environment, etc.
Financial structure	Maintain net cash position
Shareholder returns	Sustainable payout ratio at 30% or higher
Sales volume	About 1.8 million units

“Co-Creating With Others” Mazda’s Uniqueness

Ideal for
2030-40

Medium-Term Management Policy

(FY March 2020 to FY March 2025)

- Investment in unique products / customer experience
- Curb expenses that depreciate brand value
- Investment in the areas in which we need to catch up

New-generation lineup

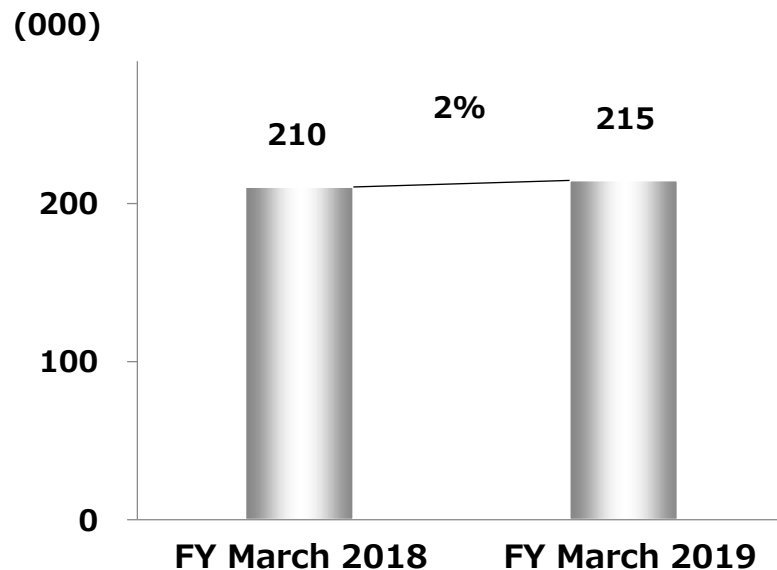


APPENDIX

JAPAN



Full-Year Sales Volume



- Sales were 215,000 units, up 2% year on year
- Market share was 4.1%, and registered vehicle market share was 5.2%, up 0.1 points year on year
- Sales of updated CX-5, CX-8 and Mazda6 remained strong
- CX-8 was the best-selling three-row SUV in Japan in 2018*

*According to in-house research

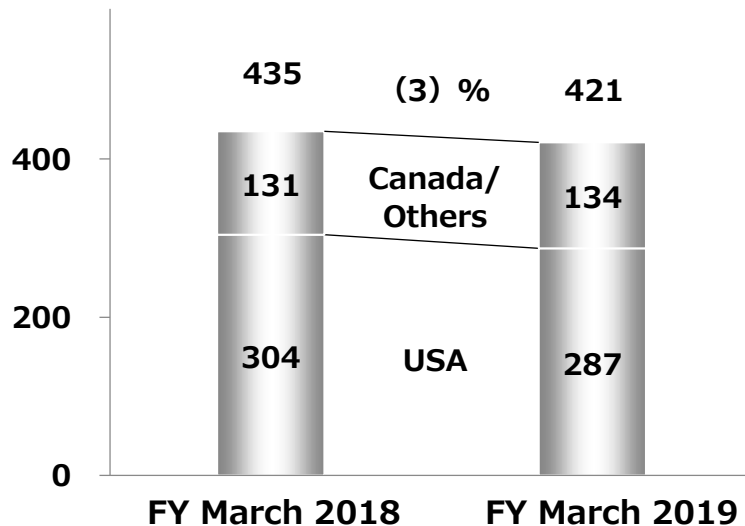
NORTH AMERICA



All-New Mazda3

Full-Year Sales Volume

(000)



- Sales were 421,000 units, down 3% year on year
- USA: 287,000 units, down 6% year on year
 - Sedan models continued to face a tough sales environment
 - Sales of all-new Mazda3 start in earnest from April; transition to the new model is on track
 - Despite intensifying competition, CX-5 “sales quality” improved with increased sales of high-grade SKYACTIV-G 2.5T model
- Canada: 72,000 units, down 4% year on year
- Mexico: 61,000 units, up 12% year on year

EUROPE



- Sales were 270,000 units, on par with the prior year

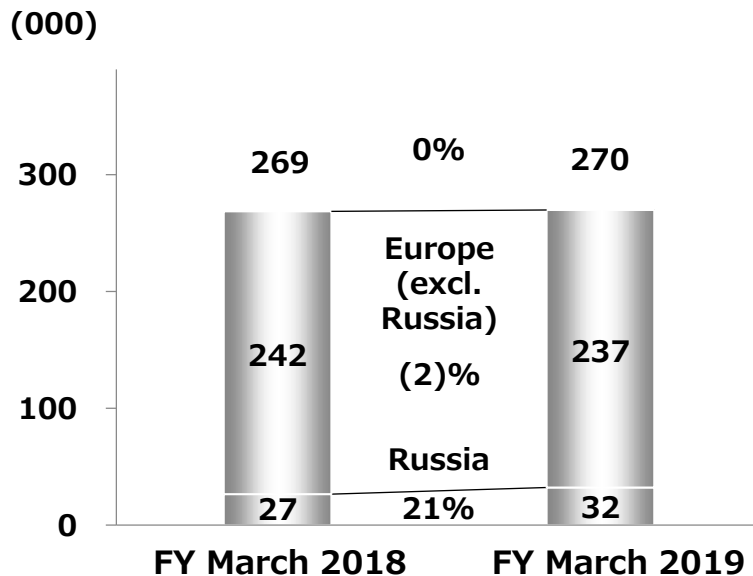
- A 17% year-on-year drop in Mazda3 sales was offset by increased sales of Mazda2 and CX-5, both up 8%

- Sales in Europe excluding Russia were 237,000 units, down 2% year on year

- Germany: 67,000 units, down 1% year on year
- UK: 39,000 units, up 1% year on year
- Spain: 21,000 units, up 5% year on year

- Russia: 32,000 units, up 21% year on year

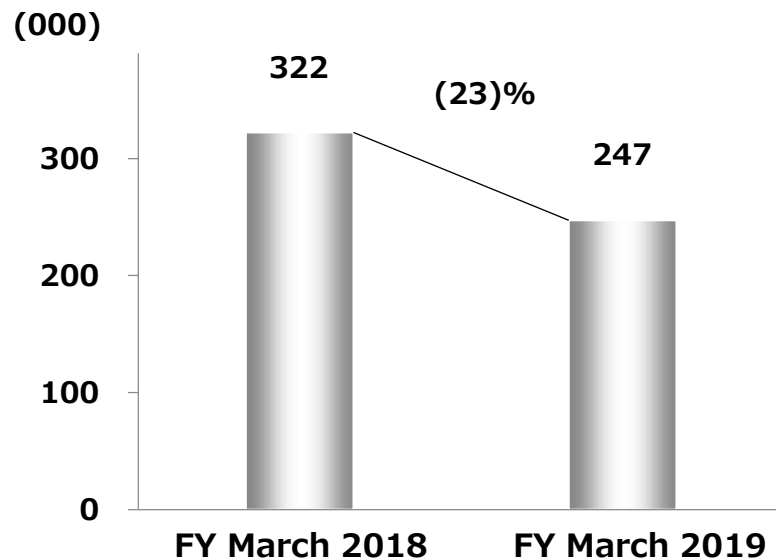
Full-Year Sales Volume



CHINA



Full-Year Sales Volume



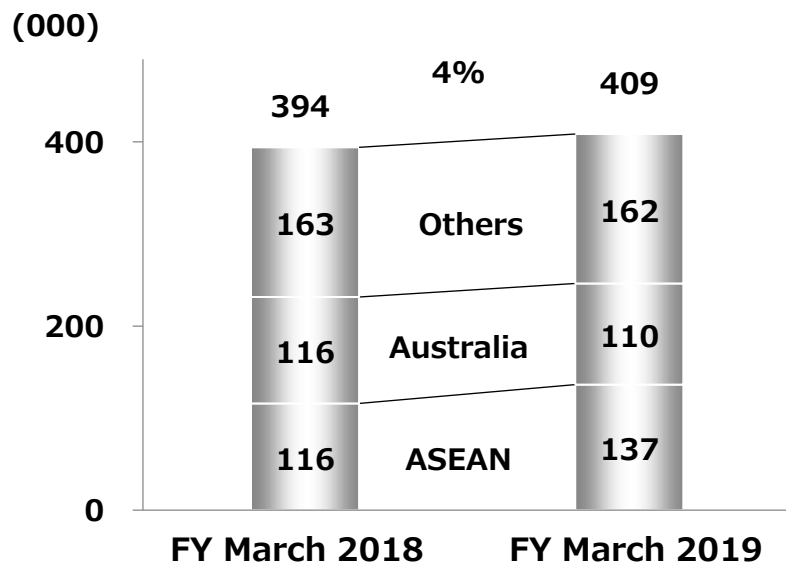
- Sales were 247,000 units, down 23% year on year
- Industry demand slowed, mainly due to the US-China trade dispute. Intensified competition caused sales of key models to decline
- Firmly upheld measures to improve “sales quality,” including communication of product values and optimization of inventory at dealerships
- Continue strengthening brand value in preparation for a sales turnaround with upcoming launches of new-generation and updated products

OTHER MARKETS



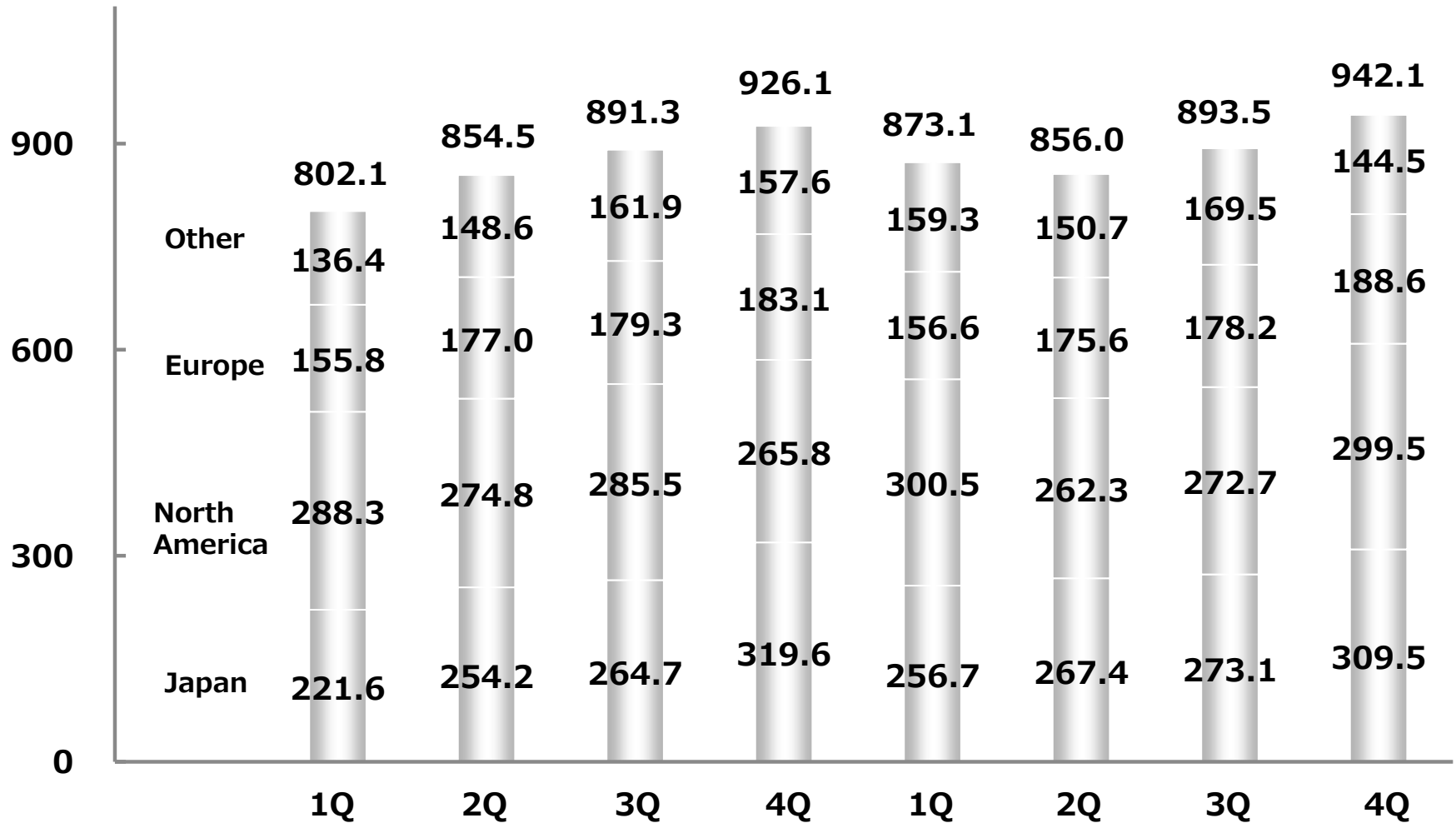
- Sales were 409,000 units, up 4% year on year
- Australia: 110,000 units, down 5% year on year
 - Maintained market share on par with the prior year despite declining industry demand and intensifying competition
 - Continued to enhance “sales quality,” including grade mix improvement, through launches of updated models
 - For Mazda3, transition to the new model is on track
- ASEAN: 137,000 units, up 18% year on year
 - Thailand: 70,000 units, up 25% year on year
 - Vietnam: 32,000 units, up 14% year on year

Full-Year Sales Volume



REVENUE BY GEOGRAPHIC AREA

(Billion yen)

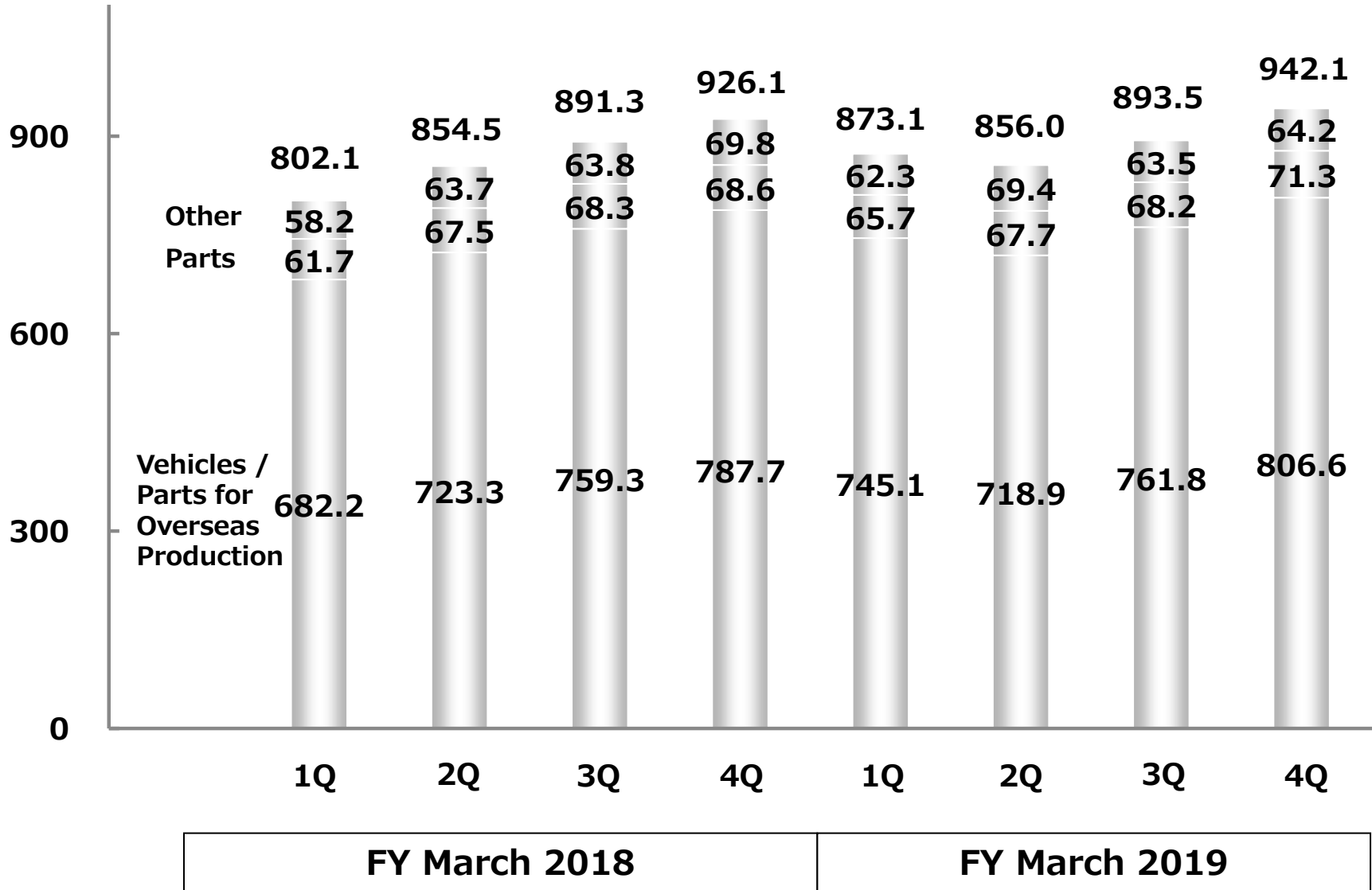


FY March 2018

FY March 2019

REVENUE BY PRODUCT

(Billion yen)

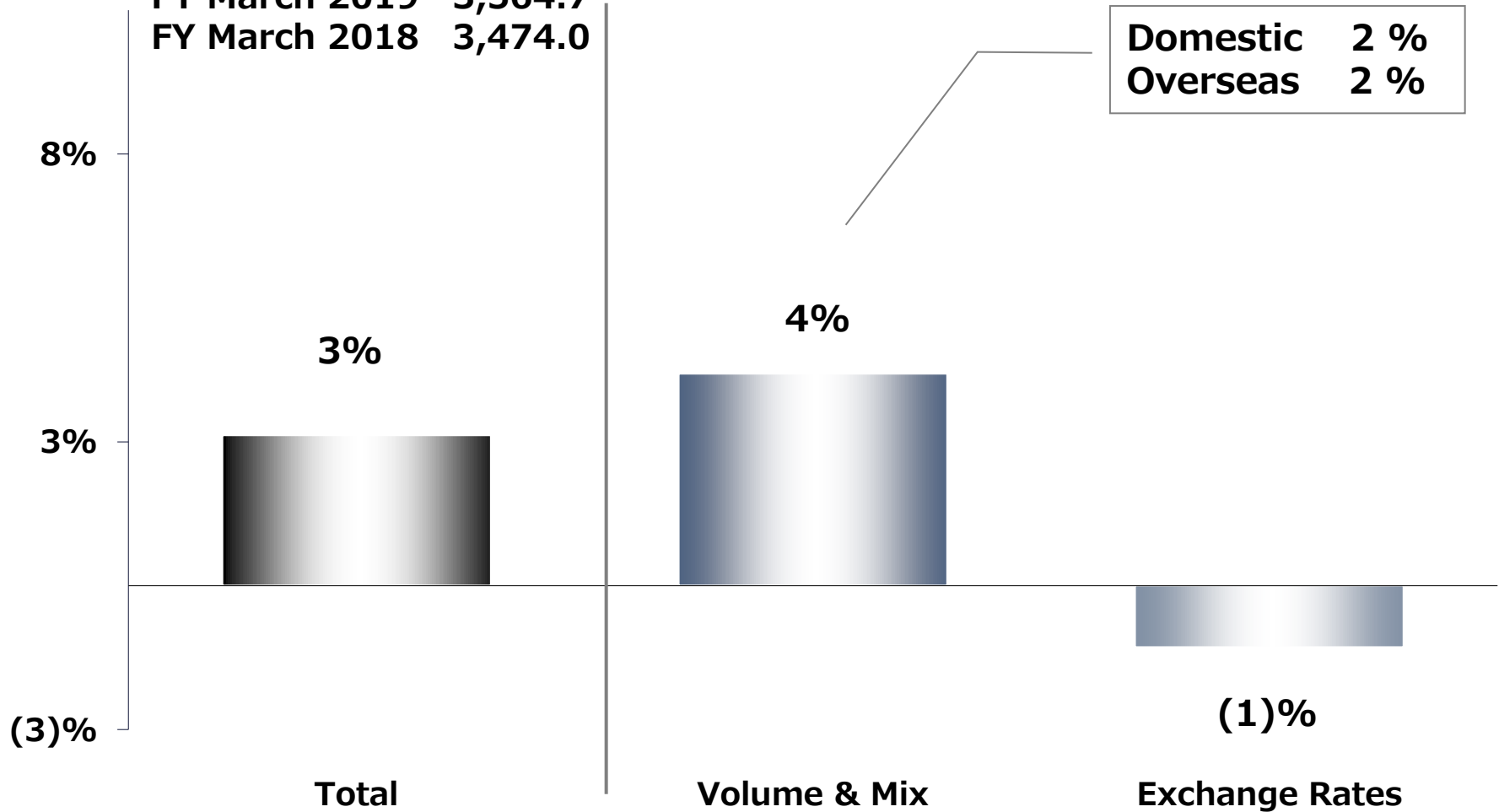


REVENUE CHANGE

FY March 2019 Full Year vs. FY March 2018 Full Year

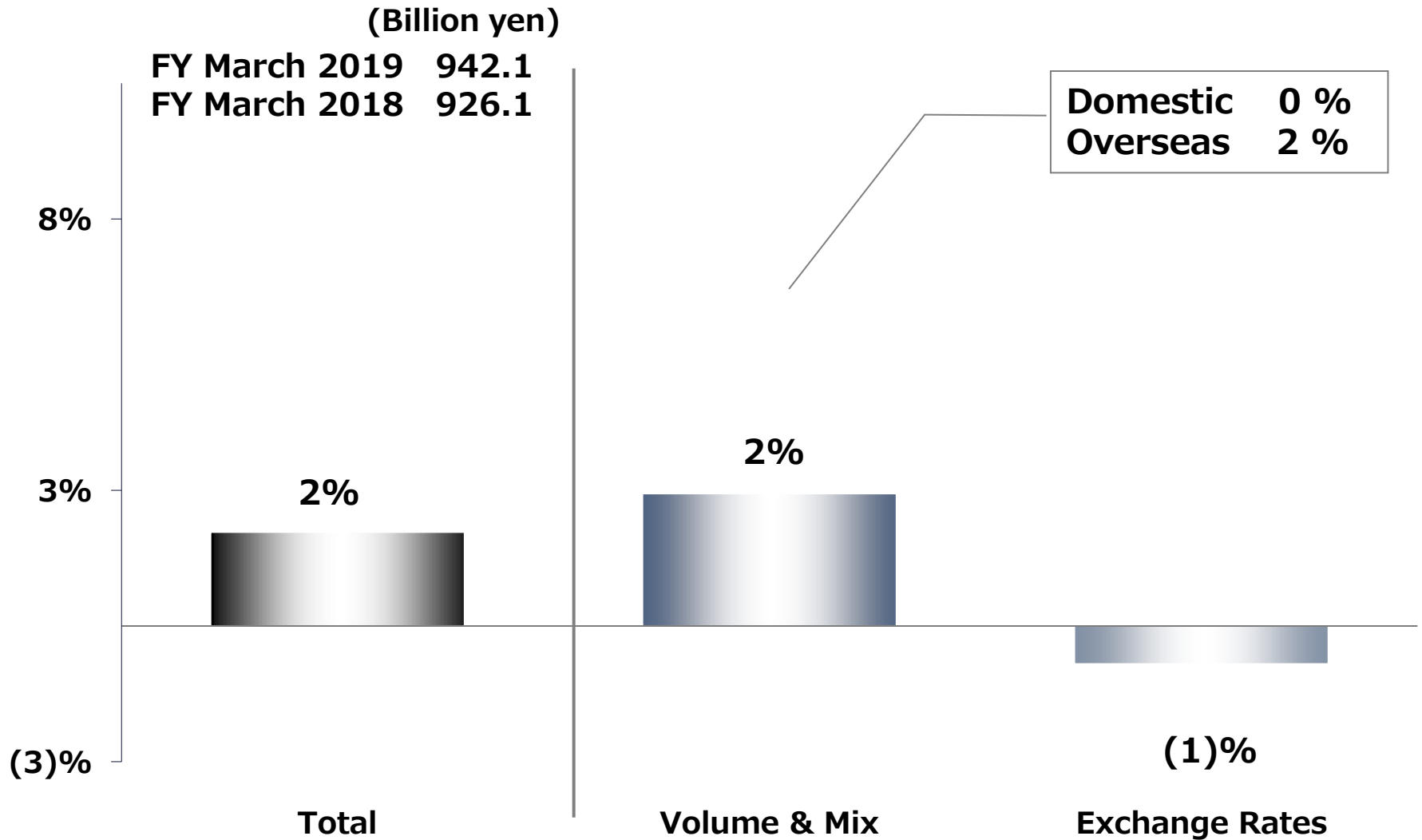
(Billion yen)

FY March 2019 3,564.7
FY March 2018 3,474.0



REVENUE CHANGE

FY March 2019 4th Quarter vs. FY March 2018 4th Quarter



GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

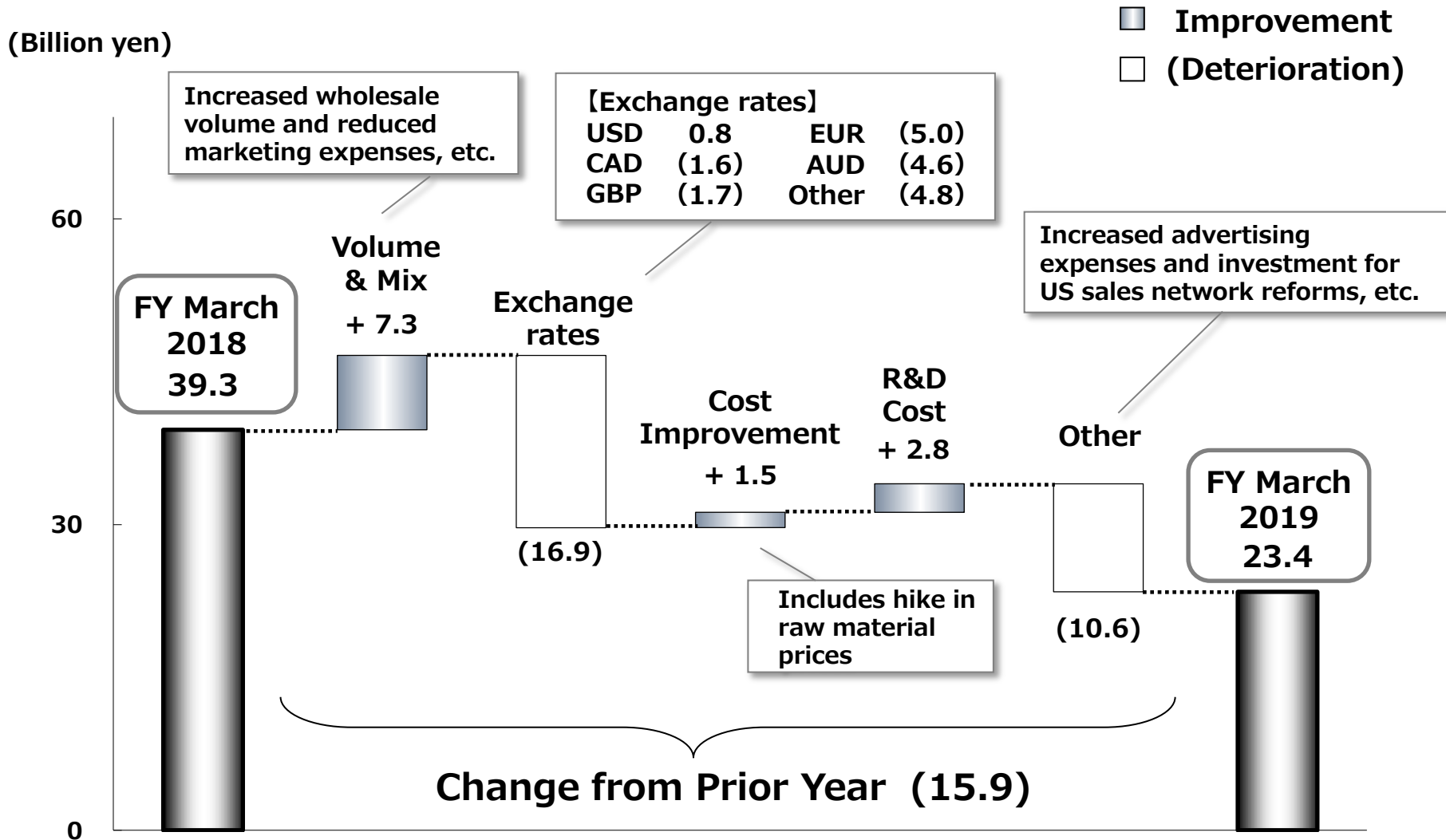
(000)	Fourth Quarter		Change from	
	FY March 2018	FY March 2019	Prior Year	
			Volume	YOY(%)
Global sales volume				
Japan	71	65	(6)	(9)%
North America	114	101	(13)	(11)%
Europe	76	73	(2)	(3)%
China	77	52	(25)	(32)%
Other Markets	107	100	(7)	(6)%
Total	445	392	(53)	(12)%
Consolidated wholesales				
Japan	65	64	(2)	(3)%
North America	104	108	4	4 %
Europe	68	73	4	6 %
Other Markets	108	104	(4)	(3)%
Total	345	349	3	1 %
<Breakdown>				
USA	76	70	(6)	(7)%

FY MARCH 2019 FINANCIAL METRICS

(Billion yen)	Fourth Quarter		Change from	
	FY March	FY March	Prior Year	
	2018	2019	Amount	YOY(%)
Revenue	926.1	942.1	16.0	2 %
Operating profit	39.3	23.4	(15.9)	(40)%
Ordinary profit	37.3	31.4	(5.9)	(16)%
Profit before tax	32.7	28.5	(4.2)	(13)%
Net income	27.2	26.5	(0.7)	(3)%
Operating ROS	4.2%	2.5%	(1.7)pts	
EPS (Yen)	43.1	42.0	(1.1)	
Exchange Rate (Yen)				
US Dollar	108	110	2	
Euro	133	125	(8)	

FY MARCH 2019 OPERATING PROFIT CHANGE

FY March 2019 4th Quarter vs. FY March 2018 4th Quarter



CASH FLOW AND NET CASH

(Billion yen)	FY March 2018 <u>Full Year</u>	FY March 2019 <u>Full Year</u>	Change from <u>Prior FY End</u>
Cash Flow			
- From Operating activities	207.8	146.7	-
- From Investing activities	<u>(160.0)</u>	<u>(131.6)</u>	-
- Free Cash Flow	47.8	15.1	-
Cash and Cash Equivalents	604.9	701.6	96.7
Net Cash	107.0	94.6	(12.4)
Equity Ratio	44 / 45 [*] %	42 / 44 [*] %	(1) / (1) [*] pts

*Reflecting "equity credit attributes" of the subordinated loan

GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

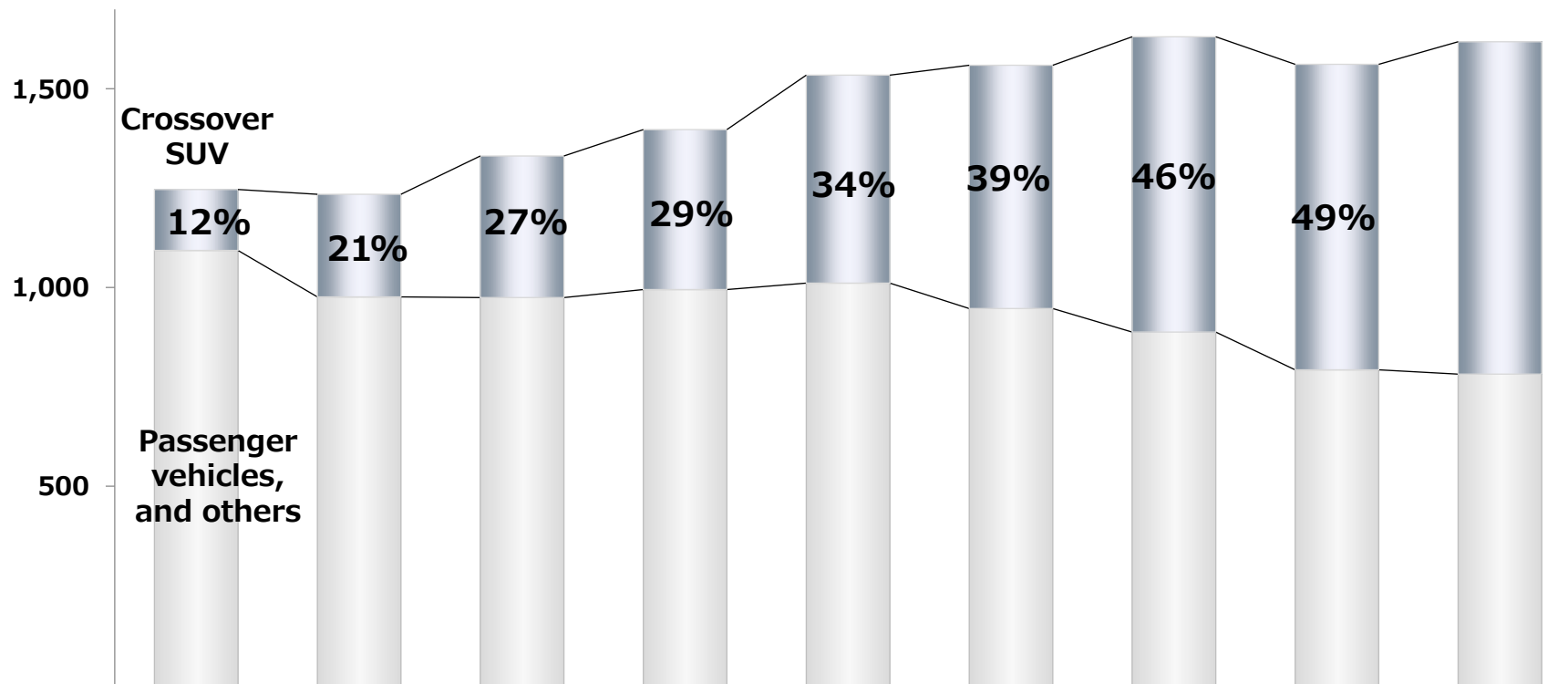
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Global sales volume					
Japan	210	215	4	2 %	(3)
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Europe	269	270	1	0 %	0
China	322	247	(75)	(23)%	(3)
Other Markets	394	409	14	4 %	4
Total	1,631	1,561	(69)	(4)%	(8)
Consolidated wholesales					
Japan	199	210	12	6 %	(2)
North America	423	424	0	0 %	(3)
Europe	266	267	1	0 %	(0)
Other Markets	386	411	24	6 %	(0)
Total	1,274	1,311	37	3 %	(6)
<Breakdown>					
USA	289	285	(4)	(1)%	(3)

GLOBAL SALES VOLUME AND CONSOLIDATED WHOLESALLES

(000)	Full Year		Change from	
	FY March 2019	FY March 2020	Prior Year	
			Volume	YOY(%)
Global sales volume				
Japan	215	223	9	4 %
North America	421	456	35	8 %
Europe	270	286	17	6 %
China	247	265	18	7 %
Other Markets	409	387	(21)	(5)%
Total	1,561	1,618	57	4 %
Consolidated wholesales				
Japan	210	219	8	4 %
North America	424	455	31	7 %
Europe	267	278	11	4 %
Other Markets	411	389	(22)	(5)%
Total	1,311	1,340	29	2 %
<Breakdown>				
USA	285	326	41	14%

CROSSOVER SUV RATIO

(000 units)



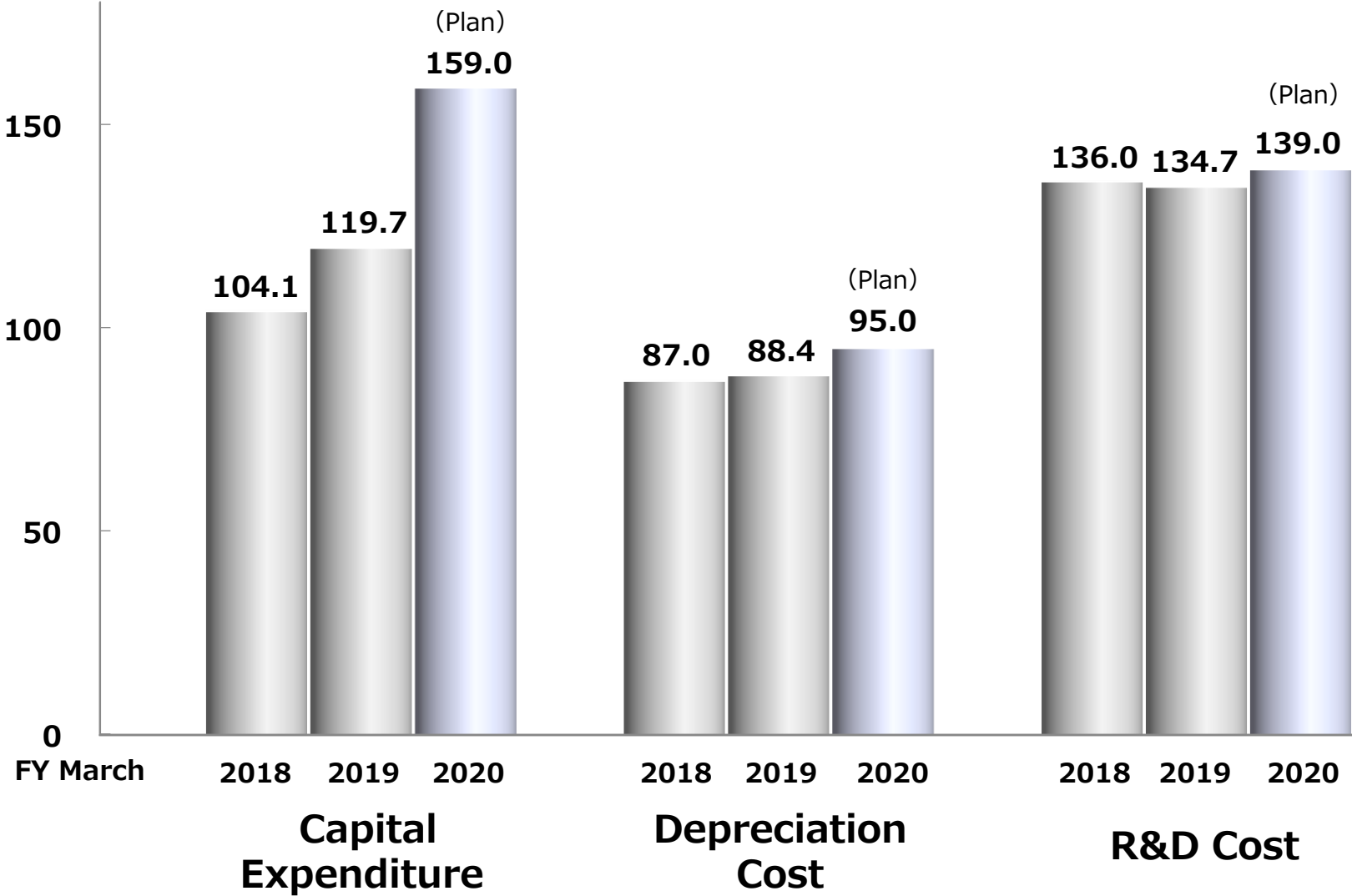
FY March

Global sales volume (000 units)	1,247	1,235	1,331	1,397	1,534	1,559	1,631	1,561	1,618
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Results	Plan
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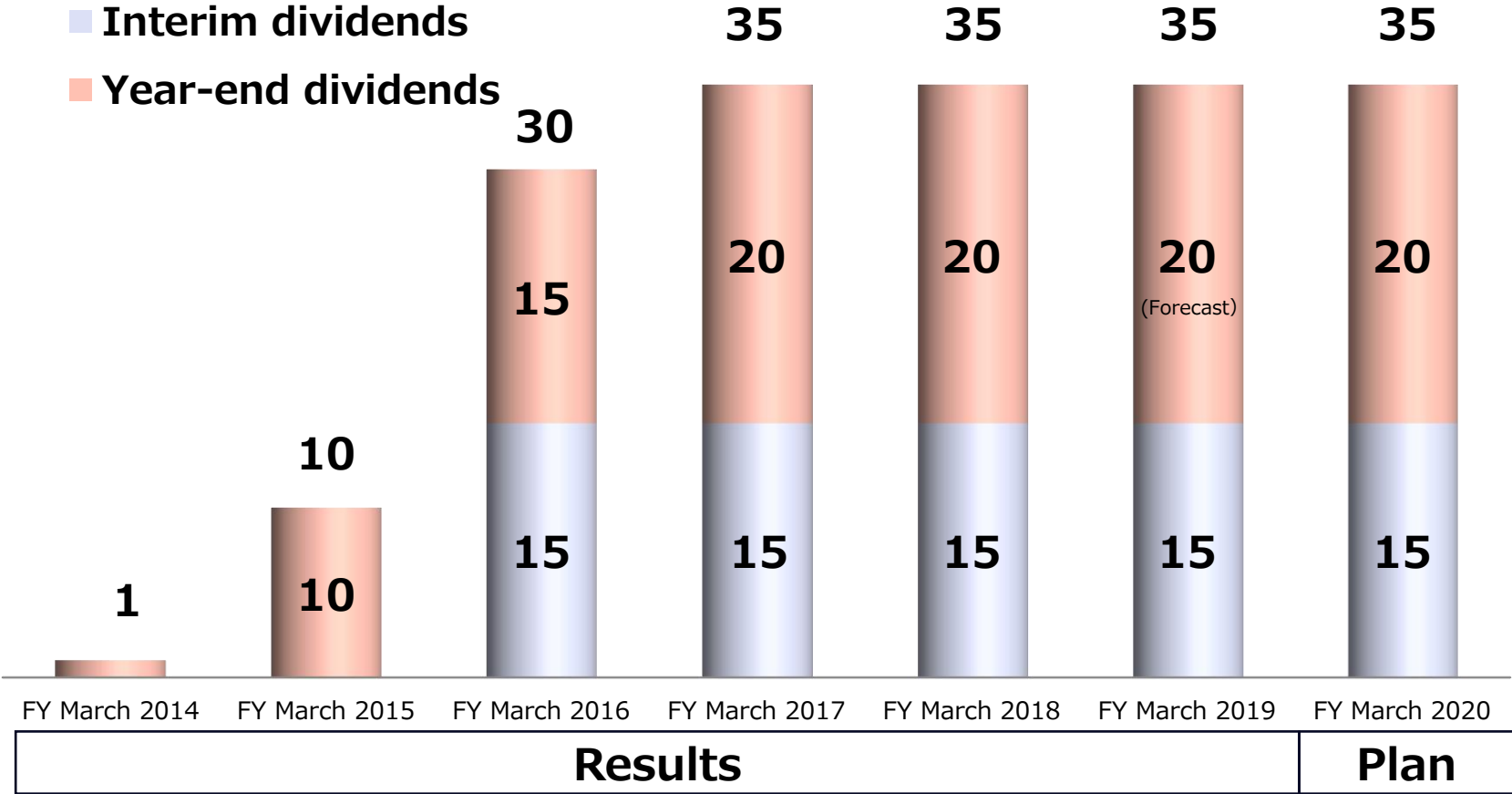
KEY DATA

(Billion Yen)



DIVIDEND PAYMENT

Trend of dividends per share



Note) A share consolidation was implemented on common stock with a ratio of five shares to one share on August 1, 2014. Dividends per share represent actual amounts applicable to the respective years.

DISCLAIMER

The projections and future strategies shown in this presentation are based on various uncertainties including 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.