February 4, 2016

(For your information)

Mazda Motor Corporation

FISCAL YEAR MARCH 2016 THIRD QUARTER FINANCIAL RESULTS

(Speech Outline)

Executive Officer
In charge of Financial Services
Tetsuya Fujimoto

1. HIGHLIGHTS

For the first nine months of the fiscal year March 2016, global sales were 1,145,000 units, up 14% over the prior year, a new record for the first nine months. Global sales of the new CX-3 and new MX-5/Roadster, plus continued strong sales of the updated Mazda6/Atenza and CX-5 contributed to the growth. Revenue was ¥2 trillion 547.8 billion, operating profit was ¥173.4 billion and net income was ¥123.5 billion yen. SKYACTIV models, technologies, and KODO design earned high acclaim worldwide.

The full year forecast for global sales volume and profits remains unchanged.
This was in consideration of recent changes in the economic environment in key countries and the resultant impact on demand, as well as the need to carefully assess fluctuation in the financial markets, including foreign exchange and oil prices.
Regarding the progress on key initiatives, the expansion of SKYACTIV model lineup and ongoing evolution of these models are proceeding according to plan. The ratio of SKYACTIV models is expected to exceed 85% of sales volume for the full year.
To support the increasing demand of crossover vehicles, we started production of the new CX-3 at AAT in Thailand in the fall last year. In addition, we also plan to start production of the model at Hofu plant within next fiscal year.
Initiatives on global alliances and reinforcement of financial structure are also progressing smoothly.
We continue to make steady progress on key initiatives of the Structural Reform Plan to achieve qualitative growth and improve brand value in Structural Reform Stage 2.

2. FISCAL YEAR MARCH 2016 NINE MONTH RESULTS

Consolidated revenue was ¥2 trillion 547.8 billion, up 16% year-on-year. Operating profit was ¥173.4 billion, up ¥21.4 billion from the prior year. Ordinary profit was ¥172 billion, profit before tax was ¥166.5 billion, and net income was ¥123.5 billion. Free cash flow was ¥110.6 billion. Our ability to generate cash flow is steady improving. The average exchange rate was ¥122 to the US dollar and ¥134 to the Euro, ¥15 weaker and ¥6 stronger respectively compared to the prior year.

Global sales volume increased 14% from the prior year to 1,145,000 units. This is a new sales record for the first nine month of a fiscal year. In addition to the volume contribution of the new CX-3 and the new MX-5/Roadster that were launched globally, sales of the updated Mazda6/Atenza and CX-5 were also strong. Sales in all major markets increased year-on-year.

I would like to explain the sales results by market.
In Japan, sales grew 15% from the prior year to 163,000 units. While the total industry declined from the prior year, our sales grew steadily and our registered vehicle market share increased 1.2 points to 6.1%. The new Roadster has been highly acclaimed and won Japan Car of the Year and Japan Automotive Hall of Fame Car of the Year awards (2015-2016).

In North America, sales were 345,000 units, up 8% year-on-year. The transition to SKYACTIV models has made good progress and boosted sales growth. Out of the total, sales in the United States accounted for 241,000 units, up 6% from the prior year. Sales growth was driven by strong sales of the updated CX-5 and Mazda6 as well as the full-scale launch of the new MX-5 and new CX-3. Despite an intensely competitive sales environment, we maintained our policy of "right-price" sales. In Mexico, sales grew 37% from the prior year to 45,000 units, driven by strong sales of Mazda3 and CX-5.

In Europe, sales were 183,000 units, up 9% year-on-year, driven by Mazda2 and the new CX-3. If we exclude Russia, our sales in Europe grew 27% year-on-year to 163,000 units, substantially outpacing overall demand growth. Sales in Germany and the UK showed solid growth, up 17% year-on-year to 44,000 units and 22% year-on-year to 31,000 units respectively.

In China, sales increased to 177,000 units, up 13% year-on-year. While demand is stagnant due to the economic slowdown, Mazda's monthly sales have risen year-on-year for 11 consecutive months. Mazda3 sales are strong thanks to Vehicle-Purchase Tax cut. Sales of updated CX-5, and Mazda6 contributed to sales growth.

Sales in other markets were 277,000 units, up 27% year-on-year. Sales in Australia were 86,000 units, up 18% year-on-year, and market share was 9.8%. New CX-3 and CX-5 were the best sellers in their segments. Sales of new MX-5 were also strong. In ASEAN, demand in Thailand declined but Mazda sales rose 19%. Sales in Vietnam increased 109% over the prior year.

I would like to explain the key factors behind ¥21.4 billion improvement in consolidated operating profit over the prior year.
Volume and mix improvement was ¥48.4 billion thanks to increased sales globally.
Exchange rates deteriorated ¥27.5 billion in total, including improvements of ¥13.2 billion from the US dollar, and deteriorations of ¥8.9 billion from the Euro and ¥31.8 billion from other currencies.
Variable costs improved ¥26.8 billion, driven by a reduction in raw material prices and progress in cost improvement efforts.
Marketing expenses increased ¥6.1 billion due to higher advertising costs for new vehicle launches including CX-3.
Other fixed costs increased by ¥20.2 billion mainly due to increased depreciation costs for Mexico plant and new plant in Thailand.

3. FISCAL YEAR MARCH 2016 FULL YEAR FORECAST

Full-year global sales forecast remains unchanged at 1,515,000 units, as we need to cautiously assess the influence of global economic changes on automobile demand.
While competition intensifies in major markets and the business environment deteriorates in emerging markets, we will maintain disciplined pricing in line with our "right-price" sales policy, aiming to increase sales by 8% over the prior year.

The full-year financial forecast is also unchanged as we are scrutinizing the influence of highly volatile foreign exchange rates in recent months. We project full-year revenue of ¥3.37 trillion; operating profit of ¥230 billion; and net profit of ¥155 billion.

Operating profit change for full year also remains unchanged from November.

4. PROGRESS OF KEY INITIATIVES

The new CX-3 and new MX-5/Roadster were launched globally. Following the Mazda6/Atenza and CX-5, we updated the Mazda2/Demio and new CX-3 to enhance the competitiveness of our products.
SKYACTIV models are increasing in number and continue to evolve. Sales of all SKYACTIV models increased year on year and the ratio of SKYACTIV models is projected to exceed 85%.
SKYACTIV models, technologies, and KODO design are highly acclaimed both in Japan and overseas. In addition to winning prestigious awards in Japan, Mazda was rated the highest corporate average fuel economy in US Environmental Protection Agency's Fuel Economy Trends report for the third year in a row.

To strengthen our global sales and network, we will launch updated models to continue our "right-price" sales policy, improve net revenue and reduce incentives.
We will accelerate our efforts to improve customer retention through enhanced brand communication and customer care measures.

In terms of establishing a global production footprint, we will improve production processes at our facilities in Japan to maximize production efficiency. At the Hiroshima Plant, we will begin production of the new CX-9.
To support the increasing demand of crossover vehicles, we started production of the new CX-3 at AAT in Thailand in the fall last year. In addition, we also plan to start production of the model at Hofu plant within next fiscal year.
We will enhance operations at key domestic and overseas plants to support global sales expansion.

Global alliances are progressing on track. In Mexico, we started to produce and supply a compact car for Toyota. At the Hiroshima Plant, we will begin production of a sports car for Fiat Chrysler Automobiles.
Concerning the strengthening of our financial base, free cash flow is dramatically improving.
As we now recover past investments in technology development and production facilities, our ability to generate cash flow is improving.
Our key initiatives of the Structural Reform Plan are yielding results. For Stage 2 beginning April 2016, we will achieve qualitative growth by improving business efficiency in every area, including products, sales, production and finance, and accelerate our efforts for further brand value improvement.

###