

(For your information)

**Mazda Motor Corporation**  
**FY MARCH 2022 FIRST QUARTER FINANCIAL RESULTS**  
**MAIN Q&A**

**1. Please summarize FY March 2022 first quarter financial results.**

Global sales recovered to 353,000 units, the same level as FY March 2020. In response to production cuts caused by the semiconductor shortage, we focused on global control of inventory and lean and efficient operations. We prioritized supplying vehicles to the United States and Australia where the economy recovered and industry demand rapidly increased. In these markets, sales have been strong and outperformed the industry recovery. We had to reduce the supply of vehicles to Japan, Europe, etc. but we proceeded with efforts to achieve sales recovery including measures to respond to the strong demand for second-hand cars.

Consolidated net sales were ¥803.4 billion, operating profit was ¥26.1 billion, and net income attributable to owners of the parent was ¥11.4 billion. In comparison with the first quarter of FY March 2020, operating profit improved ¥19.1 billion despite the fact that wholesales volume was down approximately 50,000 units and net sales were lower with the limited production due to the semiconductor supply. The improvement is the result that we have implemented major initiatives of the Medium-term Management Plan, which include the progress in improving transaction prices and reducing incentive spending through customer-focused sales and services, and our efforts on reinforcing cost reductions, and continued fixed costs reduction and efficiency improvements by leveraging lessons learned from the COVID-19 pandemic. Mazda's break-even volume has now reached a level below 1 million units since the second half of the last fiscal year.

**2. Please explain the background of the strong performance in the United States and its continuity.**

Sales volume in the United States was up 73% year on year to 106,000 unit for the first quarter of FY March 2022. Sales growth outperformed the industry's recovery. Market share has steadily increased year on year and also from two years ago, and we expect to maintain the current sales momentum through the combination of effective sales and products based on sales transformation including network reorganization, promotion of regionally optimized and autonomous operation, and competitive lease offering & dealer

consulting, as well as growth of crossover products and effective marketing actions taken with high product reputations. Although the competitive environment is expected to intensify in the future as competitors improve their supply conditions, we will strive for improvement of sales quality and volume growth at the same time.

**3. Please explain the expected impact of a semiconductor supply shortage in the future.**

The supply of semiconductors will remain unstable. We discuss and make adjustments with our suppliers to respond to the situation on a day-to-day basis and the situation is still fluid. Therefore, the full-year assumptions of approximately 100,000 units of production impact and approximately 70,000 units of wholesale impact remain unchanged from what we announced in May. 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 sales and profits.

**4. Please explain reasons that full-year forecast remains unchanged despite the strong first quarter results.**

The first quarter results showed steady progress, through the efficient inventory control amid the limited production due to the semiconductor supply, and initiatives based on the policy of the Medium-term Management Plan Revision. However, the FY March 2022 full year forecast unchanged from what was announced in May, because we need to monitor and carefully assess the situation as there remains uncertainty in factors such as future market trends, semiconductor supply shortage and price increases as a result of the shortage, another wave of COVID-19 infections as well as the risk of natural disasters such as heavy rains. To achieve strong growth from next fiscal year, we will continue our efforts in structural reform to make steady improvements.

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