

(For your information)

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

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

Global sales volume for FY March 2021 was down 9% from the prior year to 1,287,000 units, as sales declined in Japan, Europe, ASEAN and other countries due to the global spread of the COVID-19. On the other hand, in the U.S. and Australia, where sales have been robust, year-on-year increases in sales volume were achieved in both markets as Mazda sales outpaced the demand recovery.

Net sales were ¥2,882.1 billion, operating profit was ¥8.8 billion. In FY March 2021, we suffered a considerable impact from COVID-19, however we made every effort to cope with the impact, including emergency fund procurement and weekly monitoring of pipeline inventories to support timely production and sales. The entire company made focused and continuous efforts to lower the break-even volume by pushing for sales recovery, fixed cost reduction and variable profit improvement. As a result, the second-half operating profit came in at ¥61.7 billion with 3.5% operating ROS, thanks to significant profit improvement we achieved. We are making good progress in profit structure enhancement, while accelerated efforts for structural reform following the COVID-19 outbreak are paying off.

**2. Please explain FY March 2022 forecast.**

In FY March 2022, we will continue variable profit improvement and fixed cost reduction efforts to lower the break-even volume to reach the Medium-term Management Plan's target-level of 1 million units.

Global sales volume is projected to be 1.41 million units, up 9% year on year. While maintaining the sales momentum seen in the U.S. and Australia during the previous fiscal year, we expect to make a recovery from the volume drop caused by the COVID-19 outbreak in the last fiscal year.

Net sales are forecast to increase 18% from the prior year to ¥3.4 trillion. Operating profit is forecast at ¥65 billion, better than the operating profit of about ¥40 billion two years ago, and net income attributable to owners of the parent at ¥35 billion.

We announced the Medium-term Management Plan in November 2020 and forecast the operating profit target to be as good as FY March 2019, however we projected the operating profit to be ¥65 billion accounting for both the impact of the semiconductor shortage and risks of material price hikes such as precious metals. To achieve the target of the Medium-term Management Plan, we will both

continue and enhance the structural reform, which we have been refocusing on since the start of the pandemic.

**3. Please explain the impact of a semiconductor supply shortage and price increases in raw materials.**

The semiconductor supply shortage is assumed to affect about 100,000 units of production, but we will fully leverage available inventory to minimize the impact on the wholesales to about 70,000 units. We will continue to swiftly respond to the situation by checking the status of our inventories, sales and production volume weekly in order to minimize the impact on our profits.

In response to the impact of price hikes in raw materials, such as precious metals, we have started taking technical measures, which include reducing the usage of said metals.

Although uncertain situations may continue, we will make steady progress on the key initiatives of the Medium-Term Management Plan.

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