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(For your information)

Mazda Motor Corporation
FISCAL YEAR MARCH 2016 FIRST QUARTER FINANCIAL RESULTS
(Speech Outline)

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1. HIGHLIGHTS

For the first quarter of the Fiscal Year March 2016, global sales volume was 370,000 units, up 16% from the prior year, thanks to full impact of the new Mazda2/Demio and phasing in of the new CX-3 globally. We launched the new MX-5/Roadster starting from Japan in May. Revenue was ¥806.0 billion, operating profit was ¥53.3 billion, and net income was ¥36.8 billion. We made good progress toward achieving our full year targets for both sales volume and profit. We also entered a basic agreement with Toyota on business collaboration to study specific areas of cooperation.

2. FISCAL YEAR MARCH 2016 FIRST QUARTER RESULTS

Consolidated revenue was ¥806.0 billion, up 14% year on year. Consolidated operating profit declined ¥3.1 billion from the prior year to ¥53.3 billion. Ordinary profit was ¥54.6 billion, profit before tax was ¥53.9 billion, and net income was ¥36.8 billion. Exchange rate averaged ¥121 to the US dollar and ¥134 to the Euro, ¥19 weaker and ¥6 stronger respectively versus the prior year.

Global sales volume was 370,000 units, up 16% from the prior year. In addition to the full-scale sales of the new Mazda2/Demio globally, launch of the new CX-3 contributed to the sales increase. Sales in Japan, China and Other Markets achieved substantial year-on-year increase.

I would like to explain the sales results by market.

In Japan, sales increased to 57,000 units, up 44% year-on-year.

Although overall demand was weaker than the prior year, Mazda grew sales and raised market share by 1.8 points to 5.2%. Sales of new Demio and new CX-3 remained strong. New Roadster released to the market in May had an excellent launch with 5,000 orders in the first month.

In North America, sales were 116,000 units, up 6% year-on-year.

Sales in United States were 81,000 units, up 3% year-on-year. Updated CX-5 and Mazda6 drove the sales. We continue to stick with our policy of sales at the “right-price.”

In Mexico, sales were 13,000 units, up 48% year-on-year. Strong sales of Mazda3 and new Mazda2 helped us achieve record sales and market share.

In Europe, sales fell by 4% year-on-year to 54,000 units.

Sales in Europe excluding Russia, however, increased 11% to 49,000 units driven mainly by the contribution of the new Mazda2. Germany and the UK showed steady growth with sales up 1% to 14,000 units, and 20% to 9,000 units respectively. On the other hand, due to a weak ruble and diminished demand, sales in Russia were down 57% year-on-year to 5,000 units.

In China, sales increased 31% year-on-year to 57,000 units.

Despite weakening demand, we posted record sales in the first quarter. Mazda3 sales were strong. Updated CX-5 was launched and its orders are also strong.

Sales in Other Markets were up 22% year-on-year to 86,000 units.

Sales in Australia were up 17% year-on-year to 28,000 units and market share was 9.4%. CX-5 remained the top-seller in its segment, and sales of the new CX-3 introduced in March were strong.

In the ASEAN region, demand has not yet recovered in Thailand and Indonesia, but sales declines there were offset by Vietnam and other countries, with overall sales in the region increasing 17% year-on-year. Among other markets, record-high sales volumes were achieved in Saudi Arabia and Columbia.

I would like to explain the key factors behind ¥3.1 billion decline in consolidated operating profit over the prior year.

Volume and mix improvement was ¥7 billion with higher sales of SKYACTIV models.

Foreign exchange rate deteriorated ¥5.7 billion in total; an improvement of ¥5.1 billion from the US dollar and a deterioration of ¥4.6 billion from the Euro and ¥6.2 billion from other currencies.

In the area of variable costs, progress in cost reductions yielded ¥6.5 billion improvement. Marketing expenses increased ¥5.3 billion for advertisement of the new Mazda2 and the new CX-3 launch.

Other fixed costs increased ¥5.6 billion primarily due to increase in depreciation costs in the Mexico Plant and the new automatic transmission plant in Thailand.

3. FISCAL YEAR MARCH 2016 FORECAST AND PROGRESS OF KEY INITIATIVES

Full-year global sales forecasts for both the first half and the full year remain unchanged. Full-year global sales are projected to be 1.49 million units, as announced at the beginning of the fiscal year. Mazda2, sales of which are in full swing globally, and the new CX-3 and new MX-5/Roadster, which will be introduced to key markets in succession, will contribute to these results.

Profit forecasts for the first half and the full year remain unchanged. We are carefully assessing the future market environment in Europe, China and elsewhere, and watching exchange rate trends in emerging market currencies.

I will explain the progress we are making with our key initiatives.

We plan to continually evolve our SKYACTIV models, updating them with our latest designs and most advanced technologies. Mazda6/Atenza and CX-5 have had major updates and sales are strong. For the launch of the new CX-3, orders in Japan exceeded 10,000 units in the first month and sales are also strong in Australia. In Europe, the new CX-3 was launched in June and initial response in Germany and other countries is very encouraging.

The new MX-5/Roadster was launched in Japan in May and is highly acclaimed among customers. We received orders for more than 5,000 units in the first month. It was launched in the United States in July and will be launched in Europe and Australia in August. The new models were smoothly launched as planned and the ratio of SKYACTIV models increased to 84% of total sales volume.

Next, I will explain the status of our overseas plants.

In Mexico, we started production of compact cars for Toyota in June. In Thailand, we smoothly implemented the change to two shifts at our new automatic transmission plant.

Lastly, I will explain the business collaboration with Toyota.

In May, we made an agreement with Toyota to build a mutually beneficial long-term partnership that will leverage the resources of both companies to complement and enhance each other's products and technologies. We have established a joint committee to study specific areas of business cooperation that will leverage the strengths of both companies.

We will establish a medium- to long-term cooperative relationship that goes beyond the traditional framework of collaboration to "create a whole new set of values for cars".

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