

Consolidated Financial Results

For the Fiscal Year Ended March 31, 2019



Prepared in Conformity with Generally Accepted Accounting Principles in Japan

English Translation from the Original Japanese-Language Document

May 9, 2019

Company Name : **Mazda Motor Corporation** (Tokyo Stock Exchange / Code No. 7261)
 URL : <https://www.mazda.com/>
 Representative Person : Akira Marumoto, Representative Director and President
 Contact Person : Masahiro Takeda, General Manager, Accounting Department, Financial Services Division
 Phone 082-282-1111
 General Meeting of the Shareholders : Scheduled for June 26, 2019
 Payment of Dividends : Scheduled for June 27, 2019
 Filing of *Yuka Shoken Hokokusho*, annual securities report : Scheduled for June 27, 2019
 Supplementary Material : Yes
 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, 2018 through March 31, 2019)

(1) Consolidated Financial Results

(Percentage indicates change from 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	%
FY2019	3,564,696	2.6	83,013	(43.3)	116,788	(32.2)	63,476	(43.4)
FY2018	3,474,024	8.1	146,421	16.5	172,133	23.4	112,057	19.5

Note: Comprehensive income
FY2019 **52,029** millions of yen ((58.9) %)
FY2018 126,500 millions of yen ((16.8) %)

	Net Income Per Share	Net Income Per Share (Diluted)	Return on Equity	Ordinary Income to Total Assets	Operating Income to Sales
	yen	yen	%	%	%
FY2019	100.79	100.77	5.3	4.2	2.3
FY2018	182.93	182.90	10.0	6.6	4.2

Reference: Equity in net income of affiliates (for the fiscal years ended March 31)
FY2019 **30,688** millions of yen
FY2018 32,366 millions of yen

Note: The Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the fiscal year ended March 2019. The figures for the year ended March 31, 2018 were adjusted retrospectively in accordance with this change.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
As of Mar. 31, 2019	2,871,018	1,248,915	42.4	1,935.24
As of Mar. 31, 2018	2,724,092	1,219,470	43.7	1,894.29

Reference: Net assets excluding non-controlling interests and stock acquisition rights
FY2019 **1,218,736** millions of yen
FY2018 1,192,925 millions of yen

Note: The Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the fiscal year ended March 2019. The figures for the year ended March 31, 2018 were adjusted retrospectively in accordance with this change.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Ending Cash & Cash Equivalents
	millions of yen	millions of yen	millions of yen	millions of yen
FY2019	146,690	(131,611)	83,411	701,624
FY2018	207,795	(159,989)	30,461	604,854

2. Dividends

	Dividends per Share					Total Amount of Annual Dividends	Dividends Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	1st.Qtr.	2nd.Qtr.	3rd.Qtr.	Year-End	Full Year			
	yen	yen	yen	yen	yen	millions of yen	%	%
FY2018	-	15.00	-	20.00	35.00	21,562	19.1	1.9
FY2019	-	15.00	-	20.00	35.00	22,042	34.7	1.8
FY2020 (Forecast)	-	15.00	-	20.00	35.00		27.6	

3. Consolidated Financial Forecast (April 1, 2019 through March 31, 2020)

(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
FY2020 Full Year	3,700,000	3.8	110,000	32.5	125,000	7.0	80,000	26.0	127.03

***Notes**

(1) Changes in Significant Subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation):

Newly added subsidiaries: None Excluded subsidiaries: None

(2) Changes in accounting policies / Changes in accounting estimates / Restatement:

- | | |
|--|------|
| 1) Changes in accounting policies with accompanying revision of accounting standards | Yes |
| 2) Voluntary changes in accounting policies except 1) | None |
| 3) Changes in accounting estimates | None |
| 4) Restatement | None |

Note: Please refer to "3.Consolidated Financial Statements and Major Footnotes (5)Footnotes to the Consolidated Financial statements" on page 14 of the attachment.

(3) Number of outstanding shares (Common stock)

1) Outstanding shares at period-end (including treasury stock)	As of March 31, 2019	631,803,979 shares
	As of March 31, 2018	631,803,979 shares
2) Treasury stock at period-end	As of March 31, 2019	2,043,857 shares
	As of March 31, 2018	2,057,633 shares
3) Average number of outstanding shares during the period	Year ended March 31, 2019	629,757,943 shares
	Year ended March 31, 2018	612,554,125 shares

(Reference)

Unconsolidated Financial Highlights (April 1, 2018 through March 31, 2019)

(1) Unconsolidated Financial Results

(Percentage indicates change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2019	2,666,208	1.2	533	(99.1)	52,324	(48.2)	39,334	(50.4)
FY2018	2,635,884	6.2	59,904	31.1	101,029	59.1	79,359	40.2

	Net Income Per Share	Net Income Per Share (Diluted)
FY2019	62.46 yen	62.44 yen
FY2018	129.55	129.53

(2) Unconsolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
As of Mar. 31, 2019	millions of yen 2,163,208	millions of yen 1,049,549	% 48.5	yen 1,666.16
As of Mar. 31, 2018	2,064,568	1,035,407	50.1	1,643.86

Reference: Net Assets excluding stock acquisition rights (as of March 31)

FY2019	1,049,294 millions of yen
FY2018	1,035,224 millions of yen

This document is out of the scope of audit by certified public accountants or accounting auditor.

Cautionary Statements with Respect to Forward-Looking Statements and Other Notes

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.Overview of Financial Results, etc. - (4) Financial Forecast" on page 4 of the attachment.

Attachment

Table of Contents

1. Overview of Financial Results, etc.	P. 2
(1) Overview of Financial Results.....	P. 2
(2) Overview of Financial Position.....	P. 3
(3) Overview of Cash Flow.....	P. 4
(4) Financial Forecast.....	P. 4
(5) Basic Dividend Policy, Dividends for March 2019 and March 2020 Fiscal Years.....	P. 5
2. Basic Rationale to the Selection of Accounting Standards.....	P. 5
3. Consolidated Financial Statements and Major Footnotes.....	P. 6
(1) Consolidated Balance Sheets.....	P. 6
(2) Consolidated Statements of Operations and Comprehensive Income.....	P. 8
(3) Consolidated Statements of Changes in Net Assets.....	P. 10
(4) Consolidated Statements of Cash Flows.....	P. 12
(5) Footnotes to the Consolidated Financial Statements.....	P. 14
Note on the Assumptions as Going Concern.....	P. 14
Changes in Accounting Policies.....	P. 14
Changes in Presentation.....	P. 14
Segment Information.....	P. 15
Information on Amounts Per Share of Common Stock.....	P. 17
Significant Subsequent Events.....	P. 17
4. Unconsolidated Financial Statements and Major Footnotes.....	P. 18
(1) Unconsolidated Balance Sheets.....	P. 18
(2) Unconsolidated Statements of Operations.....	P. 20
(3) Unconsolidated Statements of Changes in Net Assets.....	P. 21
(4) Footnotes to the Unconsolidated Financial Statements.....	P. 23
Note on the Assumptions as Going Concern.....	P. 23
Changes in Presentation.....	P. 23
(References)	
Financial Summary (Consolidated) For the Fiscal Year Ended March 2019	
Financial Summary (Unconsolidated) For the Fiscal Year Ended March 2019	

1. Overview of Financial Results, etc.

(1) Overview of Financial Results

With regard to the business environment surrounding the Mazda Group for the fiscal year ended March 31, 2019, although issues related to trade between major countries and the Britain's exit from the European Union made future prospects unclear, in general the year saw slow recovery. The U.S. economy made favorable developments with a background of strong employment and income. The European economy continued to make gradual improvement despite some confusion caused by the Britain's exit from the European Union. Meanwhile, the China's economy slowed due to trade and other issues. In Japan, thanks to improvements in employment and income, the economy made a modest recovery led by domestic demand.

Amid these circumstances, through the final year of Structural Reform Stage 2, the Mazda Group has worked to offer appealing products that provide both driving pleasure and outstanding environmental and safety performance to achieve qualitative growth in all areas of the business and to further enhance brand value.

In this consolidated fiscal year, we introduced the all-new Mazda3 as the first model of Mazda's new generation lineup, with sales starting from North America. The all-new Mazda3 adopts Mazda's new Skyactiv-Vehicle Architecture, which aims to maximize humans' innate sense of balance, and series of Skyactiv engines, including Skyactiv-X, to provide responsive speed control in any driving situation. Based on its philosophy of designing the car around the human being, Mazda dramatically enhanced the car's fundamental driving attributes. Additionally, the world premiere of the second model in Mazda's new-generation lineup, the Mazda CX-30 compact crossover SUV, was held in March 2019 at the Geneva International Motor Show. As a new core model, the CX-30 will be rolled out to global markets, with sales starting from Europe this summer. Aside from these new products, updates of key models such as the Mazda CX-5 and CX-8 were also released. Through continuing to release updated models, Mazda will offer products that provide both driving pleasure and outstanding environmental and safety performance in customers' daily lives.

[Global sales]

In the consolidated accounting period, although sales increased in Japan and in ASEAN markets, sales fell in the China, U.S., and Australia, resulting in global sales volume decreasing 4.2 % year on year at 1,561 thousand units. By model, crossover SUVs such as the CX-5 and CX-8 continued to sell well.

Sales volume by market is as shown below.

<Japan>

In Japan, sales were up 2.0 % year on year at 215 thousand units thanks to sales of CX-5, CX-8 and Mazda6 updated models. The CX-8 was the highest-selling model* in the domestic three-row SUV market and has continued to sell well since its launch.

*According to Mazda data

<North America>

In the U.S., decreasing sedan sales due to a continued reduction in demand and an increasingly competitive crossover SUV market resulted in sales of 287 thousand units, down 5.7 % year on year. In the North American market overall, although sales increased in Mexico, sales were down 3.2 % year on year at 421 thousand units.

<Europe>

Although sales decreased in Germany, in addition to sales surpassing industry demand growth in Russia, sales also increased in countries such as Spain, leading to European sales of 270 thousand units, the same level as the prior fiscal year. Sales of the Mazda2 and CX-5 have been strong.

<China>

Due to lower demand and increased competition caused by decelerated economic growth, sales volume of key models in China decreased, resulting in sales of 247 thousand units, down 23.3 % year on year.

<Other markets>

In Australia, another major market, stiff competition led to a worsening sales environment, with sales volume down 5.0 % year on year at 110 thousand units. However, ASEAN markets such as Thailand and Vietnam saw substantial improvements upon the previous year, resulting in other markets seeing an overall 3.7 % year on year gain at 409 thousand units.

[Consolidated financial result]

Financial performance on a consolidated basis for the fiscal year ended March 31, 2019 was as follows.

Net sales	3,564.7 billion yen	(vs. Prior Year	90.7 billion yen	2.6 %)
Operating income	83.0 billion yen	(vs. Prior Year	(63.4) billion yen	(43.3 %))
Ordinary income	116.8 billion yen	(vs. Prior Year	(55.3) billion yen	(32.2 %))
Net income attributable to owners of the parent	63.5 billion yen	(vs. Prior Year	(48.6) billion yen	(43.4 %))

And, operating income changes were as follows.

Volume & mix	(14.7) billion yen
Exchange rate	(38.1) billion yen
Cost improvement	19.8 billion yen
R&D costs	1.3 billion yen
Other	(31.7) billion yen

Financial results by segment were as follows.

In Japan, net sales amounted to ¥2,884.0 billion, an increase of ¥30.1 billion or 1.1 % over the previous fiscal year and operating income by segment (hereinafter referred to as “operating income”) amounted to ¥22.5 billion, a decrease of ¥59.1 billion or 72.5 %. In North America, net sales amounted to ¥1,346.2 billion, a decrease of ¥12.2 billion or 0.9 %, and operating income amounted to ¥21.7 billion, a decrease of ¥5.3 billion or 19.6 %. In Europe, net sales amounted to ¥723.1 billion, an increase of ¥10.2 billion or 1.4 %, and operating income amounted to ¥12.9 billion, an increase of ¥4.1 billion or 47.1 %. In other areas, net sales amounted to ¥694.1 billion, an increase of ¥16.1 billion or 2.4 %, and operating income amounted to ¥24.2 billion, a decrease of ¥1.2 billion or 4.7 %.

(2) Overview of Financial Position

As of March 31, 2019, total assets increased ¥146.9 billion from the end of the previous fiscal year, to ¥2,871.0 billion. Total liabilities increased ¥117.5 billion from the end of the previous fiscal year to ¥1,622.1 billion. Interest-bearing debt as of March 31, 2019 increased ¥109.2 billion from the end of previous fiscal year to ¥607.1 billion due to the increase in long-term loans for the purpose of capital investment, etc.

Net Assets as of March 31, 2019 increased ¥29.4 billion from the end of the previous fiscal year to ¥1,248.9 billion, reflecting net income attributable to owners of the parent ¥63.5 billion and the cash dividends of ¥22.0 billion. Equity ratio decreased 1.4 percentage points from the end of the previous fiscal year to 42.4 % (Percentage after consideration of the equity credit attributes of the subordinated loan was 43.7 %).

The Company has adopted “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) from the beginning of the fiscal year ended March 31, 2019. The year-on-year comparisons with the year ended March 31, 2018 are made with the figures adjusted retrospectively in accordance with this change.

(3) Overview of Cash Flow

Cash and cash equivalent as of March 31, 2019 increased ¥96.8 billion from the end of the previous fiscal year to ¥701.6 billion. Interest-bearing debt as of March 31, 2019 increased ¥109.2 billion from the end of previous fiscal year to ¥607.1 billion. As a result, we are in a net cash position of ¥94.6 billion.

Cash flows for the fiscal year ending March 31, 2019 by activities were as follows.

Cash flows from operating activities

Net cash provided by operating activities was ¥146.7 billion, reflecting income before income taxes of ¥108.3 billion, dividend income, etc. (For the previous fiscal year, net cash provided by operating activities was ¥207.8 billion.)

Cash flows from investing activities

Net cash used in investing activities was ¥131.6 billion, mainly reflecting capital expenditure for the acquisition of property, plant and equipment of ¥110.2 billion. (For the previous fiscal year, net cash used in investing activities was ¥160.0 billion.)

As a result, consolidated free cash flow (net of operating and investing activities) was positive ¥15.1 billion. (For the previous fiscal year, consolidated free cash flow was positive ¥47.8 billion.)

Cash flows from financing activities

Net cash provided by financing activities was ¥83.4 billion, mainly reflecting funding from long-term loans for capital investment, which was partially offset by the repayments of long-term loans and dividends payable. (For the previous fiscal year, net cash provided by financing activities was ¥30.5 billion.)

(4) Financial Forecast

From the fiscal year ending March 31, 2020, we will start the full-scale introduction of the Mazda's new-generation lineup, all-new Mazda3 and CX-30 to global markets. Despite a challenging sales environment, the Company will maintain its sales focusing on promotion of the value of products, and will aim to enhance brand value and achieve sustainable growth of global sales, revenue and profit leveraging the new-generation lineup. The Company will address challenges in the changing business environment of the automobile industry including intensifying competition and tighter environmental and other regulations, and will continue to implement its key initiatives for the future by developing and introducing new-generation models and technologies.

The outlook for the fiscal year ending March 31, 2020 is as follows.

Consolidated Financial Forecast (April 1, 2019 through March 31, 2020)

	Full Year	vs. Prior Year
Net sales	3,700 billion yen	3.8 %
Operating income	110 billion yen	32.5 %
Ordinary income	125 billion yen	7.0 %
Net income attributable to owners of the parent	80 billion yen	26.0 %
Exchange rate		
USD	110 Yen	(1) Yen
EUR	126 Yen	(2) Yen

Global Retail Volume Forecast (April 1, 2019 through March 31, 2020)

	Full Year	vs. Prior Year
Japan	223 thousand units	4.2 %
North America	456 thousand units	8.3 %
Europe	286 thousand units	6.2 %
China	265 thousand units	7.1 %
Other	387 thousand units	(5.2) %
Total	1,618 thousand units	3.6 %

Note: The forecast stated above is based on management's judgment and views in light of information presently available. By nature, such forecasts are subject to risks and uncertainties, and are not contemplated to ensure the fulfillment thereof. Therefore, we advise against making an investment decision by solely relying on this forecast. Variables that could affect the actual financial results include, but are not limited to, the economic environments surrounding our business areas and fluctuations in yen-to-dollar and other exchange rates.

(5) Basic Dividend Policy, Dividends for March 2019 and March 2020 Fiscal Years

Mazda's policy regarding the stock dividend is to determine the amount of dividend payments, taking into account current fiscal year's financial results, business environment, and financial condition, etc. And Mazda is striving for realization of a stable shareholder returns and its future steady increase.

With regard to the dividend for the fiscal year ended March 31, 2019, we plan to declare ¥35 per share (comprised of an interim dividend of ¥15 and a year-end dividend of ¥20). We intend to use internal reserves to address changes taking place in the automotive industry, as well as for research and development and capital investment for future growth.

For the next fiscal year ending March 31, 2020, our current forecast for dividends is ¥35 per share (comprised of an interim dividend of ¥15 and a year-end dividend of ¥20).

2. Basic Rationale for the Selection of Accounting Standards

We are considering to apply International Financial Reporting Standards (IFRS) in the future, in order to enhance the international comparability of its financial information, quality of Group management and corporate governance. In regard to its timing of IFRS application, we will examine it observing the trend of the adoption among Japanese companies as well as the domestic and overseas economic situations, etc.

3. Consolidated Financial Statements and Major Footnotes

(1) Consolidated Balance Sheets

(Millions of Yen)

As of	FY2018 March 31, 2018	FY2019 March 31, 2019
ASSETS		
Current Assets:		
Cash and deposits	395,863	469,952
Trade notes and accounts receivable	221,532	192,701
Securities	219,300	232,700
Inventories	399,787	427,918
Other	125,956	143,283
Allowance for doubtful receivables	(1,028)	(1,052)
Total current assets	1,361,410	1,465,502
Non-current Assets:		
Property, plant and equipment:		
Buildings and structures (net)	196,806	195,486
Machinery, equipment and vehicles (net)	268,861	278,153
Tools, furniture and fixtures (net)	46,830	67,177
Land	406,117	404,808
Leased assets (net)	5,752	6,613
Construction in progress	47,056	58,319
Total property, plant and equipment	971,422	1,010,556
Intangible assets:		
Software	33,317	33,711
Other	2,545	2,515
Total intangible assets	35,862	36,226
Investments and other assets:		
Investment securities	210,605	216,328
Long-term loans receivable	1,433	5,351
Asset for retirement benefits	3,798	3,945
Deferred tax assets	111,318	100,923
Other	28,914	32,718
Allowance for doubtful receivables	(670)	(531)
Total investments and other assets	355,398	358,734
Total non-current assets	1,362,682	1,405,516
Total Assets	2,724,092	2,871,018

(Millions of Yen)

As of	FY2018 March 31, 2018	FY2019 March 31, 2019
LIABILITIES		
Current Liabilities:		
Trade notes and accounts payable	417,589	432,669
Short-term loans payable	101,844	124,484
Bonds due within one year	-	20,000
Long-term loans payable due within one year	74,121	28,359
Lease obligations	2,420	2,744
Income taxes payable	15,567	9,877
Other accounts payable	35,986	31,386
Accrued expenses	203,396	213,608
Reserve for warranty expenses	104,435	98,267
Other	40,906	40,731
Total current liabilities	996,264	1,002,125
Non-current liabilities:		
Bonds	50,000	30,000
Long-term loans payable	265,653	397,065
Lease obligations	3,855	4,399
Deferred tax liability related to land revaluation	64,553	64,553
Reserve for loss on business of subsidiaries and affiliates	821	949
Liability for retirement benefits	67,287	69,691
Other	56,189	53,321
Total non-current liabilities	508,358	619,978
Total Liabilities	1,504,622	1,622,103
NET ASSETS		
Capital and Retained Earnings:		
Common stock	283,957	283,957
Capital surplus	264,910	264,913
Retained earnings	536,856	577,836
Treasury stock	(2,230)	(2,215)
Total capital and retained earnings	1,083,493	1,124,491
Accumulated Other Comprehensive Income/(Loss):		
Net unrealized gain/(loss) on available-for-sale securities	8,786	4,008
Deferred gains/(losses) on hedges	305	804
Land revaluation	145,574	145,574
Foreign currency translation adjustment	(28,576)	(34,220)
Accumulated adjustments for retirement benefits	(16,657)	(21,921)
Total accumulated other comprehensive income/(loss)	109,432	94,245
Stock Acquisition Rights	183	255
Non-controlling Interests	26,362	29,924
Total Net Assets	1,219,470	1,248,915
Total Liabilities and Net Assets	2,724,092	2,871,018

(2) Consolidated Statements of Operations and Comprehensive Income
Consolidated Statements of Operations

(Millions of Yen)

For the years ended	FY2018 March 31, 2018	FY2019 March 31, 2019
Net sales	3,474,024	3,564,696
Cost of sales	2,653,600	2,771,952
Gross profit	820,424	792,744
Selling, general and administrative expenses	674,003	709,731
Operating income	146,421	83,013
Non-operating income		
Interest income	3,681	4,775
Dividend income	1,395	2,352
Rental income	1,784	1,755
Equity in net income of affiliated companies	32,366	30,688
Foreign exchange gain	-	2,524
Other	3,648	3,819
Total	42,874	45,913
Non-operating expenses		
Interest expense	7,442	5,945
Loss on transfer of receivables	1,807	1,855
Foreign exchange loss	3,624	-
Other	4,289	4,338
Total	17,162	12,138
Ordinary income	172,133	116,788
Extraordinary income		
Gain on sales of property, plant and equipment	904	525
Gain on sale of investment securities	515	1,730
Other	74	37
Total	1,493	2,292
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	5,679	5,804
Impairment loss	2,425	1,149
Loss on disaster	-	3,726
Reserve for loss on business of subsidiaries and affiliates	292	128
Litigation settlement	7,539	-
Other	207	-
Total	16,142	10,807
Income before income taxes	157,484	108,273
Income taxes		
Current	35,842	30,325
Deferred	7,074	11,174
Total	42,916	41,499
Net income	114,568	66,774
Net income attributable to Non-controlling interests	2,511	3,298
Net income attributable to owners of the parent	112,057	63,476

Consolidated Statements of Comprehensive Income

(Millions of Yen)

For the years ended	FY2018 March 31, 2018	FY2019 March 31, 2019
Net income	114,568	66,774
Other comprehensive income/(loss)		
Net unrealized gain/(loss) on available-for-sale securities	4,870	(4,766)
Deferred gains/(losses) on hedges	(950)	567
Foreign currency translation adjustment	(248)	(1,123)
Adjustments for retirement benefits	3,053	(5,271)
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	5,207	(4,152)
Total	11,932	(14,745)
Comprehensive income/(loss)	126,500	52,029
Comprehensive income/(loss) attributable to:		
Owners of the parent	124,426	48,289
Non-controlling interests	2,074	3,740

(3) Consolidated Statements of Changes in Net Assets

(For the Year Ended March 31, 2018)

	Capital and Retained Earnings					Accumulated Other Comprehensive Income/(Loss)	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2017	258,957	239,909	445,353	(2,231)	941,988	3,913	1,188
Cumulative effects of changes in accounting policies					-		
Restated balance	258,957	239,909	445,353	(2,231)	941,988	3,913	1,188
Changes during the period:							
Issuance of new common stock	25,000	25,000			50,000		
Dividends paid			(20,924)		(20,924)		
Net income attributable to owners of the parent			112,057		112,057		
Purchase of treasury stock				(3)	(3)		
Sale of treasury stock		1		4	5		
Land revaluation			370		370		
Changes in items other than capital and retained earnings, net						4,873	(883)
Total changes during the period	25,000	25,001	91,503	1	141,505	4,873	(883)
Balance at March 31, 2018	283,957	264,910	536,856	(2,230)	1,083,493	8,786	305

	Accumulated Other Comprehensive Income/(Loss)				Stock Acquisition Rights	Non-controlling Interests	Total Net Assets
	Land revaluation	Foreign currency translation adjustment	Accumulated adjustments for retirement benefits	Total			
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2017	145,944	(33,812)	(19,800)	97,433	91	24,526	1,064,038
Cumulative effects of changes in accounting policies							-
Restated balance	145,944	(33,812)	(19,800)	97,433	91	24,526	1,064,038
Changes during the period:							
Issuance of new common stock							50,000
Dividends paid							(20,924)
Net income attributable to owners of the parent							112,057
Purchase of treasury stock							(3)
Sale of treasury stock							5
Land revaluation							370
Changes in items other than capital and retained earnings, net	(370)	5,236	3,143	11,999	92	1,836	13,927
Total changes during the period	(370)	5,236	3,143	11,999	92	1,836	155,432
Balance at March 31, 2018	145,574	(28,576)	(16,657)	109,432	183	26,362	1,219,470

(For the Year Ended March 31, 2019)

	Capital and Retained Earnings					Accumulated Other Comprehensive Income/(Loss)	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges
	Milyen	Milyen	Milyen	Milyen	Milyen	Milyen	Milyen
Balance at April 1, 2018	283,957	264,910	536,856	(2,230)	1,083,493	8,786	305
Cumulative effects of changes in accounting policies			(454)		(454)		
Restated balance	283,957	264,910	536,402	(2,230)	1,083,039	8,786	305
Changes during the period:							
Issuance of new common stock					-		
Dividends paid			(22,041)		(22,041)		
Net income attributable to owners of the parent			63,476		63,476		
Purchase of treasury stock				(2)	(2)		
Sale of treasury stock		3		16	20		
Land revaluation					-		
Changes in items other than capital and retained earnings, net						(4,778)	499
Total changes during the period	-	3	41,434	15	41,452	(4,778)	499
Balance at March 31, 2019	283,957	264,913	577,836	(2,215)	1,124,491	4,008	804

	Accumulated Other Comprehensive Income/(Loss)				Stock Acquisition Rights	Non-controlling Interests	Total Net Assets
	Land revaluation	Foreign currency translation adjustment	Accumulated adjustments for retirement benefits	Total			
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2018	145,574	(28,576)	(16,657)	109,432	183	26,362	1,219,470
Cumulative effects of changes in accounting policies						(28)	(482)
Restated balance	145,574	(28,576)	(16,657)	109,432	183	26,334	1,218,988
Changes during the period:							
Issuance of new common stock							-
Dividends paid							(22,041)
Net income attributable to owners of the parent							63,476
Purchase of treasury stock							(2)
Sale of treasury stock							20
Land revaluation							-
Changes in items other than capital and retained earnings, net	-	(5,644)	(5,264)	(15,187)	72	3,590	(11,526)
Total changes during the period	-	(5,644)	(5,264)	(15,187)	72	3,590	29,927
Balance at March 31, 2019	145,574	(34,220)	(21,921)	94,245	255	29,924	1,248,915

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

For the years ended	FY2018 March 31, 2018	FY2019 March 31, 2019
Cash flows from operating activities:		
Income before income taxes	157,484	108,273
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:		
Depreciation and amortization	86,954	88,443
Impairment loss	2,425	1,149
Increase/(decrease) in allowance for doubtful receivables	239	(7)
Increase/(decrease) in reserve for warranty expenses	(19,020)	(6,168)
Increase/(decrease) in reserve for loss on business of subsidiaries and affiliates	292	128
Increase/(decrease) in liability for retirement benefits	(2,112)	(4,787)
Interest and dividend income	(5,076)	(7,127)
Interest expense	7,442	5,945
Equity in net loss/(income) of affiliated companies	(32,366)	(30,688)
Loss/(gain) on sales and retirement of property, plant and equipment	4,775	5,249
Loss/(gain) on sales of investment securities	(497)	(1,730)
Decrease/(increase) in trade notes and accounts receivable	(3,941)	29,875
Decrease/(increase) in inventories	(29,966)	(33,513)
Decrease/(increase) in other current assets	(13,918)	(12,568)
Increase/(decrease) in trade notes and accounts payable	29,888	15,056
Increase/(decrease) in other current liabilities	26,384	9,646
Other	5,635	(13,385)
Subtotal	214,622	153,791
Interest and dividends received	34,892	37,169
Interest paid	(8,333)	(5,995)
Income taxes refunded/(paid)	(33,386)	(38,275)
Net cash provided by/(used in) operating activities	207,795	146,690
Cash flows from investing activities:		
Net decrease/(increase) in time deposits	(10,166)	9,277
Purchase of investment securities	(55,698)	(19,504)
Proceeds from sales and redemption of investment securities	3,450	2,722
Acquisition of property, plant and equipment	(87,063)	(110,185)
Proceeds from sales of property, plant and equipment	3,715	2,910
Acquisition of intangible assets	(12,120)	(10,468)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	447	-
Net decrease/(increase) in short-term loans receivable	401	(110)
Payments of long-term loans receivable	(483)	(4,614)
Collections of long-term loans receivable	281	338
Other	(2,753)	(1,977)
Net cash provided by/(used in) investing activities	(159,989)	(131,611)

(Millions of Yen)

For the years ended	FY2018 March 31, 2018	FY2019 March 31, 2019
Cash flows from financing activities:		
Net increase/(decrease) in short-term loans payable	(28,283)	25,486
Proceeds from long-term loans payable	92,270	157,798
Repayments of long-term loans payable	(89,910)	(75,004)
Proceeds from issuance of bonds	29,863	-
Proceeds from issuance of common stock	49,780	-
Proceeds from sale and leaseback transactions	188	-
Repayments of lease obligations	(2,361)	(2,692)
Cash dividends paid	(20,924)	(22,041)
Cash dividends paid to non-controlling interests	(164)	(154)
Net decrease/(increase) in treasury stock	2	18
Net cash provided by/(used in) financing activities	30,461	83,411
Effect of exchange rate fluctuations on cash and cash equivalents	(277)	(1,720)
Net increase/(decrease) in cash and cash equivalents	77,990	96,770
Cash and cash equivalents at beginning of the period	526,864	604,854
Cash and cash equivalents at end of the period	604,854	701,624

(5) Footnotes to the Consolidated Financial Statements

(Note on the Assumptions as Going Concern)

Not applicable

(Changes in accounting policies)

The accounting standard of IFRS15 has been applied from the current fiscal year by the overseas subsidiaries and affiliates of the Company that apply IFRS. The effects of this standard on the consolidated financial statements were immaterial.

(Changes in Presentation)

The “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets were classified as investments and other assets, and deferred tax liabilities were classified as non-current liabilities.

As a result, in the consolidated balance sheet for the fiscal year ended March 31, 2018, deferred tax assets of ¥86,081 million have been reclassified from “Current assets” to “Investments and other assets”, and deferred tax liabilities of ¥2 million have been reclassified from “Current liabilities” to “Non-current liabilities”. In addition, deferred tax liabilities of ¥3,995 million have been reclassified from “Non-current liabilities” to “Investments and other assets” and included in the balance of deferred tax assets of ¥111,318 million. Based on the above, Total Assets has decreased by ¥3,995 million, resulting in the balance of ¥2,724,092 million.

(Segment Information)

1) Overview of Reportable Segments

The reportable segments of Mazda Group consist of business components for which separate financial statements are available. The reportable segments are the subject of periodical review by board of directors' meetings for the purpose of making decisions on the distribution of corporate resources and evaluating business performance.

Mazda Group is primarily engaged in the manufacture and sale of automobiles. Businesses in Japan are managed by Mazda Motor Corporation. Businesses in North America are managed by Mazda Motor of America, Inc. and Mazda Motor Corporation. And businesses in Europe regions are managed by Mazda Motor Europe GmbH and Mazda Motor Corporation. Areas other than Japan, North America and Europe are defined as Other areas, regarding it as one management unit. Business deployment in countries in Other areas are managed in an integrated manner by Mazda Motor Corporation.

Accordingly, Mazda Group consists of regional segments based on a system of managing production and sale. As such, Japan, North America, Europe and Other areas are designated as four reportable segments.

2) Measurement of Sales, Income or Loss, Assets, and Other Items by Reportable Segments

The accounting treatment of reportable segments are the same as that described under "Significant Accounting Policies in Preparing the Consolidated Financial Statements" in the latest securities report (submitted on June 27, 2018). In addition, inter-segment sales or transfer are based on the current market price.

3) Sales, Income or Loss, Assets, and Other Items by Reportable Segments

(For the fiscal year ended March 31, 2018)

(Millions of Yen)

Year Ended March 31, 2018	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	1,060,078	1,114,292	695,200	604,454	3,474,024	-	3,474,024
Inter-segment sales or transfer	1,793,880	244,093	17,688	73,577	2,129,238	(2,129,238)	-
Total	2,853,958	1,358,385	712,888	678,031	5,603,262	(2,129,238)	3,474,024
Segment income	81,582	27,004	8,747	25,423	142,756	3,665	146,421
Segment assets	2,178,880	397,963	216,528	309,433	3,102,804	(378,712)	2,724,092
Other items							
Depreciation and amortization	59,876	19,091	4,661	3,326	86,954	-	86,954
Investments in equity method- applied affiliates	30,876	5,313	3,105	100,227	139,521	-	139,521
Increase in property, plant and equipment and intangible assets	77,972	10,526	2,750	12,881	104,129	-	104,129

Notes: 1. Notes on Adjustment:

- (1) The adjustment on segment income is eliminations of inter-segment transactions.
 - (2) The adjustment on segment assets is mainly eliminations of inter-segment receivables and payables.
2. Segment income is reconciled with the operating income in the consolidated statement of operations for the fiscal year ended March 31, 2018.
- Segment assets are reconciled with the total assets in the consolidated balance sheet as of March 31, 2018.
3. As we have noted in "Changes in Presentation", The Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the fiscal year ended March 31, 2019.
- The figure of Segment assets for the year ended March 31, 2018 was adjusted retrospectively in accordance with this change. As a result, Japan segment amounted to ¥2,178,880 million, a decrease of ¥3,995 million.

(For the fiscal year ended March 31, 2019)

(Millions of Yen)

Year Ended March 31, 2019	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	1,106,715	1,135,034	699,045	623,902	3,564,696	-	3,564,696
Inter-segment sales or transfer	1,777,327	211,160	24,072	70,234	2,082,793	(2,082,793)	-
Total	2,884,042	1,346,194	723,117	694,136	5,647,489	(2,082,793)	3,564,696
Segment income	22,462	21,713	12,870	24,239	81,284	1,729	83,013
Segment assets	2,258,843	426,008	238,361	313,106	3,236,318	(365,300)	2,871,018
Other items							
Depreciation and amortization	60,190	19,187	5,003	4,063	88,443	-	88,443
Investments in equity method- applied affiliates	32,397	14,598	2,550	102,295	151,840	-	151,840
Increase in property, plant and equipment and intangible assets	74,759	39,091	1,819	4,065	119,734	-	119,734

Notes: 1. Notes on Adjustment:

(1) The adjustment on segment income is eliminations of inter-segment transactions.

(2) The adjustment on segment assets is mainly eliminations of inter-segment receivables and payables.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for the fiscal year ended March 31, 2019.

Segment assets are reconciled with the total assets in the consolidated balance sheet as of March 31, 2019.

(Information on Amounts Per Share of Common Stock)

	FY2018 (April 1, 2017 to March 31, 2018)	FY2019 (April 1, 2018 to March 31, 2019)
Net assets per share of common stock (Yen)	1,894.29	1,935.24
Net income per share of common stock (Basic) (Yen)	182.93	100.79
Net income per share of common stock (Diluted) (Yen)	182.90	100.77

Note1: The calculation basis of Net income per share of common stock is as follows.

	FY2018 (April 1, 2017 to March 31, 2018)	FY2019 (April 1, 2018 to March 31, 2019)
Net income per share of common stock:		
Net income attributable to owners of the parent (Millions of Yen)	112,057	63,476
Amount not attribute to common stock shareholders (Millions of Yen)	-	-
Net income attributable to owners of the parent related to common stock (Millions of Yen)	112,057	63,476
Average number of shares outstanding during the period (Thousands of shares)	612,554	629,757
Diluted net income per share of common stock		
Net income adjustment attributable to parent company shareholder (Millions of Yen)	-	-
Increase in common stock (Thousands of shares)	107	177
Overview of potentially dilutive common stock not included in the calculation of diluted net income per share because the stock have no dilution effect	-	-

Note2: The calculation basis of Net assets per share of common stock is as follows.

	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
Total Net assets (Millions of Yen)	1,219,470	1,248,915
Amount deducted from total Net assets (Millions of Yen)	26,545	30,179
(of which Stock Acquisition Rights (Millions of Yen))	(183)	(255)
(of which Non-controlling Interests (Millions of Yen))	(26,362)	(29,924)
Net assets related to common stock (Millions of Yen)	1,192,925	1,218,736
Number of common stock used in the calculation of net assets per share (Thousands of shares)	629,746	629,760

(Significant Subsequent Events)

Not applicable

4. Unconsolidated Financial Statements and Major Footnotes

(1) Unconsolidated Balance Sheets

(Millions of Yen)

As of	FY2018 March 31, 2018	FY2019 March 31, 2019
ASSETS		
Current Assets:		
Cash and deposits	215,081	292,733
Accounts receivable - Trade	295,934	263,260
Securities	219,300	232,700
Finished products	48,282	49,019
Work in process	75,310	74,716
Raw materials and supplies	5,812	6,847
Prepaid expenses	2,422	4,353
Accounts receivable - Other	76,626	90,370
Short-term loans receivable	24,765	20,274
Other	24,971	29,307
Allowance for doubtful receivables	(218)	(167)
Total current assets	988,285	1,063,412
Non-current Assets:		
Property, plant and equipment:		
Buildings	88,921	86,340
Structures	15,274	14,990
Machinery and equipment	168,245	172,831
Vehicles	2,542	2,407
Tools, furniture and fixtures	22,005	23,264
Land	283,064	281,855
Leased assets	4,914	5,448
Construction in progress	37,614	47,606
Total property, plant and equipment	622,579	634,741
Intangible assets:		
Software	26,301	26,920
Leased assets	2	1
Total intangible assets	26,303	26,921
Investments and other assets:		
Investment securities	65,481	59,022
Stocks of subsidiaries and affiliates	214,002	225,102
Investments in capital	3	3
Investments in capital of subsidiaries and affiliates	34,234	42,629
Long-term loans receivable	-	2,473
Long-term loans receivable from employees	24	14
Long-term loans receivable from subsidiaries and affiliates	21,369	17,140
Long-term prepaid expenses	13,401	17,603
Deferred tax assets	75,133	70,738
Other	3,754	3,410
Total investments and other assets	427,401	438,134
Total non-current assets	1,076,283	1,099,796
Total Assets	2,064,568	2,163,208

(Millions of Yen)

As of	FY2018 March 31, 2018	FY2019 March 31, 2019
LIABILITIES		
Current Liabilities:		
Trade notes payable	70	-
Accounts payable - Trade	330,290	333,006
Bonds due within one year	-	20,000
Long-term loans payable due within one year	54,524	7,952
Lease obligations	2,049	2,273
Accounts payable - Other	16,658	11,259
Accrued expenses	79,753	73,620
Income taxes payable	7,869	302
Advances received	895	711
Unearned revenue	254	315
Deposit received	26,382	41,037
Reserve for warranty expenses	104,435	98,267
Forward exchange contracts	122	34
Total current liabilities	623,301	588,776
Non-current Liabilities:		
Bonds	50,000	30,000
Long-term loans payable	209,832	354,880
Lease obligations	3,370	3,751
Deferred tax liability related to land revaluation	64,553	64,553
Reserve for retirement benefits	26,693	23,794
Reserve for loss on business of subsidiaries and affiliates	30,566	26,247
Long-term guarantee deposited	6,274	6,515
Asset retirement obligations	6,661	4,135
Other	7,911	11,008
Total non-current liabilities	405,860	524,883
Total Liabilities	1,029,161	1,113,659
NET ASSETS		
Capital and Retained Earnings:		
Common stock	283,957	283,957
Capital surplus		
Capital reserve	193,847	193,847
Other capital surplus	73,804	73,807
Total capital surplus	267,651	267,654
Retained earnings		
Other earned surplus		
Unappropriated retained earnings	331,911	349,203
Total retained earnings	331,911	349,203
Treasury stock	(2,225)	(2,210)
Total capital and retained earnings	881,294	898,604
Valuation and Translation Adjustments:		
Net unrealized gain/(loss) on available-for-sale securities	8,088	4,281
Deferred gains/(losses) on hedges	268	835
Land revaluation	145,574	145,574
Total valuation and translation adjustments	153,930	150,690
Stock Acquisition Rights	183	255
Total Net Assets	1,035,407	1,049,549
Total Liabilities and Net Assets	2,064,568	2,163,208

(2) Unconsolidated Statements of Operations

(Millions of Yen)

	For the years ended	
	FY2018 March 31, 2018	FY2019 March 31, 2019
Net sales	2,635,884	2,666,208
Cost of sales	2,238,439	2,313,661
Gross profit	397,445	352,547
Selling, general and administrative expenses	337,541	352,014
Operating income	59,904	533
Non-operating income		
Interest income	1,970	2,697
Interest income of securities	48	46
Dividends income	43,908	44,074
Rental income	4,395	4,294
Foreign exchange gain	-	4,388
Other	951	1,563
Total	51,272	57,062
Non-operating expenses		
Interest expense	3,114	2,719
Interest paid on bonds	97	166
Foreign exchange loss	3,750	-
Other	3,186	2,386
Total	10,147	5,271
Ordinary income	101,029	52,324
Extraordinary income		
Gain on sales of property, plant and equipment	60	28
Gain on sales of investment securities	-	1,729
Gain on reversal of reserve for loss on business of subsidiaries and affiliates	9,702	4,319
Total	9,762	6,076
Extraordinary losses		
Loss on sales of property, plant and equipment	173	21
Loss on retirement of property, plant and equipment	3,889	4,802
Impairment loss	998	821
Loss on disaster	-	3,658
Litigation settlement	7,539	-
Other	120	-
Total	12,719	9,302
Income before income taxes	98,072	49,098
Income before income taxes		
Income taxes - Current	15,835	3,950
Income taxes - Deferred	2,878	5,814
Total	18,713	9,764
Net income	79,359	39,334

(3) Unconsolidated Statements of Changes in Net Assets

(For the Year Ended March 31, 2018)

	Capital and Retained Earnings					
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total Capital and Retained earnings
		Capital reserve	Other capital surplus	Other earned surplus Unappropriated retained earnings		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2017	258,957	168,847	73,803	273,105	(2,226)	772,486
Changes during the period:						
Issuance of new common stock	25,000	25,000				50,000
Dividends paid				(20,924)		(20,924)
Net income				79,359		79,359
Purchase of treasury stock					(3)	(3)
Sale of treasury stock			1		4	5
Land revaluation				370		370
Changes in items other than capital and retained earnings, net						
Total changes during the period	25,000	25,000	1	58,806	1	108,808
Balance at March 31, 2018	283,957	193,847	73,804	331,911	(2,225)	881,294

	Valuation and Translation Adjustments				Stock Acquisition Rights	Total Net Assets
	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges	Land revaluation	Total valuation and translation adjustments		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2017	2,752	1,218	145,944	149,914	91	922,491
Changes during the period:						
Issuance of new common stock						50,000
Dividends paid						(20,924)
Net income						79,359
Purchase of treasury stock						(3)
Sale of treasury stock						5
Land revaluation						370
Changes in items other than capital and retained earnings, net	5,336	(950)	(370)	4,016	92	4,108
Total changes during the period	5,336	(950)	(370)	4,016	92	112,916
Balance at March 31, 2018	8,088	268	145,574	153,930	183	1,035,407

(For the Year Ended March 31, 2019)

	Capital and Retained Earnings					
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total Capital and Retained earnings
		Capital reserve	Other capital surplus	Other earned surplus Unappropriated retained earnings		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2018	283,957	193,847	73,804	331,911	(2,225)	881,294
Changes during the period:						
Issuance of new common stock						-
Dividends paid				(22,041)		(22,041)
Net income				39,334		39,334
Purchase of treasury stock					(2)	(2)
Sale of treasury stock			3		16	20
Land revaluation						-
Changes in items other than capital and retained earnings, net						
Total changes during the period	-	-	3	17,292	15	17,310
Balance at March 31, 2019	283,957	193,847	73,807	349,203	(2,210)	898,604

	Valuation and Translation Adjustments				Stock Acquisition Rights	Total Net Assets
	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges	Land revaluation	Total valuation and translation adjustments		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2018	8,088	268	145,574	153,930	183	1,035,407
Changes during the period:						
Issuance of new common stock						-
Dividends paid						(22,041)
Net income						39,334
Purchase of treasury stock						(2)
Sale of treasury stock						20
Land revaluation						-
Changes in items other than capital and retained earnings, net	(3,807)	567	-	(3,240)	72	(3,168)
Total changes during the period	(3,807)	567	-	(3,240)	72	14,143
Balance at March 31, 2019	4,281	835	145,574	150,690	255	1,049,549

(4) Footnotes to the Unconsolidated Financial Statements

(Note on the Assumptions as Going Concern)

Not applicable

(Changes in Presentation)

The “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets were classified as investments and other assets, and deferred tax liabilities were classified as non-current liabilities.

As a result, in the unconsolidated balance sheet for the fiscal year ended March 31, 2018, deferred tax assets of ¥68,920 million have been reclassified from “Current assets” to “Investments and other assets” and included in the balance of deferred tax assets of ¥75,133 million.

Financial Summary (Consolidated)

May 9, 2019

For the Fiscal Year Ended March 31, 2019

Mazda Motor Corporation

(In 100 millions of yen) (In thousands of units) (Upper left: return on sales)		FY 2018 Full Year (Apr.'17-Mar.'18)		FY 2019				FY 2020								
				1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year Forecast (Apr.'19-Mar.'20)								
			%						%							
	Domestic	1	6,312	7.5	1,592	1,714	1,582	2,048	6,936	9.9	7,000	0.9				
	Overseas	2	28,428	8.2	7,139	6,846	7,353	7,373	28,711	1.0	30,000	4.5				
Net sales		3	34,740	8.1	8,731	8,560	8,935	9,421	35,647	2.6	37,000	3.8				
Operating income		4	4.2%	1,464	16.5	331	(0.3%)	287	234	2.3%	830	(43.3)	3.0%	1,100	32.5	
Ordinary income		5	5.0%	1,721	23.4	424	1.4%	121	309	3.3%	314	1,168	(32.2)	3.4%	1,250	7.0
Income before income taxes		6	4.5%	1,575	22.6	430	0.8%	70	298	3.0%	285	1,083	(31.2)	3.2%	1,170	8.1
Net income attributable to owners of the parent		7	3.2%	1,121	19.5	206	0.4%	38	126	2.8%	265	635	(43.4)	2.2%	800	26.0
Operating income by segment (geographic area)																
	Japan	8	816		72	(272)	351	74	225							
	North America	9	270		131	98	58	(70)	217							
	Europe	10	87		18	43	41	27	129							
	Other areas	11	254		58	63	41	80	242							
Operating income changes																
	Volume & mix	12			(60)	(105)	(55)	73	(147)					477		
	Exchange rate	13			(25)	(62)	(125)	(169)	(381)					(167)		
	Cost improvement	14			66	51	66	15	198					198		
	R&D costs	15			17	5	(37)	28	13					(43)		
	Other	16			(66)	(277)	132	(106)	(317)					(195)		
	Total	17			(68)	(388)	(19)	(159)	(634)					270		
Average rate for the period (Yen)																
	USD	18	111		109	111	113	110	111					110		
	EUR	19	130		130	130	129	125	128					126		
Capital expenditures		20	1,041		161	217	284	535	1,197					1,590		
Depreciation and amortization		21	870		217	219	231	217	884					950		
R & D cost		22	1,360		334	301	352	360	1,347					1,390		
Total assets		23	27,241		27,857	27,448	27,634		28,710							
Net assets		24	11,929		11,991	12,046	11,999		12,187							
Financial debt		25	4,979		5,599	5,589	5,603		6,071							
Net cash		26	1,070		763	1,154	750		946							
Free cash flow (Operating & Investing)		27	478		(160)	372	(259)	198	151							
	Japan	28	210	3.8	49	54	47	65	215	2.0				223	4.2	
	North America	29	435	1.5	116	106	98	101	421	(3.2)				456	8.3	
	Europe	30	269	2.6	67	68	61	73	270	0.4				286	6.2	
	China	31	322	10.5	68	65	62	52	247	(23.3)				265	7.1	
	Other	32	394	5.3	103	100	107	100	409	3.7				387	(5.2)	
Global retail volume		33	1,631	4.6	403	392	374	392	1,561	(4.2)				1,618	3.6	
	Japan	34	199	3.2	49	52	46	64	210	5.8				219	4.0	
	North America	35	423	(0.7)	118	101	97	108	424	0.1				455	7.3	
	Europe	36	266	4.2	61	68	65	73	267	0.4				278	4.3	
	Other	37	386	(1.4)	98	97	112	104	411	6.3				389	(5.3)	
Consolidated wholesales volume		38	1,274	0.7	325	318	320	349	1,311	2.9				1,340	2.2	
	Domestic	39	987	2.3	258	204	278	271	1,010	2.4				1,034	2.3	
	Overseas	40	633	0.9	156	139	143	121	560	(11.6)						
Global production volume		41	1,620	1.7	414	343	421	392	1,570	(3.1)						
Number of employees (excluding dispatches)		42	49,755						49,998							

Note: The Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter under review. The figure of "Total assets" for full year of the previous fiscal year was adjusted retrospectively in accordance with this change.

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).

Financial Summary (Unconsolidated)

For the Fiscal Year Ended March 31, 2019

May 9, 2019
Mazda Motor Corporation

(In 100 millions of yen)

(In thousands of units)

(Upper left: return on sales)

			FY 2018 Full Year (Apr.'17-Mar.'18)		FY 2019 Full Year (Apr.'18-Mar.'19)	
	Domestic	1	4,397	5.9%	4,991	13.5%
	Export	2	21,962	6.3	21,671	(1.3)
	Net sales	3	26,359	6.2	26,662	1.2
	Operating income	4	2.3% 599	31.1	0.0% 5	(99.1)
	Ordinary income	5	3.8% 1,010	59.1	2.0% 523	(48.2)
	Income before taxes	6	3.7% 981	65.9	1.8% 491	(49.9)
	Net income	7	3.0% 794	40.2	1.5% 393	(50.4)
	Average rate for the period (Yen)	8	USD 111 EUR 130		USD 111 EUR 128	
	Capital investment	9	651		641	
	Depreciation & amortization	10	463		464	
	R & D cost	11	1,325		1,299	
	Total assets	12	20,646		21,632	
	Net assets	13	10,354		10,495	
	Financial debt	14	3,198		4,189	
	Net cash	15	1,046		1,066	
	Japan	16	207	1.9	219	5.8
	North America	17	421	1.8	405	(3.8)
	Europe	18	271	4.0	277	2.3
	Others	19	339	(3.2)	348	2.6
	Wholesales volume	20	1,238	0.9	1,249	0.9
	Domestic production volume	21	987	2.3	1,010	2.4
	Number of employees (excluding dispatches)	22	21,927		22,354	

Note: Wholesales volume does not include vehicles which are sold by other brands.