

(For your information)

**Mazda Motor Corporation**  
**FY MARCH 2021 SECOND QUARTER FINANCIAL RESULTS**  
**MAIN Q&A**

**1. Please summarize FY March 2021 first half results.**

Global sales were 578,000 units, down 21% year on year, as sales volume decreased in major markets except for China. However, we saw steady improvements in the second quarter with a 12% decrease compared with a 31% decrease in the first quarter. In the US, in addition to the launch of CX-30, crossover SUVs saw strong sales, resulting in a year on year increase in sales volume during the three months of the second quarter.

Net sales were ¥1,115.8 billion and operating loss was ¥52.9 billion. Although the results were down year on year due to the impact of the spread of COVID-19, we implemented initiatives based on lessons learned from the COVID-19 crisis, such as steadily improving sales and production by managing inventory levels in line with demand recovery, and saw business performance in the second quarter improve over the results in the first quarter. During the three months of the second quarter, we were successful in steadily bringing in sales opportunities in the US, while at the same time accelerating fixed cost reductions. As a consequence, earnings improved more than expected.

**2. Please explain why you did not revise full year forecast although the results improved more than expected.**

Although our global sales volume forecast remains unchanged at 1.3 million units, as announced in July, reflecting demand recovery and latest sales status in each market, we lowered our forecast in China and emerging markets and increased our forecast in the US. Earnings progressed favorably in the first half, but the full year financial forecast remains unchanged due to continuing uncertain circumstances, including the resurgence of COVID-19 in Europe, the US and other countries, and the re-enforcement of lockdown measures. The business environment remains tough, however we will continue to strengthen efforts to recover sales and improve fixed cost efficiency toward meeting the full year forecast.

**3. Please explain the background of announcing Medium-Term Management Plan Revision.**

We announced “Medium-Term Management Policy” in May 2019 and “Medium-Term Management Plan” in November. Since February 2020, our business surroundings have drastically changed by the COVID-19 pandemic. In July, we announced “Direction of Medium-Term Management Plan Revision” taking into account what we have learned from the COVID-19 crisis and dramatically changing competitive environments, and since then, we have discussed concrete initiatives. And this time, based on the lessons learned from the pandemic and considering actions to adapt to the changing business environment, we revised a part of the policy and some initiatives, and announced “Medium-Term Management Plan Revision”. To stay sustainable, we said we needed to offer Mazda’s unique value of “co-creating with others.” While keeping investment for future growth with maximum efficiency, we must take actions for CASE by enhancing alliances and investing in unique values. This philosophy is still valid. With regards to financial targets, we keep net sales and profit targets for the final year unchanged, however we postpone the completion one year to FY March 2026.

**4. Please explain MX-30 sales status and feedback.**

After the world premiere of MX-30, Mazda’s first mass-production EV, at the Tokyo Motor Show 2019, we conducted promotion and pre-sales order taking. In September, we started delivering demo cars to dealers and vehicle delivery to customers who made pre-sales orders. MX-30 is receiving strong feedback on its driving performance, beautiful coupe style adopting freestyle door, etc. and its orders and sales have been steady. In Japan, sales of the mild hybrid model started on October 8. We aim to expand the scope of our brand with MX-30, while equipping the models with various electrification technologies.

We are promoting the multiple solutions that enable us to offer appropriate powertrains that take into consideration each region’s energy situation and power generation mix.

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