

**Consolidated Financial Results**  
**For the Third Quarter of the Fiscal Year Ending March 31, 2018**  
**(For the First Nine Months Ended December 31, 2017)**



Prepared in Conformity with Generally Accepted Accounting Principles in Japan  
 English Translation from the Original Japanese-Language Document

February 7, 2018

Company Name : **Mazda Motor Corporation** (Tokyo Stock Exchange / Code No. 7261)  
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Filing of *Shihanki Hokokusho*,  
 quarterly securities report : Scheduled for February 13, 2018  
 Payment of Dividends : -  
 Supplementary Material : Yes  
 Briefing Session : Yes (Intended for securities analysts, institutional investors and media)

(in Japanese yen rounded to millions, except amounts per share)

**1. Consolidated Financial Highlights (April 1, 2017 through December 31, 2017)**

**(1) Consolidated Financial Results**

(Percentage indicates change from same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
<b>FY2018 3rd quarter</b>	<b>2,547,928</b>	8.5	<b>107,120</b>	5.1	<b>134,842</b>	14.3	<b>84,907</b>	6.2
FY2017 3rd quarter	2,348,602	(7.8)	101,955	(41.2)	117,943	(31.4)	79,934	(35.3)

Note: Comprehensive income  
 FY2018 3rd quarter **107,233 millions of yen** ( **46.6 %** )  
 FY2017 3rd quarter 73,171 millions of yen ( (37.1) % )

	Net Income Per Share	Net Income Per Share (Diluted)
	yen	yen
<b>FY2018 3rd quarter</b>	<b>139.79</b>	<b>139.77</b>
FY2017 3rd quarter	133.71	133.70

**(2) Consolidated Financial Position**

As of	Total Assets	Net Assets	Equity Ratio
	millions of yen	millions of yen	%
<b>December 31, 2017</b>	<b>2,697,614</b>	<b>1,200,322</b>	<b>43.5</b>
March 31, 2017	2,524,552	1,064,038	41.2

Reference: Net Assets excluding non-controlling interests

As of December 31, 2017 **1,173,611 millions of yen**  
 As of March 31, 2017 1,039,421 millions of yen

**2. Dividends**

	Dividends Per Share				
	1st. Qtr.	2nd. Qtr.	3rd. Qtr.	Year End	Full-Year
	yen	yen	yen	yen	yen
FY2017	-	15.00	-	20.00	35.00
<b>FY2018</b>	-	<b>15.00</b>	-		
<b>FY2018 (Forecast)</b>				<b>20.00</b>	<b>35.00</b>

Note: Revision of the dividend forecast most recently announced: None

**3. Consolidated Financial Forecast (April 1, 2017 through March 31, 2018)**

(Percentage indicates change from the previous fiscal year)

	Net sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income Per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2018 Full Year	3,500,000	8.9	150,000	19.3	170,000	21.9	100,000	6.6	163.25

Note: Revision of the consolidated financial forecast most recently announced: Yes

The Company issued 31,928,500 shares of common stock by way of third-party allotment on October 2, 2017.

Net income per share in the consolidated financial forecast has been adjusted to reflect the increase in outstanding shares.

**Notes:**

**(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation):** None

Newly added subsidiaries: None Excluded subsidiaries: None

**(2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements:** None

**(3) Changes in accounting policies / Changes in accounting estimates / Restatement:**

- |  |      |
|--|------|
| 1) Changes in accounting policies with accompanying revision of accounting standards | None |
| 2) Voluntary changes in accounting policies except 1)                                | Yes  |
| 3) Changes in accounting estimates   | None |
| 4) Restatement   | None |

Note: Please refer to "2. Quarterly Consolidated Financial Statements and Major Footnotes - (4) Footnotes to the Quarterly Consolidated Financial Statements" on Page 14 of the attachment.

**(4) Number of outstanding shares (Common stock)**

1) Number of outstanding shares (including treasury stock)		
	<b>As of December 31, 2017</b>	<b>631,803,979 shares</b>
	As of March 31, 2017	599,875,479 shares
2) Number of treasury stock		
	<b>As of December 31, 2017</b>	<b>2,057,329 shares</b>
	As of March 31, 2017	2,059,416 shares
3) Average number of outstanding shares		
	<b>For 9 months ended December 31, 2017</b>	<b>607,396,433 shares</b>
	For 9 months ended December 31, 2016	597,816,976 shares

**This document is out of the scope of the quarterly review.**

**Cautionary Statements with Respect to Forward-Looking Statements**

The financial forecast and other descriptions of the future presented in this document are an outlook based on our judgments and projections. The judgments and projections are based on information presently available. As such, the financial forecast and future descriptions are subject to uncertainties and risks, and are not contemplated to ensure the fulfillment thereof. Accordingly, the actual financial performance may vary significantly due to various factors.

For detail such as precondition of the financial forecast, please refer to "1. Qualitative Information on Consolidated Results for the Quarterly Period - (3) Future Estimates such as Consolidated Financial Forecast" on page 4 of the attachment.

**ATTACHMENT**

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**(Reference)**

**Financial Summary (Consolidated)**

**For the Third Quarter of the Fiscal Year Ending March 31, 2018**

# 1. Qualitative Information on Consolidated Results for the Quarterly period

## (1) Consolidated Financial Results

Under the medium-term business plan “Structural Reform Stage 2” (from the fiscal year ended March 31, 2017 to the fiscal year ending March 31, 2019), the Mazda Group has worked to provide customers with products that are attractive in terms of both driving pleasure and outstanding environmental as well as safety performance, and to further improve the brand value with the aim of qualitative growth of business in all areas.

In the third quarter accounting period (three-month period), we launched the all-new Mazda CX-8, the flagship of Mazda’s SUV lineup in Japan. The all-new CX-8 is a crossover SUV with three rows of seating and offers customers a new choice in multi-passenger vehicles. And to meet the increasing global demand for crossover vehicles, we commenced the production of the all-new Mazda CX-5 at Hofu plant in Japan in October last year. We will establish a flexible production structure so that we can respond promptly to the increasing demand for crossover vehicles. In addition, we have continued to promote the further enhancement of advanced safety technology. In Japan, all of our six key models, which are categorized from compact car to crossover SUV with three rows of seating, are qualified for a "Safety Support Car S - Wide" rating <sup>(\*)</sup> under the public awareness campaign being run by Japan's Ministry of Economy, Trade and Industry and Ministry of Land, Infrastructure, Transport and Tourism.

Going forward, we hope to enrich customers’ lives through a car ownership experience that celebrate driving, and to become a brand with which customers feel a strong emotional connection.

(\*) A sub-category of "Safety Support Car S" for vehicle featuring such technologies as a system to curb sudden acceleration when the driver steps on the accelerator by mistake, which can be particularly effective for elderly drivers

Global retail volume for the first nine months of the fiscal year ending March 31, 2018 was 1,186 thousand units, up 2.1 % year on year, owing to the contribution of all-new CX-5 sales in global markets as well as continued strong sales in China, which drove the increase in sales volume.

Retail volume by market was as follows.

<Japan>

Retail volume was 139 thousand units, up 5.3 % year on year, due to the volume contribution of the all-new CX-5 which remained strong since the introduction. In addition, the all-new CX-8, which we commenced the sales in December last year, got off to a good start, with orders far surpassing our planned monthly sales volume.

<North America>

In the U.S., retail volume was 220 thousand units, down 5.5 % year on year mainly due to fleet sales reduction. Although sales of crossover models such as the all-new CX-5 were strong, sales of sedan-based models declined due to the intensifying competition. For North America as a whole, although sales increased in Canada, retail volume was 321 thousand units, down 2.9 % year on year.

<Europe>

Retail volume was 193 thousand units, up 1.2 % year on year due to increased sales in the key market of Germany as well as the year-on-year increase in sales in Russia. By automobile type, the all-new CX-5 sales were strong in European countries and contributed to the increase in sales volume.

<China>

Retail volume was 245 thousand units, up 7.8 % year on year mainly due to the continued strong sales of the Mazda3 and Mazda CX-4 as well as the steady sales of the all-new CX-5, which we introduced in September last year, achieving record-high sales volume for the first nine months.

<Other markets>

Retail volume in total was 288 thousand units, up 2.6 % year on year. In the key market of Australia, although retail volume was 86 thousand units, down 2.1 % year on year, sales of crossover models such as the all-new CX-5 continued to be strong. In the ASEAN market, the sales in Thailand were strong, while the sales declined in Vietnam and others. In other markets, record sales were achieved in countries such as New Zealand and Chile.

Financial performance on a consolidated basis for the first nine months of the fiscal year ending March 31, 2018 was as follows. Net sales amounted to ¥2,547.9 billion, an increase of ¥199.3 billion or 8.5 % compared to the corresponding period in the previous fiscal year, reflecting the impact of yen's depreciation and others. Operating income amounted to ¥107.1 billion, an increase of ¥5.1 billion or 5.1 % compared to the corresponding period in the previous fiscal year, owing to the impact of yen's depreciation and costs improvement, while wholesales fell and marketing expense increased. Ordinary income amounted to ¥134.8 billion, an increase of ¥16.9 billion or 14.3 % compared to the corresponding period in the previous fiscal year. Net income attributable to owners of the parent amounted to ¥84.9 billion, an increase of ¥5.0 billion or 6.2 % compared to the corresponding period in the previous fiscal year.

Financial results by reportable segment for the first nine months of the fiscal year ending March 31, 2018 was as follows. In Japan, net sales amounted to ¥2,096.7 billion, an increase of ¥107.0 billion or 5.4 % compared to the corresponding period in the previous fiscal year, and operating income by segment (hereinafter referred to as "operating income") amounted to ¥69.0 billion, an increase of ¥12.9 billion or 23.1 % compared to the corresponding period in the previous fiscal year. In North America, net sales amounted to ¥1,030.4 billion, an increase of ¥52.6 billion or 5.4 % compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥15.6 billion, a decrease of ¥9.2 billion or 36.9 % compared to the corresponding period in the previous fiscal year. In Europe, net sales amounted to ¥524.6 billion, an increase of ¥72.7 billion or 16.1 % compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥6.0 billion, an increase of ¥2.8 billion or 84.5 % compared to the corresponding period in the previous fiscal year. In other areas, net sales amounted to ¥498.1 billion, increase of ¥69.4 billion or 16.2 % compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥19.2 billion, a decrease of ¥0.8 billion or 3.9 % compared to the corresponding period in the previous fiscal year.

## **(2) Consolidated Financial Position**

(Assets, Liabilities and Net Assets)

As of December 31, 2017, total assets increased ¥173.1 billion from the end of the previous fiscal year, to ¥2,697.6 billion. Total liabilities increased ¥36.8 billion from the end of the previous fiscal year to ¥1,497.3 billion. Interest-bearing debt as of December 31, 2017 increased ¥32.8 billion from the end of previous fiscal year to ¥524.2 billion.

Net Assets as of December 31, 2017 increased ¥136.3 billion from the end of the previous fiscal year to ¥1,200.3 billion, reflecting Net income attributable to owners of the parent ¥84.9 billion and the issuance of new shares by way of third-party allotment to Toyota Motor Corporation. Equity ratio increased 2.3 percentage points from the end of the previous fiscal year to 43.5 % (Percentage after consideration of the equity credit attributes of the subordinated loan was 44.8 %).

(Cash Flows)

Cash and cash equivalent as of December 31, 2017 increased ¥53.0 billion from the end of the previous fiscal year to ¥579.9 billion.

Net cash provided by operating activities for the first nine months of the fiscal year ending March 31, 2018 was ¥115.3 billion, reflecting income before income taxes of ¥ 124.8 billion, etc. (For the first nine months of the previous fiscal year, net cash provided by operating activities was ¥84.0 billion.) Net cash used in investing activities was ¥124.9 billion, mainly reflecting capital expenditure for the acquisition of property, plant and equipment of ¥68.0 billion and purchase of stock in accordance with business and capital alliance with Toyota Motor Corporation. (For the first nine months of the previous fiscal year, net cash used in investing activities was ¥40.1 billion.) As a result, consolidated free cash flow (net of operating and investing activities) was negative ¥9.7 billion. (For the first nine months of the previous fiscal year, consolidated free cash flow was positive ¥43.9 billion.) Net cash provided by financing activities was ¥53.3 billion, mainly reflecting dividends payable ¥20.9 billion, issuance of new shares by way of third-party allotment, and issuance of bonds, etc. (For the first nine months of the previous fiscal year, net cash used in financing activities was ¥53.2 billion.)

**(3) Future Estimates such as Consolidated Financial Forecast**

As a result of revising the exchange rate assumptions to the prevailing level and reflecting the change in sales environment into the forecast, we have revised the consolidated financial forecast for the Fiscal Year ending March 2018, as shown below. The prior forecast was announced on November 2, 2017.

Consolidated Financial Forecast

	Full Year	vs. Prior Year
Net Sales	3,500.0 billion yen	up 8.9 %
Operating Income	150.0 billion yen	up 19.3 %
Ordinary Income	170.0 billion yen	up 21.9 %
Net Income Attributable to Owners of the parent	100.0 billion yen	up 6.6 %

The exchange rate assumptions for full year forecast are ¥111 to the dollar and ¥130 to the Euro (¥110 to the dollar and ¥135 to the Euro for the fourth quarter of the fiscal year).

## Global Retail Volume Forecast

	Full Year	vs. Prior Year
Japan	210 thousand units	up 3.6 %
North America	430 thousand units	up 0.4 %
Europe	267 thousand units	up 2.2 %
China	308 thousand units	up 5.7 %
Other	384 thousand units	up 2.5 %
Total	1,600 thousand units	up 2.6 %

Note: The forecast stated above is based on management's judgment and views in light of information presently available. By nature, such forecasts are subject to risks and uncertainties, and are not contemplated to ensure the fulfillment thereof. Therefore, we advise against making an investment decision by solely relying on this forecast. Variables that could affect the actual financial results include, but are not limited to, the economic environments surrounding our business areas and fluctuations in yen-to-dollar and other exchange rates.

## 2. Quarterly Consolidated Financial Statements and Major Footnotes

### (1) Quarterly Consolidated Balance Sheets

(December 31 and March 31, 2017)

(Millions of Yen)

As of	FY2017 March 31, 2017	FY2018 December 31, 2017
<b>ASSETS</b>		
Current Assets:		
Cash and deposits	398,101	<b>439,047</b>
Trade notes and accounts receivable	215,788	<b>215,626</b>
Securities	128,900	<b>141,200</b>
Inventories	376,951	<b>426,992</b>
Other	223,449	<b>207,970</b>
Allowance for doubtful receivables	(818)	<b>(827)</b>
Total current assets	<b>1,342,371</b>	<b>1,430,008</b>
Non-current Assets:		
Property, plant and equipment:		
Buildings and structures (net)	184,607	<b>192,247</b>
Machinery, equipment and vehicles (net)	259,008	<b>261,282</b>
Land	409,894	<b>407,664</b>
Leased assets (net)	5,254	<b>4,320</b>
Other (net)	100,562	<b>99,876</b>
Total property, plant and equipment	<b>959,325</b>	<b>965,389</b>
Intangible assets:	33,242	<b>35,044</b>
Investments and other assets:		
Investment securities	147,438	<b>205,274</b>
Asset for retirement benefits	3,629	<b>4,277</b>
Other	41,412	<b>58,304</b>
Allowance for doubtful receivables	(2,865)	<b>(682)</b>
Total investments and other assets	<b>189,614</b>	<b>267,173</b>
Total non-current assets	<b>1,182,181</b>	<b>1,267,606</b>
Total Assets	<b>2,524,552</b>	<b>2,697,614</b>



(Millions of Yen)

As of	FY2017 March 31, 2017	FY2018 December 31, 2017
<b>LIABILITIES</b>		
Current Liabilities:		
Trade notes and accounts payable	388,880	402,162
Short-term loans payable	124,454	123,667
Long-term loans payable due within one year	89,997	76,880
Lease obligations	2,125	1,992
Income taxes payable	13,450	10,141
Accrued expenses	189,249	190,913
Reserve for warranty expenses	123,455	108,124
Other	64,419	66,980
Total current liabilities	996,029	980,859
Non-current liabilities:		
Bonds	20,000	50,000
Long-term loans payable	251,248	268,911
Lease obligations	3,610	2,734
Deferred tax liability related to land revaluation	64,715	64,617
Reserve for loss on business of subsidiaries and affiliates	529	629
Reserve for environmental measures	677	580
Liability for retirement benefits	72,888	69,264
Other	50,818	59,698
Total non-current liabilities	464,485	516,433
Total Liabilities	1,460,514	1,497,292
<b>NET ASSETS</b>		
Capital and Retained Earnings:		
Common stock	258,957	283,957
Capital surplus	239,909	264,910
Retained earnings	445,353	509,562
Treasury stock	(2,231)	(2,229)
Total capital and retained earnings	941,988	1,056,200
Accumulated Other Comprehensive Income/(Loss):		
Net unrealized gain/(loss) on available-for-sale securities	3,913	11,996
Deferred gains/(losses) on hedges	1,188	(159)
Land revaluation	145,944	145,719
Foreign currency translation adjustment	(33,812)	(22,344)
Accumulated adjustments for retirement benefits	(19,800)	(17,801)
Total accumulated other comprehensive income/(loss)	97,433	117,411
Stock Acquisition Rights	91	183
Non-controlling Interests	24,526	26,528
Total Net Assets	1,064,038	1,200,322
Total Liabilities and Net Assets	2,524,552	2,697,614

**(2) Quarterly Consolidated Statements of Operations and Comprehensive Income**  
**(For the first nine months ended December 31, 2017 and 2016)**

**Quarterly Consolidated Statements of Operations**

(Millions of Yen)

For the first nine months ended	FY2017 December 31, 2016	FY2018 December 31, 2017
Net sales	2,348,602	2,547,928
Cost of sales	1,781,039	1,945,588
Gross profit	567,563	602,340
Selling, general and administrative expenses	465,608	495,220
Operating income	101,955	107,120
Non-operating income		
Interest income	2,269	2,662
Equity in net income of affiliated companies	22,608	26,566
Foreign exchange gain	2,130	3,311
Other	3,822	5,117
Total	30,829	37,656
Non-operating expenses		
Interest expense	7,242	5,599
Other	7,599	4,335
Total	14,841	9,934
Ordinary income	117,943	134,842
Extraordinary income		
Gain on sales of property, plant and equipment	212	838
Gain on sale of investment securities	20	321
Gain on reversal of reserve for loss on business of subsidiaries and affiliates	444	-
Other	18	11
Total	694	1,170
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	2,117	2,326
Impairment loss	630	1,151
Reserve for loss on business of subsidiaries and affiliates	-	100
Litigation settlement	-	7,539
Business structure improvement expenses	5,172	-
Other	8	121
Total	7,927	11,237
Income before income taxes	110,710	124,775
Income taxes		
Current	20,607	24,772
Deferred	7,742	13,503
Total	28,349	38,275
Net income	82,361	86,500
Net income attributable to Non-controlling interests	2,427	1,593
Net income attributable to owners of the parent	79,934	84,907

## Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

For the first nine months ended	FY2017	FY2018
	December 31, 2016	December 31, 2017
Net income	82,361	<b>86,500</b>
Other comprehensive income/(loss)		
Net unrealized gain/(loss) on available-for-sale securities	746	<b>8,075</b>
Deferred gains/(losses) on hedges	(5,974)	<b>(1,370)</b>
Foreign currency translation adjustment	9,144	<b>8,979</b>
Adjustments for retirement benefits	1,920	<b>1,971</b>
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	(15,026)	<b>3,078</b>
Total	(9,190)	<b>20,733</b>
Comprehensive income/(loss)	73,171	<b>107,233</b>
Comprehensive income/(loss) attributable to:		
Owners of the parent	70,671	<b>105,110</b>
Non-controlling interests	2,500	<b>2,123</b>

(For the three months ended December 31, 2017 and 2016)

**Quarterly Consolidated Statements of Operations**

(Millions of Yen)

For the three months ended	FY2017	FY2018
	December 31, 2016	December 31, 2017
Net sales	802,263	<b>891,301</b>
Cost of sales	614,290	<b>682,329</b>
Gross profit	187,973	<b>208,972</b>
Selling, general and administrative expenses	174,336	<b>178,332</b>
Operating income	13,637	<b>30,640</b>
Non-operating income		
Interest income	777	<b>903</b>
Equity in net income of affiliated companies	7,761	<b>9,203</b>
Foreign exchange gain	15,410	-
Other	1,203	<b>2,340</b>
Total	25,151	<b>12,446</b>
Non-operating expenses		
Interest expense	2,156	<b>1,807</b>
Foreign exchange loss	-	<b>1,843</b>
Other	1,309	<b>1,059</b>
Total	3,465	<b>4,709</b>
Ordinary income	35,323	<b>38,377</b>
Extraordinary income		
Gain on sales of property, plant and equipment	21	<b>16</b>
Gain on sale of investment securities	-	<b>256</b>
Gain on reversal of reserve for loss on business of subsidiaries and affiliates	561	-
Other	8	<b>17</b>
Total	590	<b>289</b>
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	683	<b>1,222</b>
Impairment loss	183	<b>49</b>
Reserve for loss on business of subsidiaries and affiliates	-	<b>39</b>
Business structure improvement expenses	525	-
Other	8	<b>1</b>
Total	1,399	<b>1,311</b>
Income before income taxes	34,514	<b>37,355</b>
Income taxes		
Current	11,185	<b>5,027</b>
Deferred	(1,413)	<b>10,449</b>
Total	9,772	<b>15,476</b>
Net income	24,742	<b>21,879</b>
Net income attributable to Non-controlling interests	902	<b>310</b>
Net income attributable to owners of the parent	23,840	<b>21,569</b>

## Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

For the three months ended	FY2017	FY2018
	December 31, 2016	December 31, 2017
Net income	24,742	<b>21,879</b>
Other comprehensive income/(loss)		
Net unrealized gain/(loss) on available-for-sale securities	1,553	<b>6,949</b>
Deferred gains/(losses) on hedges	(7,561)	<b>938</b>
Foreign currency translation adjustment	23,445	<b>3,054</b>
Adjustments for retirement benefits	852	<b>677</b>
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	(629)	<b>2,994</b>
Total	17,660	<b>14,612</b>
Comprehensive income/(loss)	42,402	<b>36,491</b>
Comprehensive income/(loss) attributable to:		
Owners of the parent	38,806	<b>35,877</b>
Non-controlling interests	3,596	<b>614</b>

**(3) Quarterly Consolidated Statements of Cash Flows**  
**(For the first nine months ended December 31, 2017 and 2016)**

(Millions of Yen)

For the first nine months ended	FY2017 December 31, 2016	FY2018 December 31, 2017
Cash flows from operating activities:		
Income before income taxes	110,710	124,775
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:		
Depreciation and amortization	60,062	64,783
Impairment loss	630	1,151
Increase/(decrease) in allowance for doubtful receivables	(88)	94
Increase/(decrease) in reserve for warranty expenses	11,618	(15,331)
Increase/(decrease) in reserve for loss on business of subsidiaries and affiliates	-	100
Increase/(decrease) in liability for retirement benefits	(3,663)	(2,150)
Interest and dividend income	(2,595)	(3,038)
Interest expense	7,242	5,599
Equity in net loss/(income) of affiliated companies	(22,608)	(26,566)
Loss/(gain) on sales and retirement of property, plant and equipment	1,888	1,488
Loss/(gain) on sales of investment securities	(12)	(303)
Decrease/(increase) in trade notes and accounts receivable	1,051	6,158
Decrease/(increase) in inventories	(36,484)	(39,452)
Increase/(decrease) in trade notes and accounts payable	(2,002)	10,643
Increase/(decrease) in other current liabilities	11,186	7,918
Other	(18,495)	(21,066)
Subtotal	118,440	114,803
Interest and dividends received	16,829	33,759
Interest paid	(7,191)	(6,124)
Income taxes refunded/(paid)	(44,084)	(27,157)
Net cash provided by/(used in) operating activities	83,994	115,281
Cash flows from investing activities:		
Net decrease/(increase) in time deposits	26,684	(219)
Net decrease/(increase) in securities	3,000	-
Purchase of investment securities	(5,601)	(50,577)
Proceeds from sales and redemption of investment securities	507	1,591
Acquisition of property, plant and equipment	(61,139)	(67,997)
Proceeds from sales of property, plant and equipment	2,990	3,026
Acquisition of intangible assets	(6,543)	(8,097)
Net decrease/(increase) in short-term loans receivable	23	(149)
Payments of long-term loans receivable	(339)	(152)
Collections of long-term loans receivable	564	161
Other	(268)	(2,522)
Net cash provided by/(used in) investing activities	(40,122)	(124,935)

(Millions of Yen)

For the first nine months ended	FY2017 December 31, 2016	FY2018 December 31, 2017
Cash flows from financing activities:		
Net increase/(decrease) in short-term loans payable	26,559	<b>(7,865)</b>
Proceeds from long-term loans payable	93,326	<b>82,095</b>
Repayments of long-term loans payable	(153,246)	<b>(78,031)</b>
Proceeds from issuance of bonds	-	<b>29,863</b>
Redemption of bonds	(350)	-
Proceeds from issuance of common stock	-	<b>49,780</b>
Proceeds from sale and leaseback transactions	108	<b>171</b>
Repayments of lease obligations	(1,514)	<b>(1,688)</b>
Cash dividends paid	(17,935)	<b>(20,923)</b>
Cash dividends paid to non-controlling interests	(122)	<b>(125)</b>
Net decrease/(increase) in treasury stock	(2)	<b>3</b>
Net cash provided by/(used in) financing activities	(53,176)	<b>53,280</b>
Effect of exchange rate fluctuations on cash and cash equivalents	6,978	<b>9,393</b>
Net increase/(decrease) in cash and cash equivalents	(2,326)	<b>53,019</b>
Cash and cash equivalents at beginning of the period	568,714	<b>526,864</b>
Increase in cash and cash equivalents from newly consolidated subsidiaries	4,790	-
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(33)	-
Cash and cash equivalents at end of the period	571,145	<b>579,883</b>

#### **(4) Footnotes to the Quarterly Consolidated Financial Statements**

##### **(Note on the Assumptions as Going Concern)**

Not applicable

##### **(Significant Changes in the Amount of Equity)**

Not applicable

##### **(Changes in Accounting Policies)**

The “Balance Sheet Classification of Deferred Taxes” (Accounting Standards Update No. 2015-17 issued by Financial Accounting Standards Board on November 20, 2015) has been early applied from the first quarter of the fiscal year ending March 31, 2018 at overseas affiliated companies that apply US GAAP. Consequently, deferred tax assets and liabilities that were presented separately in the current and non-current categories of the consolidated balance sheets have been changed to be classified in the non-current category. The accounting standard has been applied prospectively from the first quarter of the fiscal year ending March 31, 2018.

As a result, as of the end of the third quarter of the fiscal year ending March 31, 2018, “Other” in Current Assets decreased by ¥14,145 million and “Other” in Investments and other assets of Non-current Assets increased by the same amount.

There is no impact on the consolidated statements of operations for the first nine months ended December 31, 2017.



## (Segment Information)

### I. FY2017 First Nine Months (April 1, 2016 through December 31, 2016)

#### 1) Sales and Income or Loss by Reportable Segments

(Millions of Yen)

FY2017 First Nine Months Ended December 31, 2016	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	710,745	809,055	440,097	388,705	2,348,602	-	2,348,602
Inter-segment	1,278,945	168,690	11,869	39,986	1,499,490	(1,499,490)	-
Total	1,989,690	977,745	451,966	428,691	3,848,092	(1,499,490)	2,348,602
Segment income	56,073	24,783	3,260	19,921	104,037	(2,082)	101,955

Notes: 1. The adjustment on segment income is eliminations of inter-segment transactions.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for FY2017 first nine months ended December 31, 2016.

#### 2) Impairment Loss on Property, Plant and Equipment and Goodwill by Reportable Segment

Impairment losses on property, plant and equipment, gains from negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

### II. FY2018 First Nine Months (April 1, 2017 through December 31, 2017)

#### 1) Sales and Income or Loss by Reportable Segments

(Millions of Yen)

FY2018 First Nine Months Ended December 31, 2017	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	740,445	848,540	512,074	446,869	2,547,928	-	2,547,928
Inter-segment	1,356,284	181,836	12,568	51,268	1,601,956	(1,601,956)	-
Total	2,096,729	1,030,376	524,642	498,137	4,149,884	(1,601,956)	2,547,928
Segment income	69,002	15,627	6,016	19,150	109,795	(2,675)	107,120

Notes: 1. The adjustment on segment income is eliminations of inter-segment transactions.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for FY2018 first nine months ended December 31, 2017.

#### 2) Impairment Loss on Property, Plant and Equipment and Goodwill by Reportable Segment

Impairment losses on property, plant and equipment, gains from negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

## (Significant Subsequent Events)

Not applicable

# Financial Summary (Consolidated)

For the Third Quarter of the Fiscal Year Ending March 31, 2018

(For the Nine Months Ended December 31, 2017)

February 7, 2018

Mazda Motor Corporation

(In 100 millions of yen)  
(In thousands of units)  
(Upper left: return on sales)

		FY 2017					FY 2018		FY 2017		FY 2018				
		1st Qtr.	2nd Qtr.	3rd Qtr.	First 9 Months	First 9 Months	Full Year	Full Year Forecast							
		(Apr.'16-Dec.'16)					(Apr.'17-Dec.'17)		Ended March 31, 2017	Ending March 31, 2018					
			%				%		%	%	%	%			
Domestic	1	3,903	(17.7)	1,302	1,533	1,435	4,270	9.4	5,870	(11.2)	6,400	9.0			
Overseas	2	19,583	(5.6)	6,719	7,012	7,478	21,209	8.3	26,274	(4.3)	28,600	8.9			
Net sales	3	23,486	(7.8)	8,021	8,545	8,913	25,479	8.5	32,144	(5.6)	35,000	8.9			
Operating income	4	4.3%	(41.2)	5.0%	399	4.3%	366	3.4%	4.2%	3.9%	1,257	(44.6)	4.3%	1,500	19.3
Ordinary income	5	5.0%	(31.4)	6.5%	524	5.2%	441	4.3%	383	5.3%	1,348	(37.6)	4.9%	1,700	21.9
Income before income taxes	6	4.7%	(33.5)	6.3%	505	4.3%	369	4.2%	374	4.9%	1,248	(23.1)	4.4%	1,550	20.7
Net income attributable to owners of the parent	7	3.4%	(35.3)	4.6%	366	3.1%	267	2.4%	216	3.3%	849	(30.2)	2.9%	1,000	6.6
Operating income by segment (geographic area)															
Japan	8	561		204	302	184	690		659						
North America	9	248		71	56	29	156		267						
Europe	10	33		14	22	24	60		54						
Other areas	11	199		50	62	80	192		202						
Operating profit changes															
Volume & mix	12			(130)	(70)	(42)	(242)							(220)	
Exchange rate	13			3	156	156	315							408	
Cost improvement	14			8	(2)	39	45							100	
R&D costs	15			(62)	(7)	35	(34)							(131)	
Other	16			56	(70)	(19)	(33)							86	
Total	17			(125)	7	169	51							243	
Average rate for the period (Yen)															
USD	18	107		111	111	113	112		108		111				
EUR		118		122	130	133	129		119		130				
Transaction rate (Yen)															
USD	19	106		111	111	113	112		107		111				
EUR		119		123	127	130	126		118		128				
Capital expenditures	20	604		251	215	198	664		944		1,200				
Depreciation and amortization	21	601		216	215	217	648		824		870				
R & D costs	22	938		351	306	315	972		1,269		1,400				
Total assets	23	25,623		25,393	25,850		26,976		25,246						
Net assets	24	10,086		10,622	10,967		11,736		10,394						
Financial debt	25	5,852		4,951	4,979		5,242		4,914						
Net cash	26	(140)		207	587		557		354						
Free cash flow (Operating & Investing)	27	439		(5)	342	(434)	(97)		973						
Japan	28	132	(19.0)	41	55	43	139	5.3	203	(12.8)	210	3.6			
North America	29	331	(4.2)	106	112	103	321	(2.9)	429	(2.1)	430	0.4			
Europe	30	191	4.1	64	68	61	193	1.2	262	2.0	267	2.2			
China	31	227	28.7	71	78	96	245	7.8	292	24.1	308	5.7			
Other	32	281	1.4	94	92	101	288	2.6	373	0.6	384	2.5			
Global retail volume	33	1,162	1.5	377	406	404	1,186	2.1	1,559	1.6	1,600	2.6			
Consolidated wholesales volume	34	931	(3.8)	297	315	317	928	(0.3)	1,265	(3.2)	1,275	0.8			
Domestic	35	723	(1.6)	227	241	262	730	0.9	965	(2.5)	984	2.0			
Overseas	36	462	6.2	150	150	170	470	1.9	627	7.8					
Global production volume	37	1,185	1.3	377	391	432	1,200	1.3	1,592	1.3					

Note: Global retail volume refers to the total retail units of Mazda-brand vehicles sold on a global basis.

Consolidated wholesales volume does not include vehicles which are sold by other brands.

Global production volume refers to the total volume of the units produced in the domestic plant and Mexico plant (including other brands) plus the units of Mazda-brand vehicles produced in other overseas plants (mainly in China and Thailand).