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(For your information)

Mazda Motor Corporation
FISCAL YEAR ENDING MARCH 2012 FULL YEAR FINANCIAL FORECAST
(Speech Outline)

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

When we announced the full year earnings results in April, our guidance for the fiscal year ending March 2012 was not determined yet due to the uncertainty of business environment surrounding us in light of the Great Eastern Japan Earthquake impact. However, we have taken various measures together with suppliers, and now have clearer prospect toward fully stable production earlier than planned. Therefore, we would like to present you our forecast for this fiscal year based on the current business information.

In today's presentation, Executive Vice President, Mr. Ozaki, will explain forecast for the fiscal year ending March 2012. Then, I will explain the updates of Framework for Medium- and Long-term Initiatives which we have announced last year. At last, I will take you through our plan to start manufacturing business in Mexico and sales business in Brazil.

Representative Director
Executive Vice President and CFO
Kiyoshi Ozaki

1. FISCAL YEAR ENDING MARCH 2012 FORECAST

Revenue forecast is ¥2 trillion and 190 billion. Operating profit forecast is ¥20 billion and net income is ¥1 billion.

While accelerating the investment for the future, by overcoming the strong yen impact and raw material price hikes, we forecast to be profitable in all profit categories in the full year. Global sales volume forecast including the impact of the earthquake in Japan and other markets is 1 million and 305 thousand units that is better than the prior year.

In the product area, in this fiscal year that is the first year of SKYACTIV, we will first launch the new Demio for Japan that realizes the fuel economy of 30 Km per liter in the 10-15 mode, followed by the launch of the new Mazda3 which adopts SKYACTIV TECHNOLOGY in

North America and other major markets as well as introduction of the new CX-5 that fully utilizes the SKYACTIV TECHNOLOGY globally in the 2nd half.

Concerning the production, in our April announcement, we told that “the full production in Japan and overseas will start from the 2nd half”. But by working together with suppliers, we have realized the fully stable production earlier than planned.

The production volume was about 50% compared with the prior year in April due to the impact of earthquake, but has recovered to 90% level of the prior year in May. In this month, we are implementing normal operations including overtime and holiday operations. By continuing the fully stable production in this month and onward, we plan to exceed the production volume of last year in the full year.

Regarding the Mazda6, the CD car for North America that is currently produced in AutoAlliance International in the US, we decided to transfer and consolidate the production of the next CD car to our Hofu Plant in Yamaguchi Prefecture in order to improve production and investment efficiencies.

Full year revenue is projected at ¥2 trillion and 190 billion. Operating profit forecast is projected at ¥20 billion and net income ¥1 billion. We project profitability in all profit categories.

We forecast operating loss of ¥20 billion in the 1st half due to the earthquake impact. But in the 2nd half, we project operating profit of ¥40 billion due to fully stabilized production and contributions from introductions of new models equipped with SKYACTIV.

Wholesales volume is projected at 1 million and 45 thousand units. In the 1st half, we project the volume to be at 450,000 units mainly due to the earthquake impact, but to increase to 595,000 units in the 2nd half reflecting recovery to fully-stable production and introductions of SKYACTIV series. I will explain the factors behind the changes in the operating profit later.

I will explain the forecast for the capital spending, depreciation and R&D cost.

The capital spending is forecast to be ¥80 billion. Since this fiscal year is the first year for SKYACTIV, we focus investment on new-generation products as well as environmental and safety technology. Therefore, the capital spending is projected to increase about ¥35 billion compared from the last fiscal year.

The depreciation is projected to be ¥70 billion, that is almost equivalent to the prior year level.

R&D cost is forecasted to be ¥95 billion, up ¥4 billion from last year to accelerate the developments of new-generation products as well as environmental and safety technology.

Global sales volume is projected at 1 million 305 thousand units, up 32,000 units year-over-year driven by strong sales in China and other major markets.

In addition to sales expansion in emerging markets including China and ASEAN, we will introduce models which adopt SKYACTIV TECHNOLOGY in major markets starting from the latter half of this fiscal year and build a framework toward full-scale introductions in next fiscal year and onwards.

Exchange rates are projected at ¥83 to US dollar and ¥113 to Euro.

Let me take you through the marketing measures in this fiscal year to achieve global sales volume of 1 million 305 thousand units.

As the First Year of SKYACTIV, in the fiscal year ending March 2012, we will reinforce global marketing measures centering around introductions of models equipped with SKYACTIV TECHNOLOGY.

We maintain our policy to improve brand value in major markets, and continue measures to improve residual values in global markets.

By market, first in Japan, we will introduce new products which adopt SKYACTIV TECHNOLOGY, starting with the new Demio powered by SKYACTIV-G on June 30, and reinforce our product line-up.

In North America, we will maintain sales momentum in car segment where expansion in demand is expected, and we, at the same time, aim to expand sales by introducing SKYACTIV-equipped models from the 2nd half of this fiscal year.

For example, we plan to introduce the new Mazda3 powered by SKYACTIV-G and new automatic transmission, SKYACTIV-DRIVE, with a class-top fuel economy performance at 40 miles per gallon in US highway mode in the 2nd half of this fiscal year.

In addition, we will launch the new compact crossover SUV, Mazda CX-5, which fully adopts SKYACTIV TECHNOLOGY in North America and other global markets in 2012.

In Europe, where industry demand remains weak except for Russia, we aim at expanding sales opportunities by using resource effectively mainly in Russia where market growth is continuing.

In China, the market has been growing, while competition has been increasing at the same time. We take marketing measures and reinforce sales network, while carefully watching industry demand trend. We promote local production of products which fit customer needs such as introduction of the new Mazda3 sedan.

In Other markets, introduce the new pick-up truck BT-50 in Australia and ASEAN to increase sales volume and profits.

I would like to explain key factors behind ¥3.8 billion deterioration of the consolidated operating profit.

The volume and mix is projected to deteriorate ¥14.2 billion mainly as a result of sales opportunity loss due to the impact of the earthquake.

Exchange rates are projected to have a negative impact of ¥3.6 billion in total, including ¥4.6 billion from the dollar and ¥0.6 billion from the Euro, partially offset by improvement of ¥1.6 billion from other currencies.

We project net cost improvement of ¥12.6 billion, reflecting accelerated Monotsukuri Innovation, despite steel and other raw material price hikes.

The marketing expense is expected to increase by ¥5 billion as the advertisement for launches of new products which adopt SKYACTIV TECHNOLOGY.

Other costs are projected to improve by ¥6.4 billion, including the increase in R&D cost of about ¥4 billion.

I will explain the production plan for this fiscal year including the earthquake impact and status to date.

Production volume in Japan in FY ending in March 2012 is planned at 900,000 units, up 4% from the prior year.

We are operating at the normal rate including overtime and holiday operations, that is the fully stable production, from the latter half of the 1st quarter. We forecast to continue it from this month and onward.

Overseas production sites which were operating at the straight time in April have already started the normal operation, too.

As the future outlook was uncertain at the earnings announcement two months ago, we told you that the timing for fully stable production will start "in or after the 2nd half". However, by working together with the suppliers, we could recover earlier than planned.

Concerning the domestic production volume forecast for this fiscal year, we forecast 2nd half production to substantially increase from prior year, and in the full year, production volume is projected to be at 900,000 units.

Plant utilization ratio is projected to increase from 70% in the 1st quarter to about 90% in the 2nd and 3rd quarter. It is projected to exceed 100% in the 4th quarter.

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

2. UPDATES OF FRAMEWORK FOR MEDIUM- AND LONG-TERM INITIATIVES

<5 Pillars>

- 1. Brand Value**
- 2. Monotsukuri Innovation**
- 3. Environmental and Safety Technologies**
- 4. Emerging Markets**
- 5. Ford Synergies**

Now I would like to explain the updates of the Framework for Medium- and Long-term Initiatives.

We announced the Framework for Medium- and Long-Term Initiatives in April last year. In just over one year since the announcement, business environment surrounding us has changed drastically. Considering the environmental changes, I would like to report on the progress over the past year in line with the five pillars.

External factors such as sharp rise of the yen and its continuing trend, material price increase represented by steel price hike have negatively impacted profit.

In sales area, Korean and German brand gained momentum by taking advantage of their weak currencies. This has given pressure to Japanese manufacturers. In particular, Korean brands' advancement in the US has been the major driver for more intensified sales competition.

While the recovery in demand of developed countries particularly in Japan and Europe is notably slow, emerging markets such as China, ASEAN and Central and South America are showing remarkable growth.

There is also heightened awareness of environment.

We have readily developed action plans and started implementing them to counter those drastic changes over the last year.

Now, I would like to explain our initiatives for each one of the five pillars.

The first pillar is Brand.

We have been promoting Brand value enhancement project globally focusing on Brand loyalty.

As a result of further effort in this area over the past year, we maintained top class residual values globally and our brand value continuously improved.

In terms of residual value improvement, following the Mazda3, the CX-9 received US Automotive Lease Guide's 2011 segment top residual value award.

In addition, in the US, we have improved customer satisfaction scores as we achieved significant improvement in ranking in SSI sales satisfaction survey.

Also as customer loyalty has been showing steady improvement trend in the United States and other major market, we made a progress in brand value improvement in major market over the last year as planned.

Achieving these results, we will take future initiatives.

We will maintain and further enhance Brand value through global deployment of Tsunagari innovation to improve transaction price.

In particular, to ensure successful launch of SKYACTIV products, we will roll out maximum marketing initiatives. Through introductions of this great technology, we will implement sales method innovations by executing appropriate pricing to gain customer satisfactions and trust, improving residual value and accelerating transaction price increase.

In Japan, the first market to launch SKTACTIV model, we appointed soccer player Mr. Yuto Nagatomo as our "ambassador" to widely communicate the attractiveness of SKYACTIV technology as you might have already seen in TV commercials. In major overseas markets where we introduce this new technology, we will also deploy effective marketing strategies at appropriate timing.

The second pillar is Monotsukuri Innovation.

Through our continuous efforts in areas of integrated planning and flexible production system, we realized;

- 30% or more improvement in R&D efficiency
- Approximately 20% improvement in cost with new-generation models, and
- 20% to 60% efficiency improvement in production facility investment

With new-generation vehicles, we have a good prospect to realize improvement in both cost and performance such as 100kg or more weight reduction as well as Euro6 compliance of SKYACTIV-G and SKYACTIV-D.

As future actions, we plan further cost improvement and exchange risk countermeasures in order to respond to higher yen's appreciation and more material price rises than expected. We will reduce vehicle production cost in Japan. We have already started initiatives by setting additional cost improvement targets for not only current models but also new-generation vehicles.

We also plan to expand our overseas sourcing ratio from current rate of 20% to 30%. We will expand our overseas production in emerging markets and, at the same time, increase local sourcing ratio to improve cost and reduce exchange exposure.

We have made substantial progress in environmental and safety technologies. Our Environmental and Safety strategy “Building Block Strategy” has been making solid progress. By building up various electric technologies on SKYACTIV TECHNOLOGY, our technology development is steadily progressing step-by-step. As mentioned earlier in market summary section, we will introduce a series of new-generation products that excel in environmental and safety technologies, starting with the new Demio launch in Japan on June 30.

Next is emerging markets. In China, which has grown into one of our major markets, we are preparing for the structure to sell 400,000 units. Integrating Mazda3 production in the Nanjing plant and launching a broader variety of vehicles, we will pursue continued growth and sales expansion.

In fast growing ASEAN markets such as Thailand, Indonesia and Malaysia, we have delivered good results in production and sales expansion centering around AAT. We started production of Mazda2 sedan and Mazda3 at AAT’s passenger car plant and also began local assembly of Mazda3 in Malaysia. Mazda2 made at AAT enjoyed excellent feedback, resulting in record volumes in Thailand, Indonesia and Malaysia in the last fiscal year. We also started sales in Vietnam in March this year.

Our future actions are as follows:

- We will promote growth strategy in emerging markets, mainly in ASEAN and China; and
- We will expand local production.

In ASEAN, we will take advantage of AAT to go ahead with local production and intra-regional complete-vehicle exports, considering tax system and trade liberalization in individual countries.

We will also expand our sales network to growing markets like Malaysia and Vietnam. In Indonesia, the 2nd largest market after Thailand, we will actively promote to expand business by increasing product lineup.

In China, we will promote local production of vehicles such as new Mazda3 and accelerate opening outlets in inland cities to enlarge our dealer network to 370 outlets by the end of the year.

Regarding Ford synergy, the next BT-50 we're jointly developing will be produced at AAT and will be launched in this fiscal year.

We will maintain our strategic partnership with Ford. Mazda and Ford have maintained a close relationship for more than 30 years. We cooperate in areas where both companies can enjoy merits such as joint venture business, existing projects and sharing of technology information. In this way, we have agreed to continue this strategic partnership and win-win relationship.

I explained results and our future actions. However, amid the worsening external environment such as uncertain demand in developed countries, material price hike and strong yen, we will further improve volume and mix by introducing new-generation products to achieve additional cost improvement.

We will reinforce our efforts for emerging markets and therefore there is no change in our commitment to the growth to global sales volume of 1.7 million units; an operating profit of ¥170 billion; and ROS of 5% or more we set in our Medium- and long-term outlook”:

I'll outline an image of growth to achieve an operating profit of ¥170 billion and ROS of 5% or more.

There are four drivers of growth to achieve Medium- and Long-term Outlook.

The first driver is to substantially improve volume and mix by launching SKYACTIV series starting in this fiscal year. The ratio of vehicles equipped with SKYACTIV and trend of sales in emerging markets are significantly going up toward fiscal year ending March 2016. As the ratios grow, our profit increases. In addition, we accelerate cost improvement through the second driver of Monotsukuri Innovation.

By promoting the third driver of Tsunagari Innovation, we will continue to enhance brand value and achieve increase in transaction prices. At the same time, we will aim to expand volume, benefiting from the fourth driver of growth in emerging markets.

3. MANUFACTURING BUSINESS IN MEXICO AND SALES BUSINESS IN BRAZIL

I will present our new initiatives in growing markets.

We have reached a basic agreement with Sumitomo Corporation, one of our major business partners, concerning manufacturing business in Mexico and sales business in Brazil, and started preparation. I will take you through the outline of these businesses.

Following China and ASEAN, we have been studying the entry into to emerging markets where we have no presence. And, as the 3rd pillar of our business strategy for emerging

countries in addition to the enhancement of entry into growing markets and securing of competitive costs, we will try to strengthen our business in Central and South America through our decision to build plants in Mexico and the entry into Brazilian market.

Our action has three aims.

First aim is to establish production base for small vehicles to be sold mainly in Central and South America by building plants in Mexico. Next is to expand sales in Central and South America by entering into rapidly growing Brazilian market following Mexico where our sales have been strong. Also, we will maximize synergies with Sumitomo Corporation, who is our business partner with rich experience and knowledge on emerging market business.

Both vehicle and engine assembly plants in Mexico are joint venture with Sumitomo Corporation.

Operation is planned to begin in FY2013, with annual capacity of 140,000 units.

Mazda2 and Mazda3 are going to be produced, which will be distributed mainly to Central and South America. Investment amount is 500 million dollars. Headquarters are in Salamanca City, Guanajuato State.

Concerning the sales business in Brazil, to start sales business in Brazil, we will set up a distributor as a joint venture with Sumitomo Corporation.

We will start sales in FY2012. Vehicles for supply will be exported from Japan at first and then shipped from Mexico once the plant in Mexico is completed, in order to expand our sales in Brazil.

We plan to have a headquarters office in the State of Sao Paulo.

As planned plant construction site, Salamanca city is located about 250 km northwest from the center of Mexico, Mexico City. A cluster of suppliers are here. Infrastructure such as railroads necessary to transport vehicles and parts has been in place. Therefore, we regard this location as where we can enjoy the maximum merit of supply chain.

In a sales aspect, as you may know, by producing vehicles in Mexico we will take advantage of Agreement of Economic Complementation in Brazil and FTA in other Central and South America and pursue growth in these markets.

Next, let me talk about benefits from our entry into Central and South American markets.

As I mentioned earlier, by making the most of Agreement of Economic Complementation in Brazil and FTA for sales in Central and South American markets, we will expand sales.

Production in the Mexican plant will contribute to our further growth in Mexico where we saw

the record high sales volume last year.

On the production side, we will completely bring in Mazda production method we've accumulated in Japanese plants and will pursue thorough local sourcing of parts to promote cost improvements.

These efforts will not only secure our cost competitiveness but also help us reduce foreign exchange risks through overseas production.

As I said in the beginning, we will maximize synergies with Sumitomo Corporation.

Now I will introduce the market demand trends in Mexico and Brazil respectively.

In Mexico, after the financial crisis in 2008, total industry there declined, but has been recovering since then. And we can expect future growth. Mazda entered into Mexico in 2005 and has increased its share every year. Last year we sold 25,000 units, gaining a 3.1% share. Our consistent brand strategy has been steadily penetrating. Combining our strong sales network with our products, we will aim at further growth.

The Brazilian market which grew to the 4th largest in the world in 2010 and is expected to grow further. The core of the growth lies in B and C class segments where Mazda is operating.

Thank you very much for joining us today despite your busy schedule.

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