

## FY March 2016 First Quarter Financial Results

### Main Q&A

**1. Please explain the first quarter financial results.**

Global sales grew by 16% year-on-year to 370,000 units. Strong sales of updated CX-5, the global roll-out of the new Mazda2 and launch of the new CX-3 in selected markets contributed to the increase. Despite the negative impact of foreign exchange (¥57 oku), higher volume and cost improvement contributed to generating an operating profit of ¥53.3 billion. Excluding the negative impact of foreign exchange, operating profit improved year-on-year from ¥56.4 billion previous year.

**2. Please explain progress toward full year forecast.**

We achieved a good progress both in sales and profits thanks to contributions of updated and new models toward full-year forecast of global sales of 1.49 million units and operating profit of ¥210 billion. Although the trend of the yen has been weaker than our April forecast, the forecast for the 1st half and full-year has not been changed in consideration of uncertainty in the economic environment, including market trends in Europe and China as well as exchange rate trend of especially currencies of emerging markets.

**3. How is the US sales performance?**

Sales decline in Mazda2 and Mazda5 was offset by strong-selling CX-5 and Mazda6. We are improving product competitiveness of our core model, Mazda3, trying to increase sales while reducing fleet sales. We expand our product portfolio with full-scale introduction of MX-5 and introduction of new CX-3. We continue to project increasing competition, but we continue our "right-price sales" policy and control incentive toward sales in the second half of the fiscal year.

**4. Please explain China market conditions and your sales actions.**

We are seeing some slow-down in Chinese market in this fiscal year. We keep watching the level of future slow-down. Competition is projected to be intensifying mainly in SUV and CD segments. But, we continue our "right-price sales" by winning understanding and conviction on values of our SKYACTIV products and technologies.

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