

WITH SHAREHOLDERS AND INVESTORS

Dialogue with Shareholders and Investors

For continued growth and enhancement of corporate value over the medium and long terms, Mazda engages in a variety of investor relations initiatives in keeping with its policy of timely and appropriate disclosure of information and with constructive dialogue. In addition to general shareholders' meetings, the Company holds frequent meetings with its shareholders and investors, providing quarterly announcements to explain its business results and other activities. The Company is working to increase opportunities for dialogue in such ways as holding business briefings for institutional investors, individual investors, and domestic and overseas securities analysts.

Mazda's official website provides information such as the schedule for general shareholders' meetings and financial results announcements, performance / financial data, notices of the general meetings of shareholders (business reports), summary of financial results, briefing materials for the financial results, Securities Report (Japanese only), annual report, Corporate Governance Report. Mazda strives for highly transparent and fair disclosure. Mazda is planning to apply International Financial Reporting Standards (IFRS), in order to enhance the international comparability of its financial information, quality of Group management and corporate governance. Mazda will decide the appropriate timing of IFRS application, observing the trend of the adoption among Japanese companies as well as the domestic and overseas economic situations.

Management Conditions and Dividends for FY March 2021

We announced our Medium-Term Management Plan Revision in November 2020 in response to the significant changes in the business environment due to the spread of novel coronavirus (COVID-19). Based on what we have learned and reexamined during the COVID-19 pandemic and the tightening and acceleration of global environmental regulations, as well as the competition to create new value in the era of CASE, we have officially announced specific initiatives aimed at addressing structural issues. In the two-year period of creating a solid foundation leading up to fiscal year March 2022, we will complete preparations in all areas for the next stage of strong growth. Following this, we will move forward with our Medium-Term Management Plan to promote a shift in the quality of investment toward realizing electrification, improved IT, and carbon neutrality. Mazda's global sales were 1,287 thousand units, down 9.3% year on year, due to a decline in sales in Japan, Europe, ASEAN, and other countries following the impact of the COVID-19 outbreak. Meanwhile, in markets where there were strong sales, such as the U.S. and Australia, sales overtook the recovery in demand and the sales volume was greater than that of the previous fiscal year. Consolidated wholesale volumes decreased 19.7% from the previous fiscal year to 990 thousand units.

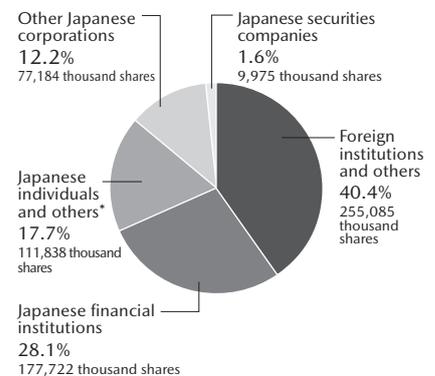
Net sales totaled 2,882.1 billion yen, a decrease of 548.2 billion yen, or 16.0%. In the first half of the fiscal year, operating income declined 78.7 billion yen year on year to a loss of 52.9 billion yen. This decline was mainly due to a fall in wholesales associated with the global outbreak of COVID-19. Meanwhile, as a result of Companywide focused and continuous efforts to lower the break-even sales volume through sales recovery, fixed cost control, and improvement of variable profit, we achieved a significant improvement in operating income in the second half of the fiscal year, which increased 43.9 billion yen year on year to 61.7 billion yen. As a result, the operating income for the full year decreased by 34.8 billion yen, or 79.8%, to 8.8 billion yen, and the consolidated operating income ratio declined 1.0 points to 0.3%. Furthermore, regarding the lowering of break-even sales volume, we achieved just under 500 thousand units in the second half of the fiscal year, making steady progress toward achieving our goal of 1,000 thousand units, as set out in our Medium-Term Management Plan. Ordinary income fell 24.8 billion yen, or 46.8%, to 28.3 billion yen owing principally to the recording of 16.1 billion yen of foreign exchange gains and a 6.6 billion yen gain from equity in net income of affiliated companies. Net loss attributable to owners of the parent was 31.7 billion yen, compared with net income attributable to owners of the parent of 12.1 billion yen in the previous fiscal year as a result of factors such as the recording of 20.5 billion yen in fixed and other costs during the suspension of production due to the impact of the COVID-19 pandemic as an extraordinary loss and tax expenses of 34.3 billion yen.

Mazda strives to pay a stable dividend with steady increases under a basic policy of determining the dividend amount by comprehensively taking into account the Company's financial results for the fiscal year, the business environment, and the Company's financial position. For FY March 2021, we forewent a dividend payout after giving full consideration to the Company's financial results for the fiscal year and financial position.

a

a Breakdown of Shareholders by Type

(as of March 31, 2021)



* Treasury stock is included in Japanese individuals and others

b

b Management Conditions

(consolidated /billion yen)

	FY March 2019	FY March 2020	FY March 2021
Net sales	3,564.2	3,430.3	2,882.1
Operating income	82.3	43.6	8.8
Net income attributable to owners of the parent company	63.2	12.1	△31.7
Capital investment	119.7	132.6	93.0
R & D costs	134.7	135.0	127.4
Total assets	2,877.6	2,787.6	2,917.4
Equity	1,203.3	1,174.9	1,181.7

(thousand units)

	FY March 2019	FY March 2020	FY March 2021
Total	1,561	1,419	1,287
Global sales volume			
Japan	215	202	176
North America	421	397	403
Europe	270	264	178
China	247	212	228
Others	409	345	301

Investor Relations (includes financial results, annual reports)
<https://www.mazda.com/en/investors>