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(For your information)

Mazda Motor Corporation
FISCAL YEAR MARCH 2014 FIRST HALF FINANCIAL RESULTS
(Speech Outline)

Representative Director, President and CEO
Masamichi Kogai

1. HIGHLIGHTS

For the first half of FY March 2014, we achieved revenue growth and a substantial profit increase in all profit categories mainly through sales expansion of SKYACTIV products. Revenue was ¥1 trillion 254.3 billion. Operating profit was ¥74 billion. Net income was ¥25 billion. Revenue and profit in all profit categories exceeded the initial forecast we set at the beginning of the fiscal year.

Global sales volume was 631,000 units, thanks to the worldwide sales increases of CX-5 and the new Mazda6/Atenza, which are exceeding the initial forecast.

The new Mazda3/Axela, our third SKYACTIV product, was introduced in North America at the end of the second quarter. It has received high praise from launch events held in major markets.

Concerning the forecast for the full year, we forecast global sales volume of 1 million 335,000 units, up 100,000 units from the prior year.

We upwardly revised our full year forecast for operating profit from ¥120 billion to ¥160 billion, and net income from ¥70 billion to ¥100 billion due to the good business performance trend and reassessment of exchange rate assumptions.

In the second half, following its launch in North America, we will introduce the new Mazda3/Axela into other major markets around the world including Europe, Japan and Australia.

We will also continue the steady progression of our Structural Reform Plan initiatives, including business innovation by SKYACTIV TECHNOLOGY and action to reinforce business in emerging countries.

Managing Executive Officer

Takashi Furutama

2. FISCAL YEAR MARCH 2014 FIRST HALF RESULTS

Revenue and profit, in all categories, increased over the prior year and exceeded the April plan.

Consolidated revenue was ¥1 trillion 254.3 billion, up ¥230.8 billion from the prior year.

Consolidated operating profit was ¥74 billion, up ¥62.5 billion from the prior year.

This is mainly driven by the correction of the strong yen and improvements in the volume and mix from SKYACTIV products.

Ordinary profit was ¥36.3 billion. Profit before tax was ¥33.9 billion and net income was ¥25 billion.

The exchange rate average was ¥99 to the dollar and ¥130 to the Euro. The yen weakened ¥20 to the dollar and ¥29 to Euro from the prior year.

Global sales volume was 631,000 units, up 18,000 units from the prior year.

Sales in Japan, North America, Europe and Australia were especially strong due to the sales growth of SKYACTIV models and exceeded the prior year levels.

Global sales volume was up 4,000 units compared to the April forecast.

The global success of the CX-5 and new Mazda6/Atenza drove the sales increase.

We have been implementing our Sales Method Innovation that promotes products and the brand to customers. This has contributed to the net revenue improvement.

The new Mazda3/Axela which will see its full scale introduction in the second half will further accelerate business growth by SKYACTIV TECHNOLOGY.

I would like to talk about the sales results by market.

In Japan, sales were 111,000 units, up 1% from the prior year while the industry declined 2%.

Share improved 0.1 point year on year to 4.3%. SKYACTIV models drove the overall sales increase. We added a 2.5L model and limited version to the CX-5 line-up to further enhance its attractiveness. The new Atenza is continuing to show strong sales performance.

Minivans such as SKYACTIV-equipped Premacy and Bianta have been also successful.

In North America, sales were 199,000 units, up 9% year on year.

In the United States, while the total industry increased 9% from the prior year, our sales grew 12% to reach 142,000 units. We continue to strongly promote brand value improvement by holding down fleet sales. Year-on-year increase in retail sales was 16%.

The CX-5, with the recently added 2.5L engine to the line-up, sold 43,000 units, up 69% over

the prior year. The new Mazda6, with its full scale launch this year, also steadily increased sales.

Our sales in Europe grew 14% year on year to 97,000 units, despite the decline of total industry by 2%. With the CX-5 availability improved and the full-scale introduction of the new Mazda6, we enjoyed a significant segment share increase with both models.

Sales in key countries, such as Germany and UK, were especially strong. Sales were 22,000 units in Germany and 17,000 units in the UK with year-on-year increase of 18% and 30% respectively.

In China, sales were 79,000 units.

The sales of the locally produced CX-5 started in August. We made a good start with orders for 10,000 units by the end of September.

With the CX-5 introduction, we started mass-market advertising, and other promotional activities, to communicate widely and deepen the understanding of SKYACTIV TECHNOLOGY.

Our efforts to enhance the sales network are progressing steadily. The number of outlets increased by 12 from the end of the last fiscal year to 408 stores at the end of September.

Sales in other markets were 145,000 units, almost flat year on year.

In Australia, we achieved a record 52,000 sales. Market share stayed strong at 8.9%.

Mazda was ranked third in sales among all makers and the CX-5 and Mazda2 are the best-selling models in their segments. The Mazda3 achieved the second highest sales in its segment even though it is at the end of its product cycle. We are keeping up the momentum in this market.

In the ASEAN region, sales in Thailand dropped due to the end of the first-buyer incentive program, but we achieved year-over-year growth in other markets.

In Malaysia, we achieved volume growth with the CX-5, which started local production, and record sales and share were realized.

I will explain the key factors behind the ¥62.5 billion year-over-year improvement of consolidated operating profit.

Volume and mix improved by ¥21.3 billion. As SKYACTIV models were well received globally, they were the main contributors to the improvement.

Next is foreign exchange. We had a positive impact of ¥19.3 billion from the US dollar, ¥18.7 billion from the Euro, and another ¥22.3 billion in other currencies. The total exchange impact was ¥60.3 billion positive.

In the variable cost area, as we promoted cost improvement activities, we achieved a ¥10.7

billion improvement.

Marketing expense increased ¥12.4 billion due to enhanced advertising activity to support the global launch of the new Mazda6.

The other fixed cost increased ¥17.4 billion due to added investment for future growth such as R&D and spending for the launch of the Mexico plant.

3. FISCAL YEAR MARCH 2014 FORECAST

We revised upward the projections for revenue and profits in all categories from the April plan.

Revenue is projected at ¥2 trillion 650 billion, operating profit is projected at ¥160 billion, and net income at ¥100 billion.

Operating profit is projected to improve ¥106.1 billion from the prior year and ¥40 billion from the guidance in April. I will explain each of the factors later.

The exchange rate in the second half of the year is projected at ¥95 to the dollar and ¥125 to the Euro.

Global sales volume is forecast at 1,335,000 units, up 100,000 units from the prior year.

The first half results were better than the initial plan, but due to uncertainties in certain emerging markets such as Thailand, we kept the full-year projection unchanged from the April plan. Later on, I will explain the sales initiatives in the second half of the fiscal year.

I would like to explain the key factors behind the ¥106.1 billion year-over-year improvement of consolidated operating profit.

Projected volume and mix improvement is ¥62 billion by sales expansion of SKYACTIV products.

Regarding the exchange rate, we project improvement of ¥32.2 billion from the US dollar, ¥31.1 billion from the Euro, and ¥26.7 billion from other currencies. Projected total improvement is ¥90 billion.

In the area of costs, we expect to offset raw material price increases and achieve a ¥15.7 billion improvement.

Marketing expense is projected to increase ¥20.4 billion from the prior year as we increase worldwide sales centering around SKYACTIV products.

Other fixed costs are projected to increase ¥41.2 billion due to higher R&D costs and launch costs of the Mexico plant.

Next are the changes to the operating profit projection from the plan as of April. I would like to explain the key factors behind a ¥40 billion improvement.

The volume and mix is projected to increase by ¥12.1 billion through volume growth and

model mix enrichment mainly due to the CX-5 and the new Mazda6.

Foreign exchange has a ¥34 billion positive impact in total including ¥15.2 billion from US dollar, ¥10.4 billion from Euro and ¥8.4 billion from other currencies.

Marketing expense is planned to increase by ¥2.1 billion as well as other fixed cost by ¥4.0 billion.

Let me take you through our global sales initiatives in the second half of this fiscal year.

We are rolling out our top-selling model, the new Mazda3/Axela into key markets and will further accelerate business growth led by SKYACTIV.

In the first half of this fiscal year, local production of the CX-5 started in China and Malaysia contributing to the expansion of SKYACTIV-equipped models.

In China, we will add a 2.5L model to the CX-5 line-up to contribute to a turn-around in the second half. In Thailand, CX-5 assembled in Malaysia will be introduced as their first SKYACTIV model.

We also plan to intensify our PR and advertising activities to enhance our brand image.

In the second half, we will build up the momentum of SKYACTIV models that are selling well and grow the volume further to achieve our medium- and long-term outlook.

Representative Director, President and CEO

Masamichi Kogai

4. PROGRESS OF STRUCTURAL REFORM PLAN

Concerning sales reinforcement initiatives being implemented along with the introduction of SKYACTIV models, we are rolling out campaigns focusing on the Mazda brand instead of individual carlines to promote brand values.

Also under way are inside-out activities to share among the Mazda group members the design philosophy and product values of Mazda models so that they can thoroughly communicate product values to customers.

These activities are intended to ensure net revenue improvement and high residual values by communicating the value of our products to customers and offering our products at the right price.

After purchase, we are committed to extending good customer care exceeding their expectations to enhance brand loyalty.

The next topic is the reinforcement of business in emerging countries and the establishment of a global production footprint.

Construction of the new plant in Mexico is making good progress and will start production in

the fourth quarter of this fiscal year.

We also decided to construct a new engine machining factory targeted to open in October, 2014.

Vehicles made in Mexico will be distributed to North America, Central and South America and Europe taking advantage of free-trade-agreements.

The production capacity of SKYACTIV engines and transmissions will be increased in Japan to respond to the global sales expansion of SKYACTIV models.

We also decided to enter the Cambodian and Myanmar markets as part of the plan to reinforce business in the ASEAN region. With this, Mazda models will be available in all 10 ASEAN countries.

The CX-5, locally assembled in Malaysia, is exported to Thailand to further expand sales in ASEAN.

5. SUMMARY

Let me summarize today's presentation.

In the first half, sales, revenue and profits in all categories exceeded the initial forecast.

SKYACTIV models, such as the CX-5 and new Mazda6/Atenza, continue their global sales momentum.

We revised upward our full year forecast for operating profit to ¥160 billion and net income to ¥100 billion due to the positive trend in business performance and reassessment of exchange rate assumption.

As we will introduce the new Mazda3/Axela in major markets in the second half, the SKYACTIV model mix in the full year will increase to 50% from 31% in the prior year.

Initiatives to reinforce business in emerging countries and establish a global production footprint, such as our new plant in Mexico and sales network expansion in ASEAN, are also on track.

Thank you for your attention.

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