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(For your information)

Mazda Motor Corporation
FISCAL YEAR ENDED MARCH 2011 1ST QUARTER FINANCIAL RESULTS
(Speech Outline)

**Representative Director,
Senior Managing Executive Officer and CFO
Kiyoshi Ozaki**

Today, I will first explain the highlights of the results for the 1st quarter of FY ending March 2011, and then I will take you through the details. At the end, I will summarize the presentation.

1. Highlights

Revenue was ¥578 billion, up 35% Year-over-Year. Operating profit was ¥6.4 billion. Free cash flow was positive ¥14.6 billion. We also achieved global sales volume of 317,000 units, up 54,000 units or 21% Year-over-Year, reflecting strong sales in our major markets.

Successful sales of Mazda2(Demio in Japan), Mazda3(Axela in Japan) and Mazda6(Atenza in Japan) led to an increase in share in major markets. Residual value in major countries in Europe and the United States has continued to improve. New Premacy that was introduced into Japan in July received high acclaim due to its design and environmental performance. To be prepared for solid sales recovery, we have resumed night-shift operations at Ujina No. 2 plant from July.

Our actions for emerging countries are in line with our plan. Due to the successful sales of our main carlines, we have achieved record sales volume in China. Production of Mazda3 was transferred to our Nanjing factory in order to meet higher demand. Production of Mazda2 at our AAT factory started last year, and has received an excellent reception in ASEAN region, and has contributed to record-high sales in countries such as Thailand and Australia. As such, in the 1st quarter, we made a robust start to our turnaround. Despite the concerns of a strong yen, we aim at achieving the projections for the 1st half and the full year by reinforcing sales expansion initiatives, improvements of market mix and promotion of further cost efficiencies.

2. FY March 2011 1st Quarter Results

Our consolidated operating profit for the 1st quarter was ¥6.4 billion, up ¥34.4 billion from the prior year. I will explain the details of this improvement later on, but this is mainly due to the volume & mix improvement as a result of strong sales and the improvement in variable cost and other fixed costs more than offsetting the bad news from the appreciation of the yen and material price hikes. Ordinary profit was ¥4.1 billion. Profit before tax was ¥0.8 billion. Net income was a loss of ¥2.1 billion due to the extraordinary loss of ¥2.7 billion that we booked for the impact of applying the new accounting standard for asset retirement obligations in this quarter.

For the 1st quarter, we achieved positive free cash flow of ¥14.6 billion. This is due to the containment of the investment within the range of the depreciation by continuous improvement of efficiency. Net debt is ¥366.7 billion, an improvement of ¥180.2 billion from the prior year. Net debt-to-equity ratio is now 73%, an improvement of 64 percentage points from the end of the prior fiscal year. Equity ratio also improved by 4 percentage points.

Global sales volume in the 1st quarter, April to June 2010, totaled 317,000 units, up 54,000 units or 21% compared with the prior year. We achieved substantially better sales volume compared to the prior year in all major markets except Europe where the industry sales significantly reduced as the various scrappage incentive schemes ended. The Mazda3(Axela) continues to achieve great sales results globally. The Mazda2 in production at our AAT facility in Thailand since last October also led the successful sales results in ASEAN and Australia. In addition to our sales success, by restraining incentives, we continue to improve the brand value of our products. Average exchange rates for the 1st quarter were 92 yen to the dollar and 117 yen to the Euro, which are 5 yen and 16 yen stronger to the Dollar and Euro respectively compared to prior year.

Let us now look at the sales result for the 1st quarter in each of the key markets, starting with Japan. In addition to the tail wind from the eco-car tax break and the subsidy for new car purchase, strong sales of Demio and Axela helped achieve 52,000 units of sales, up 27% year-over-year. Share improved 0.2 points to 4.5%. The New Premacy launched in July has been well received for its design and interior comfort and ingenuity, as well as its environmental performance with the i-stop feature.

In North America, we achieved 90,000 units, up 21% from the prior year, reflecting strong sales of the Mazda3 and other models. Our share in the US is up 0.1 point to 1.9%, in which the share of non-fleet sales was a record high of 1.8%. Also, we maintained our policy of

improving brand value by continuing to hold down incentives and fleet mix. As a result, 2010 model-year Mazda3 and CX-9 achieved the top residual value in their segments, and the overall Mazda remains one of the top rated brands. We achieved record high volume and share in Mexico. The full-scale introduction of Mazda2 will start in August in the US and Canada. In addition to strong sales of Mazda3 and CX-7, incremental sales of Mazda2 will contribute to further expansion of our sales.

In Europe, we continued our policy of enhancing brand value by holding down incentives. Residual value and share rose in key countries such as Germany and the UK. In the UK, we achieved year-over-year growth in sales for 5 months in a row. Market share excluding Russia was up 0.1 point from 1.1% to 1.2%.

In China, with strong sales of major carlines such as Mazda2, Mazda3 and Mazda6, we achieved record-high 1st quarter sales. Market share excluding local brands has also improved. Production of the best-selling Mazda3 has moved from Chongqing to Nanjing as part of our preparation to meet the future higher demand. The Mazda sales network has also expanded to 273 outlets, and our plan is on track to expand the number to 300 by the end of December 2010.

In Other Markets, sales rose 41% from the prior year to 68,000 units. Sales in Australia reached a record high at 22,000 units, and we maintained our high share. Sales of Mazda2 and CX-7 remained strong in addition to the solid sales of the Mazda3. Sales in Thailand also hit a record-high at 10,000 units, mainly due to the successful launch of Mazda2. In Indonesia, sales achieved their highest volume yet with Mazda2 introduction.

Next, I would like to explain the key factors behind the ¥34.4 billion improvement in our operating profit from the 1st quarter of the last fiscal year. The volume and mix effects improved ¥26.5 billion reflecting the strong sales in major markets.

Next are the exchange rates. Due to stronger yen, profit impacts were ¥3.5 billion for US dollar and ¥3.9 billion for Euro, offset by ¥2.7 billion improvement for other currencies. Total effect was ¥4.7 billion adverse.

Variable cost improved by ¥4.4 billion. We have achieved cost improvements, which have significantly exceeded the impact of raw material price hikes including steel, which we have booked in the 1st quarter.

Marketing expenses increased by ¥1.2 billion due to reinforced marketing actions in North America, and introduction of the AAT-produced Mazda2 into other markets.

Finally, we achieved other fixed cost improvements totaling ¥9.4 billion, mainly resulting from the further reinforcement of the cost structure established in the prior fiscal year.

3. Summary

Finally I will conclude by summarizing the presentation today.

Despite the tough environment of a stronger yen and material price hikes, we made a solid start to ensure our turnaround remains on track.

We made a good start in global sales achieving 317,000 units, 21% up from the prior year. Key products such as Mazda2(Demio), Mazda3(Axela) and Mazda6(Atenza) continue to receive high acclaim. They are driving strong sales and achieved higher shares in key countries. Residual values of our products continue to improve in the major markets of Europe and the US. New Premacy, first introduced in Japan in July, has received high acclaim due to its design and environmental performance.

To meet strong sales demand, we resumed night-shift operations at Ujina No. 2 plant in July. In the emerging markets, we have taken action to meet the strong demand by launching Mazda2 in AAT and transferring production of our Mazda3 in China to the Nanjing plant. We are proceeding on schedule with the development of environmental powertrains and the next-generation products to be introduced from 2011 onwards.

As mentioned at the outset of the presentation, despite concerns over the stronger yen, we aim to achieve full year operating profit of ¥30 billion and net income of ¥5 billion, by reinforcing sales expansion initiatives, improvements in market mix and promotion of further cost efficiency throughout our operations.

This concludes my presentation. Thank you very much.