

## **FY March 2017 Third Quarter Financial Results Main Q&A**

### **1. Please summarize results for the first nine months of FY March 2017.**

Global sales volume was up 17,000 units over the prior year to 1,162,000 units, achieving a new record for the first three quarters. Sales of crossover models such as the CX-3, the new CX-9 and the new CX-4 in China were strong and played a key role in the volume growth. Sales declined in Japan and North America, but global sales volume was up 1% year on year with growth in Europe, China and other markets.

Revenue was ¥2,348.6 billion (down ¥199.2 billion year on year), operating profit was ¥102.0 billion (down ¥71.4 billion year on year), and net income was ¥79.9 billion (down ¥43.5 billion year on year).

The operating profit decline is mainly due to negative impact from foreign exchange (deteriorated ¥101.8 billion year on year). Operating profit declined ¥71.4 billion, although we reinforced cost improvement efforts to minimize the negative impact of stronger yen versus the prior year while continuing investment for future growth.

The forecast global sales for the full year is unchanged from the November forecast at 1.55 million units. Reflecting immediate sales trends and projections for each market, we revised sales volume downwards for Japan and North America, and upwards for China, where the new CX-4 and Mazda3 are performing well.

We have revised operating profit to ¥130 billion and net income to ¥90 billion.

### **2. Please explain reasons for downward revision of full year forecast.**

We revised operating profit to ¥130 billion, down ¥20 billion from November forecast, mainly due to reduced wholesale volume in Japan and North America and increase in quality-related cost, despite expected weaker yen.

In Japan, sales of the new CX-5 start on February 2. The model has been highly acclaimed since its launch in mid-December, and in one and a half months we have received pre-orders for more than 9,000 units.

Including the product line-up reinforcement, we enhance initiatives in all these areas such as R&D, Sales, Production and Finance, so as to achieve a turnaround toward the goals of Structural Reform Stage 2.

### **3. Is there any change to planned dividend amount, in consideration of the revision of profit forecast?**

We downwardly revised profit forecast, but there is no change to our plan to pay an annual dividend this fiscal year of ¥35 per share. We will improve shareholder returns while reinforcing our financial base.

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