

Consolidated Financial Results
For the Third Quarter of the Fiscal Year Ending March 31, 2017
(For the First Nine Months Ended December 31, 2016)



Prepared in Conformity with Generally Accepted Accounting Principles in Japan
 English Translation from the Original Japanese-Language Document

February 2, 2017

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Filing of *Shihanki Hokokusho*, quarterly securities report : Scheduled for February 13, 2017
 Payment of Dividends : -
 Supplementary Material : Yes
 Briefing Session : Yes (Intended for securities analysts, institutional investors and media)

(in Japanese yen rounded to millions, except amounts per share)

1. Consolidated Financial Highlights (April 1, 2016 through December 31, 2016)

(1) Consolidated Financial Results

(Percentage indicates change from same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2017 3rd quarter	2,348,602	(7.8)	101,955	(41.2)	117,943	(31.4)	79,934	(35.3)
FY2016 3rd quarter	2,547,799	16.1	173,370	14.1	171,994	7.2	123,455	(6.1)

Note: Comprehensive income
FY2017 3rd quarter 73,171 millions of yen ((37.1) %)
FY2016 3rd quarter 116,369 millions of yen ((23.3) %)

	Net Income Per Share	Net Income Per Share (Diluted)
FY2017 3rd quarter	133.71 yen	133.70 yen
FY2016 3rd quarter	206.51	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
As of	millions of yen	millions of yen	%
December 31, 2016	2,562,250	1,035,337	39.4
March 31, 2016	2,548,401	976,723	37.4

Reference: Net Assets excluding non-controlling interests

As of December 31, 2016 1,008,649 millions of yen
 As of March 31, 2016 954,016 millions of yen

2. Dividends

	Dividends Per Share				
	1st. Qtr.	2nd. Qtr.	3rd. Qtr.	Year End	Full-Year
	yen	yen	yen	yen	yen
FY2016	-	15.00	-	15.00	30.00
FY2017	-	15.00	-	-	-
FY2017 (Forecast)	-	-	-	20.00	35.00

Note: Revision of the dividend forecast most recently announced: None

3. Consolidated Financial Forecast (April 1, 2016 through March 31, 2017)

(Percentage indicates change from the previous fiscal year)

	Net sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income Per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2017 Full Year	3,200,000	(6.1)	130,000	(42.7)	135,000	(39.6)	90,000	(33.0)	150.55

Note: Revision of the consolidated financial forecast most recently announced: Yes

Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly added subsidiaries: None

Excluded subsidiaries: None

(2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies / Changes in accounting estimates / Restatement:

- | | |
|--|------|
| 1) Changes in accounting policies with accompanying revision of accounting standards | Yes |
| 2) Voluntary changes in accounting policies except 1) | None |
| 3) Changes in accounting estimates | None |
| 4) Restatement | None |

Note: Please refer to "(1) Changes in accounting policies / Changes in accounting estimates / Restatement" on Page 5 of the attachment.

(4) Number of outstanding shares (Common stock)

1) Number of outstanding shares (including treasury stock)

As of December 31, 2016	599,875,479 shares
As of March 31, 2016	599,875,479 shares

2) Number of treasury stock

As of December 31, 2016	2,059,057 shares
As of March 31, 2016	2,057,937 shares

3) Average number of outstanding shares

For 9 months ended December 31, 2016	597,816,976 shares
For 9 months ended December 31, 2015	597,819,393 shares

Note on Progress in Quarterly Review Procedures by Independent Auditors

This document is out of the scope of the quarterly review procedures based on the Financial Instruments and Exchange Act.

The quarterly review procedures for the financial statements under this Act have not been completed as of the timing of disclosure of this document.

Cautionary Statements with Respect to Forward-Looking Statements

The financial forecast and other descriptions of the future presented in this document are an outlook based on our judgments and projections. The judgments and projections are based on information presently available. As such, the financial forecast and future descriptions are subject to uncertainties and risks, and are not contemplated to ensure the fulfillment thereof. Accordingly, the actual financial performance may vary significantly due to various factors.

For detail such as precondition of the financial forecast, please refer to "1. Qualitative Information on Consolidated Results for the Quarterly Period - (3) Future Estimates such as Consolidated Financial Forecast" on page 4 of the attachment.

ATTACHMENT

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(Reference)

Financial Summary (Consolidated)

For the Third Quarter of the Fiscal Year Ending March 31, 2017

1. Qualitative Information on Consolidated Results for the Quarterly period

(1) Consolidated Financial Results

Under the medium-term business plan “Structural Reform Stage 2” which begins from this fiscal year ending March 31, 2017, the Mazda Group has worked to provide customers with products that are attractive in terms of both driving pleasure and outstanding environmental and safety performance, and to further improve the brand value with the aim of qualitative growth of business in all areas.

In the third quarter accounting period (three-month period), we launched all-new Mazda MX-5 RF in Japan. The all-new MX-5 RF incorporates an innovative design and a retractable hardtop that can be opened and closed with ease and we realized both the beauty of the style and pleasure of open-top driving. In addition, we updated two models of Mazda2 and Mazda CX-3. In these updated models, we further refined our design which has been highly acclaimed and deepened the driving quality. In the future, we will continue to strive to increase sales volumes and profitability by expanding our SKYACTIV models and its continuous evolution.

Global retail volume for the first nine months of the fiscal year ending March 31, 2017 was 1,162 thousand units, up 1.5% year on year, owing to the increased sales of crossover models such as CX-3, all-new Mazda CX-9 and all-new Mazda CX-4 that we introduced in China.

Retail volume by market was as follows.

<Japan>

Retail volume was 132 thousand units, down 19.0% year on year, as a result of intensified competition. However, we introduced the updated models of Mazda2 and CX-3 in last November and launched all-new MX-5 RF in last December.

<North America>

In the U.S., although crossover models such as all-new CX-9 and CX-3 were good in demand, overall retail volume was decreased due to the decrease in sales volume of Sedan-based models. And also, in Mexico, the sales environment continued to be difficult due to the worsening exchange rate, etc. As a result, for North America as a whole, retail volume was 331 thousand units, down 4.2% year on year.

<Europe>

Despite an effect from the decline in demand in Russia, retail volume was 191 thousand units, up 4.1 % year on year, due to the strong sales mainly in the key market of Germany. By automobile type, in addition to continued steady sales of CX-3, MX-5 contributed to the increase in sales volume.

<China>

Retail volume was 227 thousand units, up 28.7% year on year, due to the contributions from all-new CX-4, which has maintained strong sales since its launch, as well as the continued effects of tax reduction policy for small-engine vehicles implemented by the Chinese government, which contributed to the increase in sales volume of Mazda3.

<Other markets>

Retail volume was 281 thousand units, up 1.4% year on year. In the key market of Australia, sales were increased and Mazda CX-5 was the top-selling SUV. In the ASEAN market, large sales growth was recorded in countries including Vietnam, and in other markets record sales were achieved in such countries as Columbia and New Zealand.

Financial performance on a consolidated basis for the first nine months of the fiscal year ending March 31, 2017 was as follows. Net sales amounted to ¥2,348.6 billion, a decrease of ¥199.2 billion or 7.8% compared to the corresponding period in the previous fiscal year, due to the impact of yen's appreciation. Operating income amounted to ¥102.0 billion, a decrease of ¥71.4 billion or 41.2% compared to the corresponding period in the previous fiscal year, due to the effect of fluctuating foreign exchange rate, while we strengthened cost improvements through Monotsukuri Innovation. Ordinary income amounted to ¥117.9 billion, a decrease of ¥54.1 billion or 31.4% compared to the corresponding period in the previous fiscal year. Net income attributable to owners of the parent amounted to ¥79.9 billion, a decrease of ¥43.5 billion or 35.3% compared to the corresponding period in the previous fiscal year.

Financial results by reportable segment for the first nine months of the fiscal year ending March 31, 2017 was as follows. In Japan, net sales amounted to ¥1,989.7 billion, a decrease of ¥145.6 billion or 6.8% compared to the corresponding period in the previous fiscal year, and operating income by segment (hereinafter referred to as "operating income") amounted to ¥56.1 billion, a decrease of ¥74.8 billion or 57.2% compared to the corresponding period in the previous fiscal year. In North America, net sales amounted to ¥977.7 billion, a decrease of ¥123.5 billion or 11.2% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥24.8 billion, a decrease of ¥1.6 billion or 6.0% compared to the corresponding period in the previous fiscal year. In Europe, net sales amounted to ¥452.0 billion, a decrease of ¥68.0 billion or 13.1% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥3.3 billion, a decrease of ¥3.4 billion or 51.0% compared to the corresponding period in the previous fiscal year. In other areas, net sales amounted to ¥428.7 billion, a decrease of ¥13.7 billion or 3.1% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥19.9 billion, an increase of ¥1.1 billion or 6.1% compared to the corresponding period in the previous fiscal year.

(2) Consolidated Financial Position

(Assets, Liabilities and Net Assets)

As of December 31, 2016, total assets increased ¥13.8 billion from the end of the previous fiscal year, to ¥2,562.3 billion. Total liabilities decreased ¥44.8 billion from the end of the previous fiscal year to ¥1,526.9 billion. Interest-bearing debt as of December 31, 2016 decreased ¥32.0 billion from the end of previous fiscal year to ¥585.2 billion. After subtracting cash and cash equivalents from the interest-bearing debt, net interest-bearing debt decreased ¥34.4 billion to ¥14.0 billion. The net debt-to-equity ratio improved 3.7 percentage points to 1.4%.

Net Assets as of December 31, 2016 increased ¥58.6 billion from the end of the previous fiscal year to ¥1,035.3 billion. Equity ratio increased 2.0 percentage points from the end of the previous fiscal year to 39.4% (Percentage after consideration of the equity credit attributes of the subordinated loan was 40.7%).

(Cash Flows)

Cash and cash equivalent as of December 31, 2016 increased ¥2.4 billion from the end of the previous fiscal year to ¥571.1 billion.

Net cash provided by operating activities for the first nine months of the fiscal year ending March 31, 2017 was ¥84.0 billion, reflecting income before income taxes of ¥110.7 billion and others. (For the first nine months of the

previous fiscal year, net cash provided by operating activities was ¥168.6 billion.) Net cash used in investing activities was ¥40.1 billion, although there were proceeds from withdrawal of time deposits, mainly reflecting capital expenditure for the acquisition of property, plant and equipment of ¥61.1 billion. (For the first nine months of the previous fiscal year, net cash used in investing activities was ¥58.0 billion.) As a result, consolidated free cash flow (net of operating and investing activities) was positive ¥43.9 billion. (For the first nine months of the previous fiscal year, consolidated free cash flow was positive ¥110.6 billion.) Net cash used in financing activities was ¥53.2 billion, mainly reflecting repayments of loans payable and dividends payable. (For the first nine months of the previous fiscal year, net cash used in financing activities was ¥45.3 billion.)

(3) Future Estimates such as Consolidated Financial Forecast

In light of recent trends in our business performance, we have revised the consolidated financial forecast for the Fiscal Year ending March 2017, as shown below. The prior forecast was announced on November 2, 2016.

For more information, please refer to "Notice of Revision of Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2017" that has been released today.

Consolidated Financial Forecast

	Full year	vs. Previous fiscal year	
Net sales	¥3,200.0 billion	down	6.1%
Operating income	¥130.0 billion	down	42.7%
Ordinary income	¥135.0 billion	down	39.6%
Net income attributable to owners of the parent	¥90.0 billion	down	33.0%

The exchange rate assumptions for full year forecast are ¥107 to the dollar and ¥119 to the Euro (¥110 to the dollar and ¥120 to the Euro for the fourth quarter of the fiscal year).

Note: The forecast stated above is based on management's judgment and views in the light of information presently available. By nature, such forecasts are subject to risks and uncertainties, and are not contemplated to ensure the fulfillment thereof. Therefore, we advise against making an investment decision by solely relying on this forecast. Variables that could affect the actual financial results include, but are not limited to, the economic environments surrounding our business areas and fluctuations in yen-to-dollar and other exchange rates.

2. Matters Regarding Summary Information (Notes)

(1) Changes in accounting policies / Changes in accounting estimates / Restatement

(Changes in accounting policies)

(Application of Practical Solution on Accounting for Changes in Depreciation Method related to the 2016 Tax Law Changes)

In accordance with the amendment in the Corporate Tax Code of Japan, a part of domestic consolidated subsidiaries have adopted the “Practical Solution on Accounting for Changes in Depreciation Method related to the 2016 Tax Law Changes” (ASBJ Practical Issue Task Force (PITF) No. 32, issued on June 17, 2016) in the first quarter of the fiscal year ending March 31, 2017, and have changed the depreciation method for structures and attachment to buildings acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change on the consolidated statement of operations for the first nine months of the fiscal year ending March 31, 2017 was immaterial.

(2) Additional Information

(Application of the Implementation Guidance on Recoverability of Deferred Tax Assets)

Effective from the first quarter of the fiscal year ending March 31, 2017, the Company has applied the “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016).

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets (December 31 and March 31, 2016)

(Millions of Yen)

As of	FY2016 March 31, 2016	FY2017 December 31, 2016
ASSETS		
Current Assets:		
Cash and deposits	457,655	365,291
Trade notes and accounts receivable	198,894	196,443
Securities	141,200	206,300
Inventories	383,515	415,183
Other	213,124	222,166
Allowance for doubtful receivables	(681)	(441)
Total current assets	1,393,707	1,404,942
Non-current Assets:		
Property, plant and equipment:		
Buildings and structures (net)	175,073	177,792
Machinery, equipment and vehicles (net)	248,455	255,893
Land	410,195	410,959
Leased assets (net)	4,686	3,998
Other (net)	99,111	100,753
Total property, plant and equipment	937,520	949,395
Intangible assets:	30,738	31,583
Investments and other assets:		
Investment securities	136,063	131,855
Asset for retirement benefits	2,887	3,235
Other	50,435	44,046
Allowance for doubtful receivables	(2,949)	(2,806)
Total investments and other assets	186,436	176,330
Total non-current assets	1,154,694	1,157,308
Total Assets	2,548,401	2,562,250

(Millions of Yen)

As of	FY2016 March 31, 2016	FY2017 December 31, 2016
LIABILITIES		
Current Liabilities:		
Trade notes and accounts payable	374,637	365,569
Short-term loans payable	117,143	141,478
Bonds due within one year	350	-
Long-term loans payable due within one year	140,798	135,267
Lease obligations	1,896	1,732
Income taxes payable	31,784	7,460
Accrued expenses	168,799	172,343
Reserve for warranty expenses	104,723	116,341
Other	66,340	79,666
Total current liabilities	1,006,470	1,019,856
Non-current Liabilities:		
Bonds	20,000	20,000
Long-term loans payable	333,661	284,062
Lease obligations	3,284	2,624
Deferred tax liability related to land revaluation	64,719	64,715
Reserve for loss on business of subsidiaries and affiliates	7,326	-
Reserve for environmental measures	677	676
Other reserves	312	310
Liability for retirement benefits	85,916	79,253
Other	49,313	55,417
Total non-current liabilities	565,208	507,057
Total Liabilities	1,571,678	1,526,913
NET ASSETS		
Capital and Retained Earnings:		
Common stock	258,957	258,957
Capital surplus	243,048	243,048
Retained earnings	367,601	431,507
Treasury stock	(2,228)	(2,230)
Total capital and retained earnings	867,378	931,282
Accumulated Other Comprehensive Income/(Loss):		
Net unrealized gain/(loss) on available-for-sale securities	3,721	4,470
Deferred gains/(losses) on hedges	(600)	(6,473)
Land revaluation	145,952	145,944
Foreign currency translation adjustment	(36,877)	(42,864)
Accumulated adjustments for retirement benefits	(25,558)	(23,710)
Total accumulated other comprehensive income	86,638	77,367
Subscription rights to shares	-	91
Non-controlling Interests	22,707	26,597
Total Net Assets	976,723	1,035,337
Total Liabilities and Net Assets	2,548,401	2,562,250

(2) Quarterly Consolidated Statements of Operations and Comprehensive Income
(For the first nine months ended December 31, 2016 and 2015)

Quarterly Consolidated Statements of Operations

(Millions of Yen)

For the first nine months ended	FY2016 December 31, 2015	FY2017 December 31, 2016
Net sales	2,547,799	2,348,602
Cost of sales	1,924,444	1,781,039
Gross profit on sales	623,355	567,563
Selling, general and administrative expenses	449,985	465,608
Operating income	173,370	101,955
Non-operating income		
Interest income	2,673	2,269
Equity in net income of affiliated companies	17,717	22,608
Foreign exchange gain	-	2,130
Other	4,429	3,822
Total	24,819	30,829
Non-operating expenses		
Interest expense	9,970	7,242
Foreign exchange loss	11,495	-
Other	4,730	7,599
Total	26,195	14,841
Ordinary income	171,994	117,943
Extraordinary income		
Gain on sales of property, plant and equipment	200	212
Gain on sales of investment securities	221	20
Gain on reversal of reserve for loss on business of subsidiaries and affiliates	417	444
Other	7	18
Total	845	694
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	4,281	2,117
Impairment loss	132	630
Loss on business of subsidiaries and affiliates	1,971	-
Business restructuring costs	-	5,172
Other	-	8
Total	6,384	7,927
Income before income taxes	166,455	110,710
Income taxes		
Current	36,022	20,607
Deferred	5,185	7,742
Total	41,207	28,349
Net income	125,248	82,361
Net income attributable to:		
Non-controlling interests	1,793	2,427
Owners of the parent	123,455	79,934

Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

For the first nine months ended	FY2016 December 31, 2015	FY2017 December 31, 2016
Net income	125,248	82,361
Other comprehensive income/(loss):		
Net unrealized gain/(loss) on available-for-sale securities	3,022	746
Deferred gains/(losses) on hedges	96	(5,974)
Foreign currency translation adjustment	(6,217)	9,144
Adjustments for retirement benefits	253	1,920
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	(6,033)	(15,026)
Total	(8,879)	(9,190)
Comprehensive income	116,369	73,171
Comprehensive income attributable to:		
Owners of the parent	115,107	70,671
Non-controlling interests	1,262	2,500

(For the three months ended December 31, 2016 and 2015)

Quarterly Consolidated Statements of Operations

(Millions of Yen)

For the three months ended	FY2016 December 31, 2015	FY2017 December 31, 2016
Net sales	847,266	802,263
Cost of sales	649,789	614,290
Gross profit on sales	197,477	187,973
Selling, general and administrative expenses	149,992	174,336
Operating income	47,485	13,637
Non-operating income		
Interest income	973	777
Equity in net income of affiliated companies	5,813	7,761
Foreign exchange gain	145	15,410
Other	1,477	1,203
Total	8,408	25,151
Non-operating expenses		
Interest expense	3,577	2,156
Other	1,375	1,309
Total	4,952	3,465
Ordinary income	50,941	35,323
Extraordinary income		
Gain on sales of property, plant and equipment	142	21
Gain on sales of investment securities	221	-
Gain on reversal of reserve for loss on business of subsidiaries and affiliates	-	561
Other	1	8
Total	364	590
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	1,064	683
Impairment loss	51	183
Loss on business of subsidiaries and affiliates	83	-
Business restructuring costs	-	525
Other	-	8
Total	1,198	1,399
	50,107	34,514
Income taxes		
Current	10,543	11,185
Deferred	4,146	(1,413)
Total	14,689	9,772
Net income	35,418	24,742
Net income attributable to:		
Non-controlling interests	281	902
Owners of the parent	35,137	23,840

Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

For the three months ended	FY2016 December 31, 2015	FY2017 December 31, 2016
Net income	35,418	24,742
Other comprehensive income/(loss):		
Net unrealized gain/(loss) on available-for-sale securities	1,748	1,553
Deferred gains/(losses) on hedges	(218)	(7,561)
Foreign currency translation adjustment	2,639	23,445
Adjustments for retirement benefits	41	852
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	(6,612)	(629)
Total	(2,402)	17,660
Comprehensive income	33,016	42,402
Comprehensive income attributable to:		
Owners of the parent	33,068	38,806
Non-controlling interests	(52)	3,596

(3) Quarterly Consolidated Statements of Cash Flows
(For the first nine months ended December 31, 2016 and 2015)

(Millions of Yen)

For the first nine months ended	FY2016 December 31, 2015	FY2017 December 31, 2016
Cash flows from operating activities:		
Income before income taxes	166,455	110,710
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:		
Depreciation and amortization	58,606	60,062
Impairment loss	132	630
Increase/(decrease) in allowance for doubtful receivables	(117)	(88)
Increase/(decrease) in reserve for warranty expenses	17,882	11,618
Increase/(decrease) in reserve for loss on business of subsidiaries and affiliates	(1,671)	-
Increase/(decrease) in liability for retirement benefits	(3,075)	(3,663)
Interest and dividend income	(3,177)	(2,595)
Interest expense	9,970	7,242
Equity in net loss/(income) of affiliated companies	(17,717)	(22,608)
Loss/(gain) on sales and retirement of property, plant and equipment	4,080	1,888
Loss/(gain) on sales of investment securities	(221)	(12)
Decrease/(increase) in trade notes and accounts receivable	16,805	1,051
Decrease/(increase) in inventories	(26,374)	(36,484)
Increase/(decrease) in trade notes and accounts payable	(28,565)	(2,002)
Increase/(decrease) in other current liabilities	(4,450)	11,186
Other	2,600	(18,495)
Subtotal	191,163	118,440
Interest and dividends received	14,677	16,829
Interest paid	(9,111)	(7,191)
Income taxes refunded/(paid)	(28,141)	(44,084)
Net cash provided by/(used in) operating activities	168,588	83,994
Cash flows from investing activities:		
Net decrease/(increase) in time deposits	-	26,684
Net decrease/(increase) in securities	-	3,000
Purchase of investment securities	(3,065)	(5,601)
Proceeds from sales and redemption of investment securities	2,944	507
Acquisition of property, plant and equipment	(59,036)	(61,139)
Proceeds from sales of property, plant and equipment	5,112	2,990
Acquisition of intangible assets	(5,848)	(6,543)
Net decrease/(increase) in short-term loans receivable	408	23
Payments of long-term loans receivable	(365)	(339)
Collections of long-term loans receivable	1,948	564
Other	(136)	(268)
Net cash provided by/(used in) investing activities	(58,038)	(40,122)
Cash flows from financing activities:		
Net increase/(decrease) in short-term loans payable	19,876	26,559
Proceeds from long-term loans payable	12,950	93,326
Repayments of long-term loans payable	(61,916)	(153,246)
Redemption of bonds	(50)	(350)
Proceeds from sale and leaseback transactions	-	108
Repayments of lease obligations	(1,507)	(1,514)
Proceeds from stock issuance to non-controlling shareholders	297	-
Cash dividends paid	(14,946)	(17,935)
Cash dividends paid to non-controlling interests	(36)	(122)
Net decrease/(increase) in treasury stock	(4)	(2)
Net cash provided by/(used in) financing activities	(45,336)	(53,176)
Effect of exchange rate fluctuations on cash and cash equivalents	(14,010)	6,978
Net increase/(decrease) in cash and cash equivalents	51,204	(2,326)
Cash and cash equivalents at beginning of the period	529,148	568,714
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	4,790
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(33)
Cash and cash equivalents at end of the period	580,352	571,145

(4) Footnotes to the Quarterly Consolidated Financial Statements

(Note on the Assumptions as Going Concern)

None

(Significant Changes in the Amount of Equity)

None

(Segment Information)

I. FY2016 First Nine Months (April 1, 2015 through December 31, 2015)

1) Sales and Income or Loss by Reportable Segments

(Millions of Yen)

FY2016 First Nine Months Ended December 31, 2015	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	745,054	880,195	508,395	414,155	2,547,799	-	2,547,799
Inter-segment	1,390,208	221,032	11,575	28,230	1,651,045	(1,651,045)	-
Total	2,135,262	1,101,227	519,970	442,385	4,198,844	(1,651,045)	2,547,799
Segment income	130,909	26,376	6,647	18,783	182,715	(9,345)	173,370

Notes: 1. The adjustment on segment income is eliminations of inter-segment transactions.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for FY2016 first nine months ended December 31, 2015.

2) Impairment Loss on Property, Plant and Equipment and Goodwill by Reportable Segment

Impairment losses on property, plant and equipment, gains from negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

II. FY2017 First Nine Months (April 1, 2016 through December 31, 2016)

1) Sales and Income or Loss by Reportable Segments

(Millions of Yen)

FY2017 First Nine Months Ended December 31, 2016	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	710,745	809,055	440,097	388,705	2,348,602	-	2,348,602
Inter-segment	1,278,945	168,690	11,869	39,986	1,499,490	(1,499,490)	-
Total	1,989,690	977,745	451,966	428,691	3,848,092	(1,499,490)	2,348,602
Segment income	56,073	24,783	3,260	19,921	104,037	(2,082)	101,955

Notes: 1. The adjustment on segment income is eliminations of inter-segment transactions.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for FY2017 first nine months ended December 31, 2016.

2) Impairment Loss on Property, Plant and Equipment and Goodwill by Reportable Segment

Impairment losses on property, plant and equipment, gains from negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

4. Supplementary Information

Production and Sales Information

a) Production Volume

		FY2016 First Nine Months Ended December 31, 2015	FY2017 First Nine Months Ended December 31, 2016	Increase / (Decrease)
Vehicles		units	units	units
	Japan	735,220	723,195	(12,025)
	North America	159,475	139,235	(20,240)
Total		894,695	862,430	(32,265)

Note: Mazda-brand vehicles produced by the following equity method applied affiliate are counted among wholesales, but are not included in the production volume:

	FY2016 First Nine Months Ended December 31, 2015	FY2017 First Nine Months Ended December 31, 2016	Increase / (Decrease)
Auto Alliance (Thailand) Co., Ltd.	90,478 units	99,902 units	9,424 units

b) Sales by Reportable Segment

	FY2016 First Nine Months Ended December 31, 2015	FY2017 First Nine Months Ended December 31, 2016	Increase / (Decrease)
	millions of yen	millions of yen	millions of yen
Japan	745,054	710,745	(34,309)
North America	880,195	809,055	(71,140)
Europe	508,395	440,097	(68,298)
Other areas	414,155	388,705	(25,450)
Total	2,547,799	2,348,602	(199,197)

Note: Inter-segment transactions are eliminated from the sales figures shown in the above table.

c) Sales by Product Type

		FY2016 First Nine Months Ended December 31, 2015		FY2017 First Nine Months Ended December 31, 2016		Increase / (Decrease)	
Vehicles		units	millions of yen	units	millions of yen	units	millions of yen
		968,422	2,145,616	931,164	1,943,191	(37,258)	(202,425)
Knockdown Parts (Overseas)		-	52,634	-	61,695	-	9,061
Parts		-	182,436	-	173,241	-	(9,195)
Other		-	167,113	-	170,475	-	3,362
Total		-	2,547,799	-	2,348,602	-	(199,197)

< Wholesales Volume by Market >

		FY2016 First Nine Months Ended December 31, 2015	FY2017 First Nine Months Ended December 31, 2016	Increase / (Decrease)
Vehicles		units	units	units
	Japan	161,166	126,298	(34,868)
	North America	329,760	328,443	(1,317)
	Europe	192,546	192,657	111
	Other areas	284,950	283,766	(1,184)
	Overseas Total	807,256	804,866	(2,390)
Total		968,422	931,164	(37,258)

Note: The wholesales volume does not include vehicles which are sold by other brands.

Financial Summary (Consolidated)

For the Third Quarter of the Fiscal Year Ending March 31, 2017

(For the Nine Months Ended December 31, 2016)

February 2, 2017

Mazda Motor Corporation

(In 100 millions of yen)
(In thousands of units)
(Upper left: return on sales)

		FY 2016 First 9 Months (Apr.'15-Dec.'15)		FY 2017					FY 2016 Full Year Ended March 31, 2016		FY 2017 Full Year Forecast Ending March 31, 2017		
				1st Qtr.	2nd Qtr.	3rd Qtr.	First 9 Months (Apr.'16-Dec.'16)						
			%					%		%			
	Domestic	1	4,742	16.9	1,205	1,449	1,249	3,903	(17.7)	6,609	7.1	5,900	(10.7)
	Overseas	2	20,736	16.0	6,557	6,252	6,774	19,583	(5.6)	27,457	13.6	26,100	(4.9)
Net sales		3	25,478	16.1	7,762	7,701	8,023	23,486	(7.8)	34,066	12.3	32,000	(6.1)
Operating income		4	6.8%	14.1	6.8%	4.7%	1.7%	4.3%	(41.2)	6.7%	11.8	4.1%	(42.7)
Ordinary income		5	6.8%	7.2	5.8%	4.9%	4.4%	5.0%	(31.4)	6.6%	5.2	4.3%	(39.6)
Income before income taxes		6	6.5%	3.5	5.1%	4.8%	4.3%	4.7%	(33.5)	4.9%	(20.2)	3.9%	(26.3)
Net income attributable to owners of the parent		7	4.8%	(6.1)	2.7%	4.5%	3.0%	3.4%	(35.3)	3.9%	(15.4)	2.9%	(33.0)
Operating income by segment (geographic area)													
	Japan	8	1,309		207	188	166	561		1,625			
	North America	9	264		112	30	106	248		298			
	Europe	10	66		22	(1)	12	33		87			
	Other areas	11	188		68	70	61	199		216			
Operating profit changes													
	Volume & mix	12			113	(108)	0	5				10	
	Exchange rate	13			(339)	(309)	(370)	(1,018)				(1,050)	
	Cost improvement	14			143	165	100	408				480	
	Marketing expense	15			25	(2)	(2)	21				(30)	
	Other	16			49	(113)	(66)	(130)				(378)	
	Total	17			(9)	(367)	(338)	(714)				(968)	
Average rate for the period (Yen)													
	USD	18	122		108	102	109	107		120		107	
	EUR		134		122	114	118	118		133		119	
Transaction rate (Yen)													
	USD	19	121		103	102	111	106		119		106	
	EUR		135		122	116	118	119		133		118	
Capital expenditures		20	537		133	225	246	604		892		1,050	
Depreciation and amortization		21	586		195	199	207	601		790		830	
R & D cost		22	815		289	299	350	938		1,166		1,250	
Total assets		23	25,180		24,231	24,194		25,623		25,484			
Net assets		24	9,702		9,551	9,788		10,086		9,540			
Financial debt		25	6,712		5,674	5,400		5,852		6,171			
Net financial debt		26	908		467	(172)		140		484			
Free cash flow (Operating & Investing)		27	1,106		67	619	(247)	439		1,547			
	Japan	28	163	14.7	39	54	39	132	(19.0)	232	3.5	205	(11.7)
	North America	29	345	7.9	113	111	107	331	(4.2)	438	3.0	432	(1.3)
	Europe	30	183	9.4	66	68	57	191	4.1	257	12.0	260	1.1
	China	31	177	13.2	59	74	94	227	28.7	235	9.5	281	19.5
	Other	32	277	27.0	98	93	90	281	1.4	372	22.6	372	0.1
Global retail volume		33	1,145	14.1	375	400	387	1,162	1.5	1,534	9.8	1,550	1.1
	Domestic	34	735	7.7	220	248	255	723	(1.6)	989	7.6	963	(2.6)
	Overseas	35	435	35.0	136	154	172	462	6.2	582	27.7		
Global production volume		36	1,170	16.5	356	402	427	1,185	1.3	1,571	14.3		

Note: Global retail volume refers to the total retail units of Mazda-brand vehicles sold on a global basis.

Note: Global production volume refers to the total volume of the units produced in the domestic plant and Mexico plant (including other brands) plus the units of Mazda-brand vehicles produced in other overseas plants (mainly in China and Thailand).