

(For your information)

**Mazda Motor Corporation**  
**FY MARCH 2020 FULL YEAR FINANCIAL RESULTS**  
**MAIN Q&A**

**1. Please summarize FY March 2020 full-year results including the impact of the novel coronavirus.**

Global sales were down 9% from the prior year at 1,419,000 units. In addition to the long-standing slowdown in major markets, the Chinese market significantly deteriorated due to the coronavirus outbreak, and the Australian and ASEAN markets experienced economic downturn. As a result, sales sharply decreased year-on-year in these markets. The impact of the novel coronavirus on global sales is estimated to be around 60,000 units. Consolidated revenue was ¥3,430.3 billion, down 4% year on year. Operating profit was ¥43.6 billion, down 47% year on year. Despite reduced marketing expenses, improved per-unit profit and cost reduction efforts, yen's appreciation against major currencies, increased investment for future growth and cost related to the spread of the novel coronavirus infection had a negative impact. Impact from sales decline and additional costs such as alternative parts shipping due to the novel coronavirus infection spread on operating profit is estimated at approximately ¥10 billion. Net income was ¥12.1 billion, down 81% year on year, due to the partial reversal of deferred tax assets, etc.

**2. What kind of measures are you taking in response to the novel coronavirus?**

In March, the infection of the novel coronavirus became a global pandemic, resulting in restrictions on economic activities and stay-at-home orders, which has significantly affected our global sales activities including dealer shutdowns. We implemented production adjustment to restore appropriate inventory levels which temporarily increased following declining sales since April. We continue to closely monitor each country's situation in preparation for future demand recovery, by reviewing and flexibly adjusting our plans for sales, shipments, inventory and productions.

**3. What are reasons that you did not announce FY March 2021 forecast?**

As situations such as the novel coronavirus impact and when it come to an end will remain uncertain, we need to closely monitor its impact on our sales and business. Therefore we did not announce profit and dividend forecast for FY March 2021 today. We confirm situations of each country's economic activities, dealer operations and recovery of sales, and announce the forecasts once they become available and ready.

**4. Are there any changes to initiatives or targets of your Medium-Term Management Plan, as well as your medium-term direction?**

We announced our Medium-Term Management Plan in November 2019 and have been implementing major initiatives. The business environment is changing dramatically, as manifested by the declining demand around the world and the spread of the novel coronavirus. Amid these circumstances, while the direction of our initiatives for the medium-term remains unchanged, we are adjusting tactics, namely, scale and timing.

As the top priority, we are trying to secure liquidity, and also we adjust scale and timing of the capital expenditure. We will continue to enhance initiatives we have taken in response to the coronavirus, such as reviewing fixed cost structure and strengthening inventory management taking turnover into account. Members of the Mazda Group will work together to continuously enhance brand value and earning capacity.

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