February 6, 2013

(For your information)

Mazda Motor Corporation

FISCAL YEAR END MARCH 2013 THIRD QUARTER FINANCIAL RESULTS

(Speech Outline)

Representative Director, Chairman of the Board,
President and CEO
Takashi Yamanouchi

1. HIGHLIGHTS

As in the 2nd quarter, we were able to achieve profitability in all profit categories in the 3rd quarter despite the strong yen environment.
For the first nine months, revenue was ¥1 trillion and 535.2 billion, operating profit was ¥19.6 billion, and net income was ¥25.6 billion.
The CX-5, which can generate profits even in the strong yen environment, became a global hit and contributed to profit improvement.
Global sales volume was 893,000 units, about the same as the prior year.
The CX-5 won "Japan Car of the Year" and it is receiving high acclaim.
The new Mazda6/Atenza, the second model of our SKYACTIV products, was launched in Japan and Europe. In both markets, we received more orders than expected.

Concerning the full year forecast, we revised upward revenue and all profit categories, owing to the update of exchange assumption and fixed cost improvement.
After the revision, revenue is expected to be ¥2 trillion and 190 billion, operating profit is forecast at ¥45 billion, and net profit forecast is ¥26 billion.
In terms of products, following its introduction in Japan and Europe in the 3rd quarter, we will launch the new Mazda6 in North America and other major markets.
As with the CX-5, the new Mazda6 can generate profits in the strong yen environment, and we hope it will contribute to the profit enhancement in the 4th quarter and onwards.
The full year global sales volume is expected to be 1.25 million units.
I will explain the details later, but the four initiatives of our Structural Reform Plan are progressing steadily.

Executive Officer
Takashi Furutama

2. FISCAL YEAR END MARCH 2013 NINE MONTH RESULTS

The consolidated revenue for the first nine months was ¥1 trillion and 535.2 billion, ¥116.9 billion up from the prior year.
The consolidated operating profit was ¥19.6 billion, ¥73.9 billion better than the prior year.
The improvement factors will be explained later, but it was mainly driven by the volume and mix improvement from the CX-5.
Ordinary profit was ¥21.4 billion, mainly due to gain from revaluation of foreign-currency-based receivables which was recognized in the 3rd quarter.
Profit before tax was ¥30.1 billion and net income was ¥25.6 billion. We achieved profitability in all profit categories.
The exchange rate on average during the period was ¥80 to the US dollar and ¥102 to Euro.
The yen weakened ¥1 to the US dollar and strengthened ¥9 to Euro from the prior year.

Global sales volume was 893,000 units, up 2,000 units from the prior year.
The CX-5 achieved 140,000 sales and it is driving our global sales growth.
Looking at the performance by market, in key markets such as Japan, United States, Australia, and ASEAN, we maintained good sales and exceeded prior year sales.

Now, I would like to explain the sales results by market.
In Japan, the sales were 150,000 units, 9% up from the prior year.
The CX-5, which won Japan Car of the Year Award, has been driving sales as it became the top selling SUV in Japan in CY2012.
The new Atenza/Mazda6, the second model equipped with SKYACTIV TECHNOLOGY, is also enjoying high appraisal and received approximately 9,700 orders after 2 months from sales start, more than 9 times the planned monthly sales of 1,000 units.
Just as with the CX-5, diesel mix of the new Atenza exceeded our forecast, expanding the market in Japan for clean diesel.

In North America, we sold 270,000 units, 2% up from the previous year.
In the United States, sales were 195,000 units, 5% up year-over-year led by sales of the CX-5 and the SKYACTIV Mazda3.
In CY2012, SKYACTIV equipped models account for roughly half of total sales leading the changeover to new-generation products.
We continue to reduce fleet mix and hold down incentives to enhance the brand value.

In Europe, sales were 119,000 units.
Following the launch of the strong selling CX-5, we introduced the new Mazda6, in Germany and some other European countries. The new Mazda6 is highly acclaimed ranking top in Autobild magazine's medium car comparison review.
Germany achieved year-on-year sales growth in the 3rd quarter thanks to successful sales of the CX-5.
In Russia, brisk sales of the CX-5 contributed to a sales increase of 3% from the prior year to 32,000 units.
Production of the CX-5 at our joint venture company with Sollers started in October.

In China, sales declined 22% year-over-year to 129,000 units.
Despite a tough market environment, sales are showing a gradual recovery.
In November, the restructuring plan of Changan Ford Mazda Automobile obtained final approval and a new company Changan Mazda Automobile Co., Ltd. was established. With the restructuring plan implemented, we will further strengthen our business foundation in China.
We are steadily enhancing our sales network and increased the number of sales outlets to 403 at the end of December, up 32 outlets from the end of last fiscal year.

Sales in other markets increased 16% from the prior year to 225,000 units.
In Australia, we recorded the highest sales volume of 104,000 units and share of 9.3% in CY2012.
We became the first full line import brand to achieve over 100,000 units sales. We ranked 3rd in overall sales ranking by brands.
Mazda3 was the best-selling model for the 2nd consecutive year and contributed to the strong sales.
We continue to increase sales in ASEAN region achieving 63% increase from the prior year to 78,000 units.
In Thailand, we marked record volume of 60,000 units, 86% up year-on-year driven by good sales of Mazda2 and BT-50.
We also achieved both record volume and share in Indonesia and Malaysia.

Next I would like to explain the key factors of the ¥73.9 billion year-over-year improvement of consolidated operating profit.
Volume and mix improvement was as large as ¥33.2 billion. The CX-5 launch and reduction of incentive spending, mainly for SKYACTIV products, were the main contributors.
Next is exchange. Partially due to the correction of yen appreciation starting from late November, we had ¥3.9 billion positive impact from US dollar, ¥6.3 billion negative impact

from Euro, and ¥0.8 billion positive impact from other currencies. Net impact during the period was ¥1.6 billion negative.
In the area of variable cost, as there was material price decrease in addition to cost improvement, we achieved a ¥27.2 billion improvement.
Marketing expense was up ¥1.9 billion due to advertisement enhancement to support the global launch of the CX-5.
In the area of other fixed cost, we achieved a ¥17 billion improvement.

3. FISCAL YEAR END MARCH 2013 FULL YEAR FORECAST

We forecast revenue to be ¥2 trillion and 190 billion, up ¥156.9 billion from the prior year.
We revise upward revenue and all profit categories, including ¥45 billion of operating profit and ¥26 billion of net income.
Operating profit will improve ¥83.7 billion from the prior year and up ¥20 billion compared to our guidance at the publicity in October. I will explain the factors behind these changes later.
On the exchange rate for the full year, we are assuming ¥81 to the US dollar and ¥104 to the Euro.

Global sales volume is forecasted at 1.25 million units, up 3,000 units from the prior year driven by strong sales of CX-5 and other SKYACTIV models including the New Mazda6, which was launched in the 3rd quarter.
Excluding volume reduction in China, sales volume increases 56,000 units compared with the prior year.
I will discuss our actions to promote sales in the 4th quarter by each region later in the presentation.

Next I will explain the factors behind the ¥83.7 billion improvement of the operating profit from the prior year.
Volume and mix will improve ¥37.6 billion thanks to the volume increase and market and model mix improvement through expanding sales of SKYACTIV models such as the CX-5 and the new Mazda6.
On the exchange rate, we project ¥8 billion improvement against the US dollar, ¥4.5 billion of deterioration against the Euro, and ¥5 billion improvement against other currencies, totaling ¥8.5 billion of improvement.
With regard to the cost improvement, ¥36.7 billion improvement is projected by strengthening VA and VE.
We also forecast improvement of ¥8.9 billion in other fixed cost area.

Next, I would like to explain the factors behind the improvement of ¥20 billion in consolidated

operating profit compared to our guidance at the publicity in October.
It is mainly due to improvements from exchange rates and other fixed cost.
With regard to exchange rate, we forecast improvement of ¥4.7 billion against the US dollar, ¥5 billion against the Euro, and ¥8.7 billion against other currencies, totaling ¥18.4 billion improvement.
Regarding other fixed cost area, we expect improvement of ¥2.6 billion by mainly reassessing R&D expense and depreciation.

Next, I will explain the sales initiatives in the 4th quarter.
First, in Japan, we will further expand sales of the new Atenza by strengthening sales actions including “SKY Plan” which is the residual value type credit offered for SKYACTIV models. Also, while we continue the sales momentum of the CX-5, we will launch Premacy that is equipped with SKYACTIV technology for the first time as a mini-van.
In North America, we will proceed with our actions to successfully introduce the face-lifted CX-9. Furthermore, we will increase sales in this fiscal year through the promotion of the new 2.5-litre model of the CX-5. We also implement sales promotions for full scale launch of the new Mazda6 in the next fiscal year following the initial introduction this year.
We will continue to strengthen our actions to improve brand value by minimizing fleet sales.
We will enhance our actions to introduce the new Mazda6 throughout Europe after launching it in Germany and some other countries in the 3rd quarter. We will also expand sales of the CX-5 by increasing supply.

In China, we will improve dealer showroom traffic and closing ratio which declined after the Senkaku Islands issue. Specifically, we will strengthen sales promotion and advertisement activities by actively utilizing regional motor shows, test-drive events among other things.
We will strengthen our sales activities by focusing on Mazda3 and Mazda6.
In other markets, mainly in Australia and ASEAN. we will further expand our sales volume.
In Australia, in addition to the best-selling Mazda3, by enhancing product competitiveness with the face-lifted CX-9 and the new Mazda6, which were launched in December last year, we also aim to attain record high volume and share for the full year.
In ASEAN, we will further expand sales, mainly in Thailand and Indonesia, with models such as Mazda2, New BT-50, CX-5 and others.
We will also strengthen our actions to successfully introduce the new Mazda6.

Representative Director, Chairman of the Board,
President and CEO
Takashi Yamanouchi

4. STRUCTURAL REFORM PLAN UPDATE

As explained earlier, we think we made a good start for delivery of the Medium- and Long-term Outlook. Each initiative of the Structural Reform Plan is progressing steadily. Now, let me update each one of the initiatives.

The first initiative is Business Innovation by SKYACTIV.
The CX-5 is highly acclaimed for its "Kodo" styling and vehicle performance that delivers driving performance and fuel economy at a high level.
This model is a hit around the world and also contributes to profitability as we can reduce incentives and improve residual value.
By increasing production capacity to meet increased demand as well as launching a 2.5L model in North America and other markets, we will pursue further sales.
Our second SKYACTIV model, the new Atenza, is launched globally. We already launched the product in Japan and received more orders than expected, just like CX-5. In about two months after its launch, we received more than 9-month worth of orders.
Both the CX-5 and the new Mazda6 received high acclaim for the SKYACTIV-D and we are creating a new diesel market in Japan.

The next initiative is Further Cost Improvement through *Monotsukuri Innovation*.
As with the CX-5, the new Mazda6 is generating results above expectation.
In addition to the improvement of product marketability, we are making steady steps forward to develop vehicles so that we can be profitable even in the strong yen environment.
We are also increasing resistance to exchange rate fluctuations through optimizing global sourcing and expansion in procurement denominated in foreign currencies.

Regarding the Reinforcement of Business in Emerging Countries and Establishment of a Global Production Footprint, I would like to talk about the developments since our 1st half publicity.
In Russia, we started production of CX-5 at our joint venture company with Sollers.
Construction of our plant in Mexico is progressing smoothly toward the start of operations in the 4th quarter of fiscal year 2013.
We decided to further increase our capacity from the initial production capacity of 140,000 units to 230,000 units in fiscal year 2015 in order to meet the increasing global demand for

successful SKYACTIV models as well as for production of a Toyota brand vehicle.
Also, to meet the increasing demand of SKYACTIV models and to establish truly robust global production structure, we made a decision to build a new transmission plant in Thailand. We plan to start the operation in the 1st half of fiscal year 2015.

Next is promotion of global alliances.
Our alliance strategy remains unchanged from our basic policy as we pursue optimization of mutual benefits by product, technology and region.
With regards to Toyota, following our agreement to receive their hybrid technology under license, we also recently agreed to produce a Toyota brand vehicle, starting from the summer of 2015, at our new manufacturing facility now under construction in Mexico.
We have concluded a business agreement with Fiat on the OEM supply of an open-top 2-seater sports car for its Alfa Romeo brand.
We will also provide OEM supply of a vehicle equipped with SKYACTIV TECHNOLOGY to Nissan.

5. SUMMARY

Let me summarize today's presentation.
Revenue for the first nine months was ¥1 trillion and 535.2 billion, operating profit was ¥19.6 billion, and net income was ¥25.6 billion.
The CX-5, which continues to experience strong sales, has largely contributed to the profit improvement.
We revise upward revenue and all profit categories, owing to the update of exchange assumption and fixed cost improvement.
Revenue is expected to be ¥2 trillion and 190 billion, operating profit is forecast at ¥45 billion, and net profit forecast is ¥26 billion.
SKYACTIV products, such as the CX-5 and new Mazda6, generate profits despite the strong yen environment, and are contributing to profit expansion in this fiscal year.
As explained, the Structural Reform Plan is progressing steadily.

Based on operating profit trend, wholesale volume and exchange rate by quarter, in the 1st and 2nd quarters, we achieved profitability with the contribution of SKYACTIV models such as CX-5 despite the strong yen environment. Especially in the 2nd quarter, we posted positive profit in all profit categories.
In the 3rd quarter, although impacted by the issue in China, we achieved the same level profit as the 2nd quarter. The 4th quarter is expected to see increased profit through sales expansion of SKYACTIV equipped models such as the new Mazda6.

Until the 3rd quarter, the external environment continued to be extremely tough with prolonged yen appreciation and a sluggish European economy, but we have steadily executed the Structural Reform Plan which we announced last February.
As a result, we have been able to generate expected outcomes as represented by the great success of the CX-5, enhancement of initiatives for emerging markets such as start or expansion of local productions in Russia and ASEAN, and achievement of cost improvements through *Monotsukuri Innovation* of our new-generation products.
We anticipate the external environment in 4th quarter and next fiscal year to remain severe with the demand trend being unstable. However, we will maintain the momentum we have built and at the same time we will further accelerate the Structural Reform Plan to advance to an even higher level.

We appreciate your continuing support.
This concludes my presentation. Thank you very much for your kind attention.

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