

**Consolidated Financial Results**  
**For the First Quarter of the Fiscal Year Ending March 31, 2018**  
**(For the Three Months Ended June 30, 2017)**



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

August 2, 2017

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 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 June 30, 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 1st quarter</b>	<b>802,055</b>	3.3	<b>39,932</b>	(23.9)	<b>52,429</b>	16.7	<b>36,604</b>	72.4
FY2017 1st quarter	776,204	(3.7)	52,439	(1.7)	44,928	(17.7)	21,230	(42.2)

Note: Comprehensive income  
**FY2018 1st quarter** **35,800 millions of yen** ( **425.5 %** )  
**FY2017 1st quarter** **6,812 millions of yen** ( **(81.0) %** )

	Net Income Per Share	Net Income Per Share (Diluted)
<b>FY2018 1st quarter</b>	<b>61.23</b> yen	<b>61.22</b> yen
FY2017 1st quarter	35.51	-

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Equity Ratio
As of <b>June 30, 2017</b>	millions of yen <b>2,539,315</b>	millions of yen <b>1,087,761</b>	<b>41.8</b> %
March 31, 2017	2,524,552	1,064,038	41.2

Reference: Net Assets excluding non-controlling interests

**As of June 30, 2017** **1,062,238 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
FY2017	yen -	yen 15.00	yen -	yen 20.00	yen 35.00
<b>FY2018</b>	-	-	-	-	-
<b>FY2018 (Forecast)</b>	-	<b>15.00</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	3,350,000	4.2	150,000	19.3	163,000	16.8	100,000	6.6	167.27

Note: Revision of the consolidated financial forecast most recently announced: None

**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 11 of the attachment.

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

1) Number of outstanding shares (including treasury stock)

**As of June 30, 2017 599,875,479 shares**

As of March 31, 2017 599,875,479 shares

2) Number of treasury stock

**As of June 30, 2017 2,056,268 shares**

As of March 31, 2017 2,059,416 shares

3) Average number of outstanding shares

**For 3 months ended June 30, 2017 597,816,825 shares**

For 3 months ended June 30, 2016 597,817,358 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**

**Table of Contents**

<b>1. Qualitative Information on Consolidated Results for the Quarterly Period.....</b>	<b>P. 2</b>
<b>(1) Consolidated Financial Results.....</b>	<b>P. 2</b>
<b>(2) Consolidated Financial Position.....</b>	<b>P. 3</b>
<b>(3) Future Estimates such as Consolidated Financial Forecast.....</b>	<b>P. 4</b>
<b>2. Quarterly Consolidated Financial Statements and Major Footnotes.....</b>	<b>P. 5</b>
<b>(1) Quarterly Consolidated Balance Sheets.....</b>	<b>P. 5</b>
<b>(2) Quarterly Consolidated Statements of Operations and Comprehensive Income.....</b>	<b>P. 7</b>
<b>(3) Quarterly Consolidated Statements of Cash Flows.....</b>	<b>P. 9</b>
<b>(4) Footnotes to the Quarterly Consolidated Financial Statements.....</b>	<b>P. 11</b>
<b>Note on the Assumptions as Going Concern.....</b>	<b>P. 11</b>
<b>Significant Changes in the Amount of Equity.....</b>	<b>P. 11</b>
<b>Changes in Accounting Policies.....</b>	<b>P. 11</b>
<b>Segment Information.....</b>	<b>P. 12</b>
<b>Significant Subsequent Events.....</b>	<b>P. 12</b>

**(Reference)**

**Financial Summary (Consolidated)**

**For the First 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.

We announced to standardize the advanced safety technology “i-ACTIVESENSE” by the end of the fiscal year ending March 31, 2018 for almost all the new generation products that are sold in Japan in order to deliver safer and better sense of security to further more customers. In the first quarter accounting period (three-month period) we standardized it in the Mazda2 and the Mazda CX-3. We aim at becoming the brand that further enriches the customers’ life and builds special bond with the customers by research and development of safety technology with human-centered approach and provide all customers with products that deliver both “driving pleasure” and “outstanding environmental and safety performance”.

Global retail volume for the first three months of the fiscal year ending March 31, 2018 was 377 thousand units, up 0.6% year on year, owing to the increased sales of crossover models such as the all-new Mazda CX-5 whose sales are globally in full-scale and the Mazda CX-4 in China.

Retail volume by market was as follows.

<Japan>

Retail volume was 41 thousand units, up 5.5% year on year, due to the volume contribution of the all-new CX-5 whose sales continue to be strong since the introduction. The Mazda2 which standardized the advanced safety technology in April contributed to the improvement of sales momentum.

<North America>

In the U.S., retail volume was 73 thousand units, down 10.1% year on year mainly due to fleet sales reduction. Although sales of crossover models such as the all-new CX-5 and the Mazda CX-9 were strong, sales of sedan-based models reduced due to continuously tough sales environment. For North America as a whole, although sales increased in Mexico, retail volume was 106 thousand units, down 6.0% year on year.

<Europe>

While the sales increased in the key markets such as Germany and Russia where the demand is recovering, retail volume was 64 thousand units, down 3.0 % year on year due to a reduction in sales in UK and some other countries. By automobile type, the all-new CX-5 that was newly introduced had strong start.

<China>

Retail volume was 71 thousand units, up 20.3% year on year. Sales of the Mazda3 were equivalent of the previous year due to extension of small-engine vehicle tax reduction policy, and the CX-4, which continued strong sales, also contributed to increased sales.

<Other markets>

Retail volume in total was 94 thousand units, down 3.2% year on year. In the key market of Australia, retail volume was 31 thousand units, up 1.7% year on year due to strong sales of the all-new CX-5 and the CX-9. On the other hand, in the ASEAN market, although the sales in Thailand were strong, the sales reduced in Vietnam and others. In other markets, while New Zealand, Chile and others set new sales record, the sales in some countries declined.

Financial performance on a consolidated basis for the first three months of the fiscal year ending March 31, 2018 was as follows. Net sales amounted to ¥802.1 billion, an increase of ¥25.9 billion or 3.3% compared to the corresponding period in the previous fiscal year, because of vehicle mix improvement, exchange rate impact and others. Operating income amounted to ¥39.9 billion, a decrease of ¥12.5 billion or 23.9% compared to the corresponding period in the previous fiscal year, due to the wholesales reduction and R&D costs increase for the future growth. Ordinary income amounted to ¥52.4 billion, an increase of ¥7.5 billion or 16.7% compared to the corresponding period in the previous fiscal year. Net income attributable to owners of the parent amounted to ¥36.6 billion, an increase of ¥15.4 billion or 72.4% compared to the corresponding period in the previous fiscal year.

Financial results by reportable segment for the first three months of the fiscal year ending March 31, 2018 was as follows. In Japan, net sales amounted to ¥655.6 billion, an increase of ¥37.7 billion or 6.1% compared to the corresponding period in the previous fiscal year, and operating income by segment (hereinafter referred to as “operating income”) amounted to ¥20.4 billion, a decrease of ¥0.2 billion or 1.2% compared to the corresponding period in the previous fiscal year. In North America, net sales amounted to ¥351.3 billion, an increase of ¥19.1 billion or 5.7% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥7.1 billion, a decrease of ¥4.1 billion or 36.7% compared to the corresponding period in the previous fiscal year. In Europe, net sales amounted to ¥159.5 billion, an increase of ¥1.5 billion or 0.9% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥1.4 billion, a decrease of ¥0.8 billion or 35.5% compared to the corresponding period in the previous fiscal year. In other areas, net sales amounted to ¥151.2 billion, increase of ¥15.1 billion or 11.1% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥5.0 billion, a decrease of ¥1.8 billion or 26.9% compared to the corresponding period in the previous fiscal year.

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

(Assets, Liabilities and Net Assets)

As of June 30, 2017, total assets increased ¥14.8 billion from the end of the previous fiscal year, to ¥2,539.3 billion. Total liabilities decreased ¥9.0 billion from the end of the previous fiscal year to ¥1,451.6 billion. Interest-bearing debt as of June 30, 2017 increased ¥3.6 billion from the end of previous fiscal year to ¥495.1 billion.

Net Assets as of June 30, 2017 increased ¥23.7 billion from the end of the previous fiscal year to ¥1,087.8 billion. Equity ratio increased 0.6 percentage points from the end of the previous fiscal year to 41.8% (Percentage after consideration of the equity credit attributes of the subordinated loan was 43.2%).

(Cash Flows)

Cash and cash equivalent as of June 30, 2017 decreased ¥11.1 billion from the end of the previous fiscal year to ¥515.7 billion.

Net cash provided by operating activities for the first three months of the fiscal year ending March 31, 2018 was ¥35.5 billion, although there were payments of income taxes, reflecting income before income taxes of ¥50.5 billion, etc. (For the first three months of the previous fiscal year, net cash provided by operating activities was ¥30.5 billion.) Net cash used in investing activities was ¥36.1 billion, mainly reflecting capital expenditure for the

acquisition of property, plant and equipment of ¥32.6 billion. (For the first three months of the previous fiscal year, net cash used in investing activities was ¥23.8 billion.) As a result, consolidated free cash flow (net of operating and investing activities) was negative ¥0.5 billion. (For the first three months of the previous fiscal year, consolidated free cash flow was positive ¥6.7 billion.) Net cash used in financing activities was ¥13.4 billion, mainly reflecting dividends payable. (For the first three months of the previous fiscal year, net cash used in financing activities was ¥44.5 billion.)

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

The forecast for the full year of fiscal year ending March 31, 2018 remains unchanged from the previous forecast, released on April 28, 2017.

## 2. Quarterly Consolidated Financial Statements and Major Footnotes

### (1) Quarterly Consolidated Balance Sheets

(June 30 and March 31, 2017)

		(Millions of Yen)	
As of		FY2017	FY2018
		March 31, 2017	June 30, 2017
<b>ASSETS</b>			
Current Assets:			
Cash and deposits		398,101	<b>365,982</b>
Trade notes and accounts receivable		215,788	<b>204,338</b>
Securities		128,900	<b>150,100</b>
Inventories		376,951	<b>397,444</b>
Other		223,449	<b>215,832</b>
Allowance for doubtful receivables		(818)	<b>(797)</b>
Total current assets		<b>1,342,371</b>	<b>1,332,899</b>
Non-current Assets:			
Property, plant and equipment:			
Buildings and structures (net)		184,607	<b>184,311</b>
Machinery, equipment and vehicles (net)		259,008	<b>261,958</b>
Land		409,894	<b>408,750</b>
Leased assets (net)		5,254	<b>4,882</b>
Other (net)		100,562	<b>104,750</b>
Total property, plant and equipment		<b>959,325</b>	<b>964,651</b>
Intangible assets:		33,242	<b>34,740</b>
Investments and other assets:			
Investment securities		147,438	<b>138,419</b>
Asset for retirement benefits		3,629	<b>4,234</b>
Other		41,412	<b>67,232</b>
Allowance for doubtful receivables		(2,865)	<b>(2,860)</b>
Total investments and other assets		<b>189,614</b>	<b>207,025</b>
Total non-current assets		<b>1,182,181</b>	<b>1,206,416</b>
Total Assets		<b>2,524,552</b>	<b>2,539,315</b>

(Millions of Yen)

As of	FY2017 March 31, 2017	FY2018 June 30, 2017
<b>LIABILITIES</b>		
Current Liabilities:		
Trade notes and accounts payable	388,880	379,550
Short-term loans payable	124,454	134,713
Long-term loans payable due within one year	89,997	93,849
Lease obligations	2,125	2,068
Income taxes payable	13,450	14,141
Accrued expenses	189,249	200,680
Reserve for warranty expenses	123,455	108,507
Other	64,419	63,454
Total current liabilities	996,029	996,962
Non-current liabilities:		
Bonds	20,000	20,000
Long-term loans payable	251,248	241,164
Lease obligations	3,610	3,268
Deferred tax liability related to land revaluation	64,715	64,702
Reserve for loss on business of subsidiaries and affiliates	529	562
Reserve for environmental measures	677	587
Liability for retirement benefits	72,888	72,209
Other	50,818	52,100
Total non-current liabilities	464,485	454,592
Total Liabilities	1,460,514	1,451,554
<b>NET ASSETS</b>		
Capital and Retained Earnings:		
Common stock	258,957	258,957
Capital surplus	239,909	239,910
Retained earnings	445,353	470,030
Treasury stock	(2,231)	(2,228)
Total capital and retained earnings	941,988	966,669
Accumulated Other Comprehensive Income/(Loss):		
Net unrealized gain/(loss) on available-for-sale securities	3,913	4,377
Deferred gains/(losses) on hedges	1,188	(2,093)
Land revaluation	145,944	145,915
Foreign currency translation adjustment	(33,812)	(33,397)
Accumulated adjustments for retirement benefits	(19,800)	(19,233)
Total accumulated other comprehensive income/(loss)	97,433	95,569
Stock Acquisition Rights	91	86
Non-controlling Interests	24,526	25,437
Total Net Assets	1,064,038	1,087,761
Total Liabilities and Net Assets	2,524,552	2,539,315



**(2) Quarterly Consolidated Statements of Operations and Comprehensive Income**  
**(For the first three months ended June 30, 2017 and 2016)**

**Quarterly Consolidated Statements of Operations**

(Millions of Yen)

For the first three months ended	FY2017 June 30, 2016	FY2018 June 30, 2017
Net sales	776,204	<b>802,055</b>
Cost of sales	586,029	<b>607,386</b>
Gross profit	190,175	<b>194,669</b>
Selling, general and administrative expenses	137,736	<b>154,737</b>
Operating income	52,439	<b>39,932</b>
Non-operating income		
Interest income	756	<b>907</b>
Equity in net income of affiliated companies	8,264	<b>8,900</b>
Foreign exchange gain	-	<b>4,420</b>
Other	1,725	<b>1,245</b>
Total	10,745	<b>15,472</b>
Non-operating expenses		
Interest expense	2,840	<b>1,928</b>
Foreign exchange loss	13,546	-
Other	1,870	<b>1,047</b>
Total	18,256	<b>2,975</b>
Ordinary income	44,928	<b>52,429</b>
Extraordinary income		
Gain on sales of property, plant and equipment	165	<b>495</b>
Gain on sale of investment securities	62	<b>50</b>
Total	227	<b>545</b>
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	465	<b>382</b>
Impairment loss	385	<b>874</b>
Reserve for loss on business of subsidiaries and affiliates	113	<b>33</b>
Litigation settlement	-	<b>1,156</b>
Business structure improvement expenses	4,770	-
Total	5,733	<b>2,445</b>
Income before income taxes	39,422	<b>50,529</b>
Income taxes		
Current	7,236	<b>11,215</b>
Deferred	10,448	<b>1,714</b>
Total	17,684	<b>12,929</b>
Net income	21,738	<b>37,600</b>
Net income attributable to Non-controlling interests	508	<b>996</b>
Net income attributable to owners of the parent	21,230	<b>36,604</b>

## Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

For the first three months ended	FY2017 June 30, 2016	FY2018 June 30, 2017
Net income	21,738	<b>37,600</b>
Other comprehensive income/(loss)		
Net unrealized gain/(loss) on available-for-sale securities	(1,237)	<b>465</b>
Deferred gains/(losses) on hedges	2,511	<b>(3,272)</b>
Foreign currency translation adjustment	(12,210)	<b>1,356</b>
Adjustments for retirement benefits	401	<b>558</b>
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	(4,391)	<b>(907)</b>
Total	(14,926)	<b>(1,800)</b>
Comprehensive income/(loss)	6,812	<b>35,800</b>
Comprehensive income/(loss) attributable to:		
Owners of the parent	8,120	<b>34,769</b>
Non-controlling interests	(1,308)	<b>1,031</b>

#### (4) Consolidated Statements of Cash Flows

(Millions of Yen)

For the first three months ended	FY2017 June 30, 2016	FY2018 June 30, 2017
Cash flows from operating activities:		
Income before income taxes	39,422	<b>50,529</b>
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:		
Depreciation and amortization	19,498	<b>21,553</b>
Impairment loss	385	<b>874</b>
Increase/(decrease) in allowance for doubtful receivables	37	<b>(41)</b>
Increase/(decrease) in reserve for warranty expenses	(3,104)	<b>(14,948)</b>
Increase/(decrease) in reserve for loss on business of subsidiaries and affiliates	113	<b>33</b>
Increase/(decrease) in liability for retirement benefits	(7)	<b>(871)</b>
Interest and dividend income	(926)	<b>(1,075)</b>
Interest expense	2,840	<b>1,928</b>
Equity in net loss/(income) of affiliated companies	(8,264)	<b>(8,900)</b>
Loss/(gain) on sales and retirement of property, plant and equipment	300	<b>(113)</b>
Decrease/(increase) in trade notes and accounts receivable	(5,238)	<b>15,505</b>
Decrease/(increase) in inventories	9,843	<b>(14,797)</b>
Increase/(decrease) in trade notes and accounts payable	(32,656)	<b>(10,327)</b>
Increase/(decrease) in other current liabilities	13,457	<b>10,380</b>
Other	23,030	<b>(5,178)</b>
Subtotal	58,730	<b>44,552</b>
Interest and dividends received	1,637	<b>1,801</b>
Interest paid	(1,797)	<b>(2,436)</b>
Income taxes refunded/(paid)	(28,049)	<b>(8,390)</b>
Net cash provided by/(used in) operating activities	30,521	<b>35,527</b>
Cash flows from investing activities:		
Purchase of investment securities	(220)	<b>(938)</b>
Proceeds from sales and redemption of investment securities	270	<b>481</b>
Acquisition of property, plant and equipment	(23,333)	<b>(32,635)</b>
Proceeds from sales of property, plant and equipment	882	<b>1,131</b>
Acquisition of intangible assets	(1,564)	<b>(3,438)</b>
Net decrease/(increase) in short-term loans receivable	26	<b>1</b>
Payments of long-term loans receivable	(55)	<b>(24)</b>
Collections of long-term loans receivable	143	<b>89</b>
Other	30	<b>(723)</b>
Net cash provided by/(used in) investing activities	(23,821)	<b>(36,056)</b>

(Millions of Yen)

For the first three months ended	FY2017 June 30, 2016	FY2018 June 30, 2017
Cash flows from financing activities:		
Net increase/(decrease) in short-term loans payable	4,133	<b>5,199</b>
Proceeds from long-term loans payable	100	<b>25</b>
Repayments of long-term loans payable	(39,159)	<b>(6,065)</b>
Proceeds from sale and leaseback transactions	14	<b>39</b>
Repayments of lease obligations	(515)	<b>(550)</b>
Cash dividends paid	(8,967)	<b>(11,956)</b>
Cash dividends paid to non-controlling interests	(70)	<b>(120)</b>
Net decrease/(increase) in treasury stock	(1)	<b>4</b>
Net cash provided by/(used in) financing activities	(44,465)	<b>(13,424)</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(15,088)	<b>2,809</b>
Net increase/(decrease) in cash and cash equivalents	(52,853)	<b>(11,144)</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	-
Cash and cash equivalents at end of the period	520,651	<b>515,720</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 first quarter of the fiscal year ending March 31, 2018, “Other” in Current Assets decreased by ¥21,116 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 three months ended June 30, 2017.

## (Segment Information)

### I. FY2017 First Three Months (April 1, 2016 through June 30, 2016)

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

(Millions of Yen)

FY2017 First Three Months Ended June 30, 2016	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	215,072	281,398	154,113	125,621	776,204	-	776,204
Inter-segment	402,797	50,795	3,959	10,471	468,022	(468,022)	-
Total	617,869	332,193	158,072	136,092	1,244,226	(468,022)	776,204
Segment income	20,666	11,156	2,237	6,827	40,886	11,553	52,439

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 three months ended June 30, 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 Three Months (April 1, 2017 through June 30, 2017)

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

(Millions of Yen)

FY2018 First Three Months Ended June 30, 2017	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	221,596	288,292	155,786	136,381	802,055	-	802,055
Inter-segment	433,971	62,959	3,739	14,853	515,522	(515,522)	-
Total	655,567	351,251	159,525	151,234	1,317,577	(515,522)	802,055
Segment income	20,417	7,066	1,443	4,988	33,914	6,018	39,932

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 three months ended June 30, 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 First Quarter of the Fiscal Year Ending March 31, 2018**  
**(For the Three Months Ended June 30, 2017)**

August 2, 2017  
Mazda Motor Corporation

		FY 2017		FY 2018		FY 2017		FY 2018					
		First 3 Months		First 3 Months		Full Year		Full Year Forecast					
		(Apr.'16-Jun.'16)		(Apr.'17-Jun.'17)		Ended March 31, 2017		Ending March 31, 2018					
		%		%		%		%					
	Domestic	1	1,205	(27.2)	1,302	8.1	5,870	(11.2)	6,260	6.6			
	Overseas	2	6,557	2.4	6,719	2.5	26,274	(4.3)	27,240	3.7			
Net sales		3	7,762	(3.7)	8,021	3.3	32,144	(5.6)	33,500	4.2			
Operating income		4	6.8%	524	(1.7)	399	(23.9)	3.9%	1,257	(44.6)	4.5%	1,500	19.3
Ordinary income		5	5.8%	449	(17.7)	524	16.7	4.3%	1,395	(37.6)	4.9%	1,630	16.8
Income before income taxes		6	5.1%	394	(26.9)	505	28.2	4.0%	1,284	(23.1)	4.5%	1,500	16.8
Net income attributable to owners of the parent		7	2.7%	212	(42.2)	366	72.4	2.9%	938	(30.2)	3.0%	1,000	6.6
Operating income by segment (geographic area)													
	Japan	8	207		204		659						
	North America	9	112		71		267						
	Europe	10	22		14		54						
	Other areas	11	68		50		202						
Operating profit changes													
	Volume & mix	12			(130)							150	
	Exchange rate	13			3							0	
	Cost improvement	14			8							100	
	R&D costs	15			(62)							(131)	
	Other	16			56							124	
	Total	17			(125)							243	
Average rate for the period (Yen)	USD	18	108		111		108		108				
	EUR		122		122		119		118				
Transaction rate (Yen)	USD	19	103		111		107		108				
	EUR		122		123		118		118				
Capital expenditures		20	133		251		944		1,200				
Depreciation and amortization		21	195		216		824		870				
R & D costs		22	289		351		1,269		1,400				
Total assets		23	24,231		25,393		25,246						
Net assets		24	9,551		10,622		10,394						
Financial debt		25	5,674		4,951		4,914						
Net financial debt		26	467		(207)		(354)						
Free cash flow (Operating & Investing)		27	67		(5)		973						
	Japan	28	39	(31.4)	41	5.5	203	(12.8)	213	5.2			
	North America	29	113	(2.4)	106	(6.0)	429	(2.1)	454	5.9			
	Europe	30	66	21.6	64	(3.0)	262	2.0	267	2.1			
	China	31	59	3.1	71	20.3	292	24.1	282	(3.4)			
	Other	32	98	14.0	94	(3.2)	373	0.6	384	2.6			
Global retail volume		33	375	1.3	377	0.6	1,559	1.6	1,600	2.6			
Consolidated wholesales volume		34	313	1.8	297	(5.3)	1,265	(3.2)	1,305	3.2			
	Domestic	35	220	(2.5)	227	3.0	965	(2.5)	1,011	4.8			
	Overseas	36	136	(5.9)	150	10.8	627	7.8					
Global production volume		37	356	(3.8)	377	6.0	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).