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(For your information)

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

Representative Director, President and CEO

Masamichi Kogai

1. HIGHLIGHTS

For results of the fiscal year ended March 2014, revenue was ¥2 trillion 692.2 billion.

Operating profit was ¥182.1 billion. Net income was ¥135.7 billion.

Global sales volume was 1,331,000 units driven by CX-5 and Mazda6/Atenza, which continue to sell well. SKYACTIV models contributed to increased sales, improved profitability and enhanced brand value. Sales of New Mazda3/Axela are on track globally. The Mexico plant was launched according to schedule; mass production began in January this year.

As announced in February, the year-end dividend is planned at ¥1 per share.

For the forecast for fiscal year ending March 2015, we project revenue of ¥2 trillion

900 billion, operating profit of ¥210 billion and net income of ¥160 billion.

Global sales volume is forecast at 1.42 million units, up 7% year on year.

We aim for global volume growth through increased supply capability thanks to the Mexico Plant starting full-scale operations, and the sales contribution the new Mazda3/Axela will make over the full year. In this fiscal year, we remain committed to accelerate Structural Reform Plan initiatives including expanding the line-up of SKYACTIV models and the establishment of a global production footprint.

We plan to pay a year-end dividend of ¥2 per share.

Managing Executive Officer

Takashi Furutama

2. FISCAL YEAR MARCH 2014 RESULTS

Concerning the consolidated financial results for fiscal year ended March 2014, consolidated revenue was ¥2 trillion 692.2 billion, up 22% year on year. Consolidated operating profit was ¥182.1 billion, up by ¥128.2 billion year on year. This growth was attributable mainly to the volume and mix improvement with SKYACTIV models and the depreciation of yen versus the prior year. Ordinary profit was ¥140.7 billion. Profit before tax was ¥97.4 billion. Net income was ¥135.7 billion.

Global sales volume was 1,331,000 units, up 96,000 units over the prior year. All major regions, excluding Other Markets, achieved year-on-year growth. Volume decline in Other Markets was caused mainly by demand contraction due to political instability in Thailand.

Global strong-sellers CX-5 and Mazda6/Atenza drove the significant year-on-year sales growth seen in all but a few markets. New Mazda3/Axela was launched in North America first, then Europe and Japan. Sales of the model are on track. Sales Method Innovation initiatives are starting to bear fruit. While keeping sales at the right price and minimizing incentives, retail sales are driving volume growth. These initiatives have also resulted in maintaining high residual values. Introduction of SKYACTIV models is on track. Sales mix of SKYACTIV models increased to 51% in fiscal year ended March 2014.

I would like to explain the sales results by market.

Sales in Japan were up 13% year on year to 244,000 units. Market share rose 0.1 point over the prior year to 4.3%. Orders for the new Axela introduced in November last year have far exceeded expectations, reaching 28,000 units as of the end of March.

CX-5 was the best-selling SUV in Japan for the second consecutive calendar year.

Atenza and SKYACTIV-equipped Premacy and Biante continued to sell well.

Sales in North America were up 5% year on year to 391,000 units.

Sales in the United States rose 4% year on year to 284,000 units. Focused efforts were made to grow non-fleet sales, with a policy put in place to suppress fleet sales.

Sales of CX-5 and Mazda6 remained brisk, with a strong sales mix of high grade models. Despite declining demand in the C-segment and higher incentive spending by other makers, the new Mazda3 increased sales while curbing incentives and achieved higher non-fleet sales in the second half compared to the prior year. Sales in Mexico reached a record high.

Despite overall demand in Europe remaining flat, Mazda sales rose 21% year on year to 207,000 units. Sales were brisk in major markets such as Germany, Russia and UK.

Sales in Germany were up 20% year on year to 47,000 units.

In Russia, overall demand declined 6%, but Mazda sales were up 5% year on year to 44,000 units. The locally-assembled CX-5 and Mazda6 drove the sales increase.

Both models are also selling well in the UK where sales were 35,000 units, up 35% over the prior year.

Launches of the new Mazda3 began in key markets starting in the third quarter. Sales have been strong.

China sales increased by 12% over the prior year to 196,000 units.

Sales driven primarily by CX-5, local production of which started in August, and Mazda6.

In addition, we continue to reinforce Mazda brand advertising, with a focus on KODO design and SKYACTIV TECHNOLOGY. Steady progress is being made in expanding the sales network. The number of outlets has increased by 39 since the end of the previous fiscal year, making the total 435 at the end of March.

Sales in Other Markets were 293,000 units.

In Australia, strong sales continued with 104,000 units sold and a market share of 9.2%.

Mazda was the 3rd highest-selling maker; and the CX-5 was the top-seller in its segment.

Sales of the new Mazda3, launched in February, got off to a strong start.

In the ASEAN region, declining sales in Thailand due to political unrest were partially offset by other countries.

Among other markets, Saudi Arabia and Chile achieved record high sales.

I will explain key factors behind the ¥128.2 billion improvement in operating profit compared to the prior year.

The volume and mix improved by ¥55 billion. SKYACTIV models saw strong sales globally and made a substantial contribution to profits.

Foreign exchange rate had a ¥112.7 billion positive impact in total, consisting of ¥38.9 billion from the US dollars, ¥39.2 billion from the Euro and ¥34.6 billion from other currencies.

In the area of variable costs, cost improvement activities contributed to a ¥22 billion improvement.

Marketing expenses increased by ¥19.2 billion due to intensified marketing and advertising activities to support the global launches of Mazda6 and Mazda3.

Other fixed cost increased by ¥42.3 billion due to investment for future growth such as R&D costs and launch costs for the Mexico plant.

I will explain main factors behind the figures from operating profit down to net income.

Non-operating items include exchange loss of ¥42.2 billion due to the sharp depreciation of the yen in the prior fiscal year.

In an extraordinary loss, ¥36.6 billion is booked as the reserve for loss from affiliates business. This is mainly for the estimated loss pertaining to AAI equity sale to Ford.

Since stopping production of Mazda products at AAI in August 2012, we have studied many different possibilities for AAI together with Ford. Our profitability is now improving thanks to SKYACTIV products and we are less vulnerable to exchange swings since starting production in Mexico, etc. Taking these factors into account, we have agreed with Ford to finalize discussions with a view to Mazda selling its shares in AAI to Ford.

In corporate tax, we booked ¥40.1 billion deferred tax asset as we can now expect stable future profitability at our North American subsidiary.

As a result, the net income was ¥135.7 billion.

3. FISCAL YEAR MARCH 2015 FORECAST

Global sales volume for the fiscal year ending March 2015 is projected at 1.42 million units, up 89,000 units from the prior year.

Uncertain demand trends are being seen in some emerging markets, but we plan to achieve volume growth in major markets such as North America and China.

Let's take a look at global sales initiatives in this fiscal year.

We aim for global volume growth this fiscal year as the new Mazda3/Axela contributes to sales over the entire year and full-scale operations of Mexico Plant enhances our vehicle supply network.

In addition, we will further enhance the core model line-up with the introduction of two new SKYACTIV models.

We will update SKYACTIV products to maintain and enhance their competitiveness throughout their life cycle. The enhancements will help us continue to minimize incentives and maximize right-price sales.

We are committed to further accelerate to reinforce advertisement activities not only on products but also on brand, and globally enhance sales network mainly in the United States and China.

I would like to explain the financial forecast for the fiscal year ending March 2015.

We project revenue of ¥2 trillion 900 billion, up 8% year on year, operating profit of ¥210 billion, and net income of ¥160 billion.

We forecast further profit growth through initiatives to expand sales of SKYACTIV models, improve costs through Monotsukuri Innovation, and so on.

Our exchange forecast is ¥100 to the US dollar and ¥135 to the Euro.

Let me explain the key factors behind the forecast ¥27.9 billion year-on-year increase in operating profit.

Volume and mix is projected to improve ¥60 billion thanks to the full-year contribution of new Mazda3.

Foreign exchange improves by ¥300 million versus the US dollars but worsens ¥300 million versus the Euro and ¥3 billion versus other currencies. In total, exchange rate is expected to deteriorate by ¥3 billion.

In the area of variable cost, we expect to offset increased raw material costs through cost

improvements driven by Monotsukuri Innovation, to yield a ¥10 billion improvement. Marketing expense will go up by ¥15 billion to reinforce advertising for introductions of 2 new models, and for CX-5, Mazda6 and Mazda3 as well as Mazda brand. Other fixed cost will increase by ¥ 24.1 billion, including launch costs for the new automatic transmission plant in Thailand and increased fixed costs at the Mexico Plant.

Representative Director, President and CEO

Masamichi Kogai

4. STRUCTURAL REFORM PLAN UPDATE

I will explain the updates of the Structural Reform Plan.

Reflecting changes in the external environment, the business targets for fiscal year ending March 2016 laid out in the Structural Reform Plan have been revised.

The target global sales volume is now 1.52 million units, reflecting changes in the demand trends and sales environments of each country.

Based on an exchange rate assumption of ¥100 to the U.S. dollar and ¥135 to the Euro, operating profit is projected to be ¥230 billion and operating profit on sales to be 7% or higher.

The four major initiatives of the plan remain unchanged.

The plan is aimed at establishing a stable profit structure, while sustaining investments for future growth, including rebuilding our global footprint and investing in new products.

Regarding dividends, it is our intent to achieve stable dividends payments and to steadily improve the amount.

Let me explain how we intend to tackle the four initiatives of the plan.

First, on business innovation by SKYACTIV technology, we will continue to promote the right-price sales approach. By expanding the lineup of SKYACTIV products, together with product updates to increase the competitiveness of existing products, we will strive to further increase sales volume and enhance the brand.

Cost improvements on new products following the new Mazda3 will also be achieved through Monotsukuri Innovation. We will reinforce efficiencies in R&D and capital spending aimed at achieving future growth.

As for establishing our global production footprint, we will get the Mexican plant operating at full steam and pursue actions to increase its capacity. We will also devote efforts to prepare for the construction of the automatic transmission plant in Thailand.

Regarding the promotion of global alliances, we will continue our policy to pursue arrangements that complement Mazda's product, technology and regions.

5. SUMMARY

We have been making steady progress on the four initiatives since we announced the Structural Reform Plan in February 2012.

The introduction of products equipped with the SKYACTIV technology has been going smoothly, resulting in the ratio of SKYACTIV products in our sales increasing to 50% and contributing to an operating profit of ¥182.1 billion.

We will continue enhancing the line-up of SKYACTIV products. Our original plan aimed for SKYACTIV models to consist of 80% of sales in fiscal year ending March 2016, but we now expect that figure to be 85%.

We are establishing a stable profit structure, and project an operating profit of ¥210 billion this fiscal year and ¥230 billion next fiscal year.

Our aspiration is to become a brand that maximizes customer satisfaction by providing Mazda unique “fun-to-drive” products and services.

The lineup will be expanded with attractive products such as SKYACTIV models and we will push forward with brand value-focused management. For example, we will realize sales at the right price by ensuring customers understand the values of our products, and maintain and improve residual value.

Thank you for your attention.

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