Consolidated Financial Results
For the Fiscal Year Ended March 31, 2016

Prepared in Conformity with Generally Accepted Accounting Principles in Japan

English Translation from the Original Japanese-Language Document

April 27, 2016

Company Name	:	**Mazda Motor Corporation** (Tokyo Stock Exchange / Code No. 7261)
URL	:	http://www.mazda.com/
Representative Person	:	Masamichi Kogai, Representative Director and President
Contact Person	:	Masahiro Takeda, General Manager, Accounting Department, Financial Services Division Phone 082-282-1111
General Meeting of the Shareholders	:	Scheduled for June 28, 2016
Payment of Dividends	:	Scheduled for June 29, 2016
Filing of *Yuka Shoken Hokokusho* , annual securities report	:	Scheduled for June 29, 2016
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, 2015 through March 31, 2016)

(1) Consolidated Financial Results

(Percentage indicates change from 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	%
FY2016	**3,406,603**	12.3	**226,775**	11.8	**223,563**	5.2	**134,419**	(15.4)
FY2015	3,033,899	12.7	202,888	11.4	212,566	51.1	158,808	17.0

Note: Comprehensive income **FY2016 100,099 millions of yen ((53.4) %)**
FY2015 214,706 millions of yen (28.3 %)

	Net Income Per Share	Net Income Per Share (Diluted)	Return on Equity	Ordinary Income to Total Assets	Operating Income to Sales
	yen	yen	%	%	%
FY2016	**224.85**	**-**	**14.7**	**8.9**	**6.7**
FY2015	265.64	-	20.8	9.0	6.7

Reference: Equity in net income of affiliates (for the fiscal years ended March 31) **FY2016 21,988 millions of yen**
FY2015 17,216 millions of yen

Note: Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Net income per share is calculated based on the assumption that consolidation of shares had been carried out at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
As of Mar. 31, 2016	**2,548,401**	**976,723**	**37.4**	**1,595.83**
As of Mar. 31, 2015	2,473,287	891,326	35.2	1,454.61

Reference: Net assets excluding non-controlling interests (as of March 31) **FY2016 954,016 millions of yen**
FY2015 869,595 millions of yen

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Ending Cash & Cash Equivalents
	millions of yen	millions of yen	millions of yen	millions of yen
FY2016	**262,770**	**(108,092)**	**(94,062)**	**568,714**
FY2015	204,459	(95,548)	(62,776)	529,148

2. Dividends

	Dividends per Share					Total Amount of Annual Dividends	Dividends Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	1st.Qtr.	2nd.Qtr.	3rd.Qtr.	Year-End	Full Year			
	yen	yen	yen	yen	yen	millions of yen	%	%
FY2015	-	0.00	-	10.00	10.00	5,978	3.8	1.2
FY2016	**-**	**15.00**	**-**	**15.00**	**30.00**	**17,935**	**13.3**	**2.0**
FY2017 (Forecast)	-	15.00	-	20.00	35.00		18.2	

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
FY2017	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Full Year	3,280,000	(3.7)	170,000	(25.0)	176,000	(21.3)	115,000	(14.4)	192.37

*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) 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 "5.Consolidated Financial Statements (5)Footnotes to the Consolidated Financial Statements" on page 18 of the attachment.

(3) Number of outstanding shares (Common stock)

1) Outstanding shares at period-end (including treasury stock)	**As of March 31, 2016**	**599,875,479** shares
	As of March 31, 2015	599,875,479 shares
2) Treasury stock at period-end	**As of March 31, 2016**	**2,057,937** shares
	As of March 31, 2015	2,055,369 shares
3) Average number of outstanding shares during the period	**Year ended March 31, 2016**	**597,819,040** shares
	Year ended March 31, 2015	597,823,079 shares

Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Average number of outstanding shares for a year ended March 31, 2015 is calculated based on the assumption that consolidation of shares had been carried out at the beginning of the previous fiscal year.

(Reference)

Unconsolidated Financial Highlights (April 1, 2015 through March 31, 2016)

(1) Unconsolidated Financial Results

(Percentage indicates change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2016	**2,606,527**	**11.7**	**136,344**	**11.2**	**148,085**	**20.1**	**100,626**	**(5.2)**
FY2015	2,334,421	13.5	122,625	(20.1)	123,255	(17.2)	106,168	(36.0)

	Net Income Per Share	Net Income Per Share (Diluted)
	yen	yen
FY2016	**168.32**	**-**
FY2015	177.59	-

Note: Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Net income per share is calculated based on the assumption that consolidation of shares had been carried out at the beginning of the previous fiscal year.

(2) Unconsolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	millions of yen	millions of yen	%	yen
As of Mar. 31, 2016	**1,951,457**	**882,341**	**45.2**	**1,475.92**
As of Mar. 31, 2015	1,890,780	792,849	41.9	1,326.22

Reference: Net Assets (as of March 31) **FY2016 882,341 millions of yen**
FY2015 792,849 millions of yen

Note on Progress in Audit Procedures by Independent Auditors
This document is out of the scope of the audit procedures based on the Financial Instruments and Exchange Act.
The audit 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 and Other Notes
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.Financial Results and Financial Position - (1)Analysis of Financial Results" on page 2 of the attachment.

Attachment

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1. Financial Results and Financial Position

(1) Analysis of Financial Results

(Financial Results for the Fiscal Year Ended March 31, 2016)

With regard to the business environment surrounding the Mazda Group for the fiscal year ended March 31, 2016, there was moderate improvement overall with the recovery in the economies of developed countries. Overseas, although growth in the economies of China and other developing nations slowed, the U.S. economy picked up with an increase in personal consumption, and the moderate recovery in the European economy continued as the result of a loosening of monetary policy. In Japan, although the slowdown in the economies of developing countries had an effect, as a result of an improvement in corporate earnings, overall there was a moderate recovery. However, the outlook remains uncertain due to the economic downturn in emerging countries and higher yen since the beginning of this year.

Amid these circumstances, the Mazda Group pushed ahead with structural reform, leveraging its new-generation SKYACTIV Technology, and strove to enhance its brand value by offering appealing, uniquely Mazda products and service. Mazda's new-generation products featuring SKYACTIV Technology and KODO-Soul of Motion design theme have gained global recognition, and in March of this year the all-new Mazda MX-5 was named 2016 World Car of the Year and 2016 World Car Design of the Year. The Mazda Group is working to offer all of its customers driving pleasure as well as outstanding environmental and safety performance, which represent its brand value, and to achieve steady volume growth.

Along with continued strong sales of the Mazda CX-5, sales of the Mazda CX-3 shifted into high gear in its markets, and global sales volume was up 9.8% year on year at 1,534 thousand units.

By market, although demand was down year on year, retail volume in Japan for the fiscal year ended March 31, 2016 was 232 thousand units, up 3.5% year on year. Steady sales of the Mazda2 as well as the introduction of the CX-3 and the all-new MX-5 drove sales. In North America, retail volume was 438 thousand units, up 3.0% year on year with firm sales in the U.S. on continued strong sales of the updated CX-5 and contributions from the CX-3 and all-new MX-5, and with increased volume of the Mazda2 and Mazda3 in Mexico. In Europe, with sales of the CX-3 shifting into high gear and continued strong sales of the Mazda2, volume was up 12.0% year on year at 257 thousand units. By country, although demand declined in Russia, sales in key markets such as Germany and the United Kingdom showed strong growth. In China, sales of the Mazda3 grew rapidly as a result of the government's tax cuts for small cars. Sales of the updated CX-5 and Mazda6 also remained brisk, so volume was up 9.5% year on year at 235 thousand units. As for other markets, the CX-3 and all-new MX-5 contributed to year-on-year improvements in both volume growth and market share in the key market of Australia. In the ASEAN market, sales increased significantly in Thailand and Vietnam. In other emerging countries, sales set records in Saudi Arabia and Colombia, and overall retail volume in other markets was up 22.6 % year on year at 372 thousand units.

As for financial performance on a consolidated basis, net sales amounted to ¥3,406.6 billion, an increase of ¥372.7 billion or 12.3% over last fiscal year, owing to increasing sales of SKYACTIV models in global markets. Operating income amounted to ¥226.8 billion, an increase of ¥23.9 billion or 11.8% over last fiscal year, owing to increased wholesales as well as ongoing cost improvements through Monotsukuri Innovation. Ordinary income amounted to ¥223.6 billion, an increase of ¥11.0 billion or 5.2% over last fiscal year. Net income attributable to owners of the parent amounted to ¥134.4 billion, a decrease of ¥24.4 billion or 15.4% over last fiscal year, mainly due to the reserve for product warranties in extra-ordinary losses.

Note: Effective from the fiscal year ended March 31, 2016, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) and other standards. As a result, the presentation of "Net income" has been changed to "Net income attributable to owners of the parent".

Financial results by reportable segment were as follows.
In Japan, net sales amounted to ¥2,815.7 billion, an increase of ¥287.5 billion or 11.4% over last fiscal year and operating income by segment (hereinafter referred to as "operating income") amounted to ¥162.5 billion, an increase of ¥20.1 billion or 14.1%. In North America, net sales amounted to ¥1,440.4 billion, an increase of ¥184.3 billion or 14.7%, and operating income amounted to ¥29.8 billion, a decrease of ¥8.1 billion or 21.3%. In Europe, net sales amounted to ¥690.0 billion, an increase of ¥67.1 billion or 10.8%, and operating income amounted to ¥8.7 billion, a decrease of ¥6.2 billion or 41.5%. In other areas, net sales amounted to ¥595.0 billion, an increase of ¥111.6 billion or 23.1%, and operating income amounted to ¥21.6 billion, an increase of ¥8.1 billion or 60.0%.

Business overview of Mazda Group by activity for the fiscal year ended March 31, 2016 was as follows.
In terms of products, the all-new MX-5, the sixth in the company's new-generation product line-up which adopt SKYACTIV Technology and KODO design, was launched globally, starting with Japan. The lightweight, two-seater, rear-wheel drive sports car is substantially lighter and offers an ideal driving position. In developing the all-new MX-5, Mazda's goal was to deliver pure *Jinba-ittai* driving fun and to appeal on an even deeper level to the senses through which people enjoy cars. The all-new MX-5 has earned high praise, winning more than 30 awards in Japan and overseas, including 2015-2016 Car of the Year Japan and 2016 World Car of the Year.
In overseas markets, sales of the all-new Mazda BT-50 pickup truck began in Thailand and Australia. While maintaining the dynamic performance of the former model with its outstanding practicality and driving pleasure, the truck's styling was updated to give it a sportier, more powerful presence. The all-new Mazda CX-9 three-row mid-size crossover SUV made its debut in last November, and production began at the company's Hiroshima plant in February. The all-new CX-9, a high-end model in the new-generation line-up, offers customers high-quality comfort that goes beyond functionality and specifications. Sales of the new model will begin this spring with North America.

In the sales area, in Japan, models featuring SKYACTIV Technology were launched in each segment, and the company worked to strengthen global sales. By always pursuing the ideal and further developing each model without regard to the timing of facelifts, the company has ensured that models featuring the latest designs and technologies are always on display in showrooms and has offered products that meet customers' diverse needs. A policy of selling our products at right price was introduced globally, and the company is working to raise transaction prices and improve the residual value.
In Japan, to improve convenience for customers and offer them a uniquely Mazda experience, the company implemented a system under which every dealership handles all Mazda models and strengthened its domestic sales structure by introducing the "Mazda sales method" and new-generation stores. To make people more familiar with the brand, the company opened Mazda Brand Space Osaka, a showroom under Mazda's direct management, in January. Mazda will continue to forge special bonds with its customers through various "contact points" and work to enhance brand value.

In the research and development area, the company developed a new 2.5-liter direct-injection turbocharged gasoline engine. The SKYACTIV-G 2.5T features the Dynamic Pressure Turbo, the world's first turbocharging system that can vary the degree of exhaust pulsation depending on engine speed, and a cooled exhaust gas recirculation (EGR) system that allows the engine to maintain the ideal air-fuel ratio over a wider output range. The top-of-the-line engine in the SKYACTIV-G series, the 2.5T offers superior torque at low and medium speeds as well as outstanding real-world fuel economy. The SKYACTIV-G 2.5T will be brought to the market in the all-new CX-9.
Believing that color is an element of form, Mazda developed Machine Gray to accentuate the beauty of KODO design. Machine Gray is Mazda's second premium color following Soul Red, which since its launch has come to represent KODO design. Machine Gray was developed to express the beauty of a machine's strength and precision. With strong contrast between light and shadow and a sleek, high-density finish, it gives the impression that the vehicle's body has been sculpted from a solid steel ingot for a realistic metallic feel. Machine Gray will be made

available on a wide range of Mazda models, including the all-new CX-9.
Mazda continues its research and development into the rotary engine. In last October the company unveiled the rotary-powered Mazda RX-Vision sports car concept. The rotary engine symbolizes the company's ongoing desire to tackle new challenges.

In the production area, total production of new-generation products passed the 3-million mark in last November. This milestone was reached four years after production of the CX-5 started at the Hiroshima Plant in November 2011. Mazda's new-generation line-up includes the CX-5 and subsequent models: the Mazda6, Mazda3, Mazda2, CX-3, and all-new MX-5. With the addition of the all-new CX-9, the new-generation models are now produced in Hiroshima and Hofu in Japan as well as Thailand, China, Mexico, and assembled in Russia, Vietnam and Malaysia.
The company is also pushing ahead with the restructuring of our global production, a key initiative of our Structural Reform Plan. Mass production of SKYACTIV engines in Thailand began in last October and, in order to establish a system to ensure a stable supply of the CX-3 to the growing global compact SUV market on a timely basis, we started local production of the CX-3. As the company's first overseas base capable of integrated vehicle production, including engine and transmission production, Thailand is our important production location outside Japan. The company will continue to pursue maximum production efficiency and support volume growth by maximizing utilization of its major production bases.

(Financial Forecast for the Year Ending March 31, 2017)
With regard to the future outlook, although the economies in major developed countries such as U.S. and Europe are expected to make a gradual recovery, the business environment surrounding the Mazda Group remains uncertain, due to the economic downturn in emerging countries, including China, and fluctuations in foreign exchange rates. Amid these circumstances, in next fiscal year ending March 2017, the first year under "Structural Reform Stage 2", the Mazda Group will work to provide customers with products that are attractive in terms of both driving pleasure and outstanding environmental and safety performance, which represent its brand value, and to enhance brand value through the qualitative growth of the business.

The outlook for the fiscal year ending March 31, 2017 is as follows.

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

	Full Year		vs. Prior Year	
Sales	3,280	billion yen	(3.7)	%
Operating Income	170	billion yen	(25.0)	%
Ordinary Income	176	billion yen	(21.3)	%
Net Income Attributable to Owners of the parent	115	billion yen	(14.4)	%
Exchange rate				
USD	110	Yen	(10)	Yen
EUR	125	Yen	(8)	Yen

Global Retail Volume Forecast (April 1, 2016 through March 31, 2017)

	Full Year		vs. Prior Year	
Japan	223	thousand units	0.3	%
North America	449	thousand units	2.5	%
Europe	260	thousand units	1.3	%
China	238	thousand units	1.3	%
Other	370	thousand units	(0.6)	%
Total	1,550	thousand units	1.0	%

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) Analysis on the Financial Position

(Assets, Liabilities and Net Assets)

As of March 31, 2016, total assets amounted to ¥2,548.4 billion, an increase of ¥75.1 billion from the end of the last fiscal year. Total liabilities amounted to ¥1,571.7 billion, a decrease of ¥10.3 billion from the end of the last fiscal year. Interest-bearing debt amounted to ¥617.1 billion, a decrease of ¥83.9 billion from the end of the last fiscal year. After subtracting cash and cash equivalents from the interest-bearing debt, net interest-bearing debt decreased ¥123.5 billion, to ¥48.4 billion. The net debt-to-equity ratio improved 14.7 percentage points, to 5.1%.

Net assets amounted to ¥976.7 billion, an increase of ¥85.4 billion from the end of the last fiscal year. Equity ratio increased 2.2 percentage points from the end of the last fiscal year, to 37.4% (Percentage after consideration of the equity credit attributes of the subordinated loan was 38.8%).

(Cash Flows)

Cash and cash equivalent as of March 31, 2016 amounted to ¥568.7 billion, an increase of ¥39.6 billion from the end of the last fiscal year.

Net cash provided by operating activities was ¥262.8 billion, reflecting income before income taxes of ¥167.0 billion, etc. (For the last fiscal year, net cash provided by operating activities was ¥204.5 billion.) Net cash used in investing activities was ¥108.1 billion, mainly reflecting capital expenditure for the acquisition of property, plant and equipment of ¥78.9 billion. (For the last fiscal year, net cash used in investing activities was ¥95.5 billion.) As a result, consolidated free cash flow (net of operating and investing activities) was positive ¥154.7 billion. (For the previous fiscal year, consolidated free cash flow was positive ¥108.9 billion.) Net cash used in financing activities was ¥94.1 billion, mainly reflecting the repayments of loans payable and the payments of dividends. (For the last fiscal year, net cash used by financing activities was ¥62.8 billion.)

(Trends of cash flow data)

	As of / Year Ended March 31, 2012	As of / Year Ended March 31, 2013	As of / Year Ended March 31, 2014	As of / Year Ended March 31, 2015	As of / Year Ended March 31, 2016
Equity Ratio (1)	24.5%	25.1%	29.4%	35.2%	37.4%
Equity Ratio (2)	26.3%	26.9%	31.0%	36.6%	38.8%
Fair Value Equity Ratio	22.6%	42.5%	61.0%	59.0%	41.0%
Cash Flow to Total Debt Ratio	-	14.7	5.4	3.4	2.3
Interest Coverage Ratio	-	3.6	10.2	14.5	19.9

Equity Ratio (1): Equity/Total Assets

Equity Ratio (2): Equity (after consideration of the equity credit attributes of the subordinated loan) / Total Assets

Fair Value Equity Ratio: Gross Market Capitalization/Total Assets

Cash Flow to Total Debt: Total Debt/Operating Cash Flow

Interest Coverage Ratio: Operating Cash Flow/Interest Payments

1) All indicators are calculated on the basis of consolidated financial values.
2) Gross Market Capitalization is calculated based on the total number of outstanding shares excluding treasury stock.
3) Cash flows from operating activities are used as "Cash Flow" for calculation purpose.
4) Total Debt includes all debts that interests are paid on among debts booked in consolidated balance sheet.

(3) Dividend Policy

Mazda's policy regarding the stock dividend is to determine the amount of dividend payments, taking into account current fiscal year's financial results, business environment, and financial condition, etc. And Mazda is striving for realization of a stable shareholder returns and its future steady increase.

With regard to the dividend for the fiscal year ended March 31, 2016, we plan to declare ¥30 per share (comprised of an interim dividend of ¥15 and a year-end dividend of ¥15). Also, our policy on earnings retained in the company is to utilize the financial resources in order to achieve further growth in the future, e.g. investments in research and development and capital investments in facilities and equipment.

For the next fiscal year ending March 31, 2017, our current forecast for dividends is ¥35 per share (comprised of an interim dividend of ¥15 and a year-end dividend of ¥20), an increase of ¥5 compared with the preceding fiscal year.

(4) Business Risks

No significant changes from the descriptions of business risks presented in Mazda's "*Yuka Shoken Hokokusho*" (annual securities report) for the last fiscal year and the latest "*Shihannki Hokokusho*" (quarterly securities report). Please see Mazda's "*Yuka Shoken Hokokusho*" and "*Shihannki Hokokusho*" from the URL below.
(Japanese only)

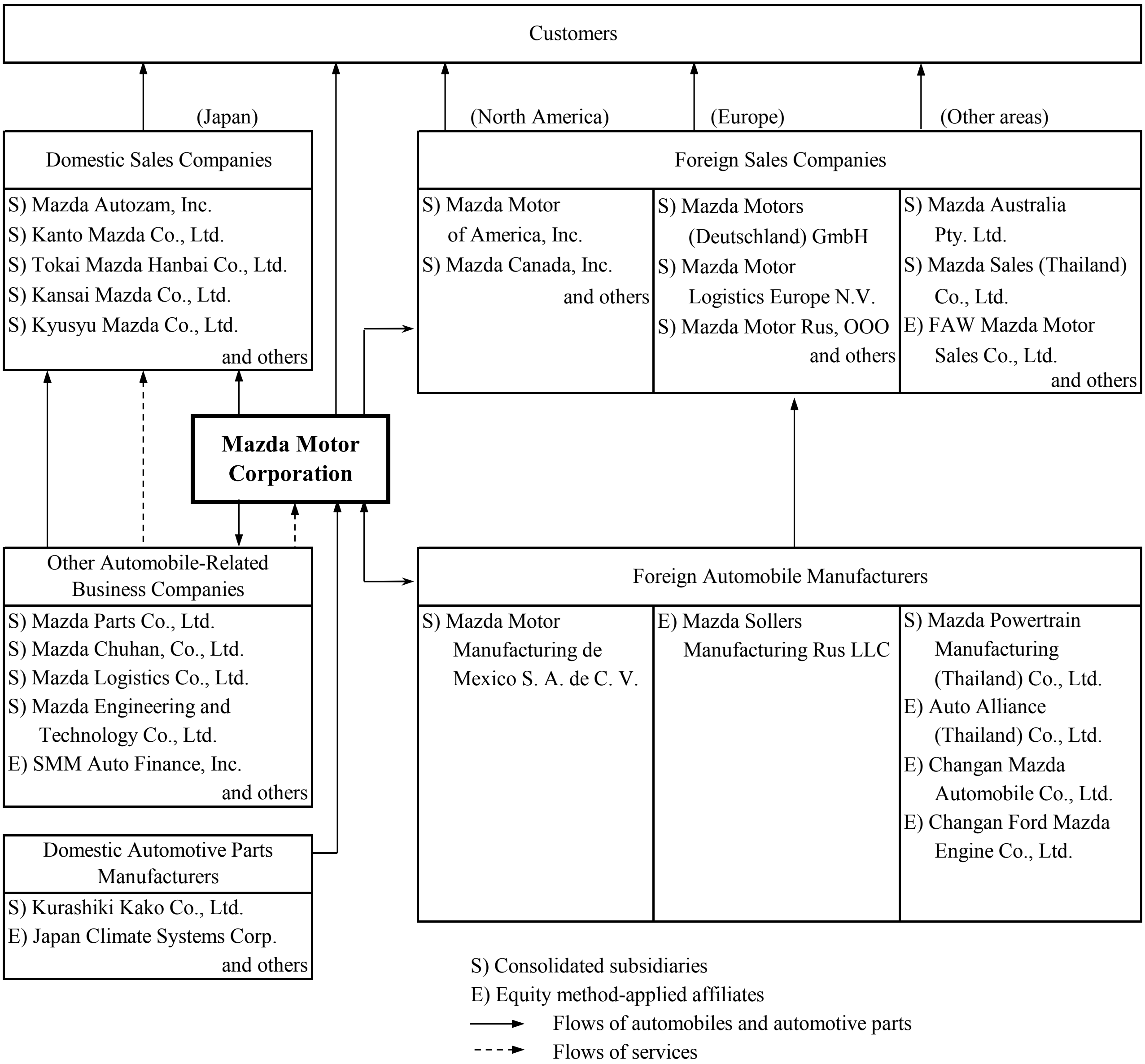
Mazda Website:
http://www.mazda.com/ja/investors/library/s-report/

2. Overview of Mazda Group

The Mazda group consists of Mazda Motor Corporation, 58 consolidated subsidiaries and 13 equity method-applied affiliates (as of March 31, 2016) and is mainly engaged in the manufacturing and sales of automobiles and automotive parts as well as in other automobile-related businesses.

In Japan, Mazda Motor Corporation manufactures automobiles. Mazda Motor Corporation, Kurashiki Kako Co., Ltd. and other companies manufacture automotive parts. In overseas, Mazda Motor Manufacturing de Mexico S.A. de C.V., Auto Alliance (Thailand) Co., Ltd. and other companies manufacture automobiles and automotive parts. The automobiles and automotive parts manufactured by the Mazda group are sold to customers by sales companies. In Japan, Mazda Autozam, Inc., Kanto Mazda Co., Ltd. and other companies sell automobiles and automotive parts to customers. To certain corporate customers, Mazda Motor Corporation directly sells automobiles. In overseas, sales companies that sell automobiles and automotive parts to customers include Mazda Motor of America, Inc. in North America, Mazda Motors (Deutschland) GmbH in Europe, and Mazda Australia Pty. Ltd. in Other areas, among other companies.

The following diagram approximately illustrates the roles, and the relations with segments, of Mazda Motor Corporation and its main related companies in conducting the group's business. The segments shown are identical to those discussed in the applicable section of the footnotes to the consolidated financial statements.



3. Management Policy

(1) Basic Policy of Corporate Management

Mazda group, based on the following corporate vision, will make every effort to be a company that is trusted by its all stakeholders.

We love cars and want people to enjoy fulfilling lives through cars.
We envision cars existing sustainably with the earth and society,
and we will continue to tackle challenges with creative ideas.

1. Brighten people's lives through car ownership.
2. Offer cars that are sustainable with the earth and society to more people.
3. Embrace challenges and seek to master the Doh ("Way" or "Path") of creativity.

Note: Mazda revised its Corporate Vision in April 2015, with the following objectives.

- Clarify the attributes of the Mazda brand, and make concerted efforts across the Mazda group to realize the Corporate Vision.
- Promote the Group-wide dialogue process to share, understand and agree the goal of the Corporate Vision through the continuous thorough discussions.
- Closely link the Corporate Vision to our daily business activities.

(2) Issues to be Addressed and the Mid- and Long-term Corporate Business Strategy and Target Business Indicators

"Structural Reform Stage 2" (Fiscal year ending March 2017 through fiscal year ending March 2019)

In February 2012, the Mazda group formulated a Structural Reform Plan to address the harsh external environment and to ensure future growth and pushed ahead with structural reform leveraging its SKYACTIV Technology. While investing in future growth, we have made major progress in the areas of products, sales, production and alliances. Toward the realization of a stable earnings structure, we have had reasonable success. Nevertheless, Mazda believes there is still room for improvement in each area and considers it necessary to strengthen the major initiatives of the Structural Reform Plan.

With this in mind, for further growth in the future, Mazda group formulated the Structural Reform Stage 2, the new mid-term plan that will cover the three-year period beginning with the March 2017 fiscal year, in order to achieve qualitative growth of the business and accelerate a significant increase in brand value

The projected financial indicators for the fiscal year ending March 2019, the plan's final year, are as follows:

March 2019 Financial Target

・ Global sales volume：	1.65 million units
・ Consolidated operating return on sales：	7% or more
・ Equity ratio：	45% or more
・ Dividend payout ratio：	20% or more

(Based on an exchange rate of ¥120/1 dollar and ¥130/1 euro)

Note: Business indicators and other descriptions of the future are based on certain assumptions judged by Mazda Group as of March 31, 2016. Such description may differ from the actual results and the achievement of such description is not guaranteed in any way.

The key initiatives of the Structural Reform Stage 2 are outlined below.

1. Product and R&D
   We will continue to launch new models that offer both "driving pleasure" and "excellent environmental and safety performance" under Structural Reform Stage 2. We will pursue continuous evolution in our new-generation products by installing the latest designs and technologies in the updated models. Also, we will aim for an increase of both sales volume and profitability by expanding our lineup of crossover-type models whose demand is growing globally. We will also pursue technological development for next-generation products with an emphasis on the environment and safety, including compliance with increasingly strict environmental regulations around the world.

2. Global sales and network reinforcement
   We will work to strengthen sales through our lineup of SKYACTIV products. Through the ongoing global introduction of a policy of selling our products at right price and by raising transaction prices and improving the residual value of our cars, we will improve customer retention. We are promoting reform at dealers that focuses on enhancing customer care and customers' brand experience, and working to become a brand that has a special bond with its customers.

3. Global production and cost improvement
   We will roll out Monotsukuri Innovation, which has produced significant results at domestic production bases, to all global bases to accelerate cost improvement. Also, to respond to the strong demand for SKYACTIV-equipped models, which have been highly acclaimed, we will maximize production efficiency at our major production sites and expand global swing production, which allows production sites to mutually complement each other, and production flexibility between models, and support our sales plan of 1.65 million units.

4. Financial structure reinforcement and shareholder return
   By enhancing brand value through steady growth in sales volume and qualitative growth of the business, we will strengthen our financial foundation by generating stable profits and cash flow and increasing equity. A decision on shareholder returns will be made basically based on current fiscal year's performance, the business environment and our financial situation. We will work to ensure stable dividends and to reinforce our financial base and to steadily improve the dividend payout ratio.

(3) Other Important Items for the Company's Business Management

Mazda formed a global partnership with the Ford Motor Company in 1979, and since then both companies have further developed and strengthened their cooperative relationship. An agreement was concluded in 1996 to further bolster that relationship with an increase in Ford's equity in Mazda's total shares outstanding to 33.4%. As a consequence of subsequent gradual sales by Ford of its stake in Mazda, Ford no longer has a stake in Mazda currently. However, the two companies have agreed to continue their strategic partnership and will continue to collaborate on areas of mutual benefit, such as key joint ventures.

4. Basic Rationale for the Selection of Accounting Standards

We are planning to apply International Financial Reporting Standards (IFRS) voluntarily, in order to enhance the international comparability of its financial information, quality of Group management and corporate governance. We are now reviewing the timing of its application.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

As of	FY2015 March 31, 2015	**FY2016** **March 31, 2016**
ASSETS		
Current Assets:		
Cash and time deposits	377,923	**457,655**
Trade notes and accounts receivable	215,161	**198,894**
Securities	151,364	**141,200**
Inventories	379,502	**383,515**
Deferred tax assets	76,758	**105,653**
Other	114,483	**107,471**
Allowance for doubtful receivables	(763)	**(681)**
Total current assets	1,314,428	**1,393,707**
Non-current Assets:		
Property, plant and equipment:		
Buildings and structures (net)	170,480	**175,073**
Machinery, equipment and vehicles (net)	234,773	**248,455**
Tools, furniture, and fixtures (net)	66,121	**63,931**
Land	414,347	**410,195**
Leased assets (net)	4,364	**4,686**
Construction in progress	52,939	**35,180**
Total property, equipment and vehicles	943,024	**937,520**
Intangible assets:		
Software	27,177	**28,617**
Other	2,184	**2,121**
Total intangible assets	29,361	**30,738**
Investments and other assets:		
Investment securities	134,225	**136,063**
Long-term loans receivable	6,036	**4,309**
Asset for retirement benefits	3,323	**2,887**
Deferred tax assets	25,784	**22,256**
Other	20,325	**23,870**
Allowance for doubtful receivables	(2,970)	**(2,949)**
Investment valuation allowance	(249)	**-**
Total investments and other assets	186,474	**186,436**
Total non-current assets	1,158,859	**1,154,694**
Total Assets	2,473,287	**2,548,401**

(Millions of Yen)

As of	FY2015 March 31, 2015	**FY2016** **March 31, 2016**
LIABILITIES		
Current Liabilities:		
Trade notes and accounts payable	379,358	**374,637**
Short-term loans payable	116,677	**117,143**
Bonds due within one year	20,100	**350**
Long-term loans payable due within one year	74,313	**140,798**
Lease obligations	1,719	**1,896**
Income taxes payable	16,398	**31,784**
Other accounts payable	41,019	**35,360**
Accrued expenses	173,992	**168,799**
Reserve for warranty expenses	45,763	**104,723**
Other	34,720	**30,980**
Total current liabilities	904,059	**1,006,470**
Non-current liabilities:		
Bonds	20,350	**20,000**
Long-term loans payable	464,597	**333,661**
Lease obligations	3,263	**3,284**
Deferred tax liability related to land revaluation	68,134	**64,719**
Reserve for loss on business of subsidiaries and affiliates	8,955	**7,326**
Reserve for environmental measures	1,090	**677**
Liability for retirement benefits	62,669	**85,916**
Other	48,844	**49,625**
Total non-current liabilities	677,902	**565,208**
Total Liabilities	1,581,961	**1,571,678**
NET ASSETS		
Capital and Retained Earnings:		
Common stock	258,957	**258,957**
Capital surplus	242,650	**243,048**
Retained earnings	248,094	**367,601**
Treasury stock	(2,222)	**(2,228)**
Total capital and retained earnings	747,479	**867,378**
Accumulated Other Comprehensive Income/(Loss):		
Net unrealized gain/(loss) on available-for-sale securities	3,681	**3,721**
Deferred gains/(losses) on hedges	668	**(600)**
Land revaluation	142,586	**145,952**
Foreign currency translation adjustment	(21,376)	**(36,877)**
Accumulated adjustments for retirement benefits	(3,443)	**(25,558)**
Total accumulated other comprehensive income/(loss)	122,116	**86,638**
Non-controlling Interests	21,731	**22,707**
Total Net Assets	891,326	**976,723**
Total Liabilities and Net Assets	2,473,287	**2,548,401**

(2) Consolidated Statements of Operations and Comprehensive Income
Consolidated Statements of Operations

(Millions of Yen)

For the years ended	FY2015 March 31, 2015	**FY2016** **March 31, 2016**
Net sales	3,033,899	**3,406,603**
Cost of sales	2,247,720	**2,567,465**
Gross profit on sales	786,179	**839,138**
Selling, general and administrative expenses	583,291	**612,363**
Operating income	202,888	**226,775**
Non-operating income		
Interest income	3,852	**3,725**
Dividend income	416	**622**
Rental income	1,927	**2,162**
Equity in net income of affiliated companies	17,216	**21,988**
Foreign exchange gain	432	**-**
Other	4,243	**3,447**
Total	28,086	**31,944**
Non-operating expenses		
Interest expense	13,706	**12,859**
Loss on sale of receivables	1,091	**1,814**
Foreign exchange loss	-	**16,026**
Other	3,611	**4,457**
Total	18,408	**35,156**
Ordinary income	212,566	**223,563**
Extraordinary income		
Gain on sales of property, plant and equipment	308	**277**
Gain on sale of investment securities	-	**211**
Gain on reversal of reserve for loss on business of subsidiaries and affiliates	6,131	**-**
State subsidy	-	**160**
Compensation for the exercise of eminent domain	41	**1**
Other	-	**11**
Total	6,480	**660**
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	5,957	**6,146**
Impairment loss	2,495	**1,165**
Reserve for product warranties	-	**40,708**
Loss on business of subsidiaries and affiliates	1,149	**1,971**
Reserve for loss on business of subsidiaries and affiliates	-	**6,909**
Reserve for environmental measures	107	**2**
Other	3	**336**
Total	9,711	**57,237**
Income before income taxes	209,335	**166,986**
Income taxes		
Current	29,379	**50,687**
Deferred	18,295	**(21,004)**
Total	47,674	**29,683**
Net income	161,661	**137,303**
Net income attributable to Non-controlling interests	2,853	**2,884**
Net income attributable to owners of the parent	158,808	**134,419**

Consolidated Statements of Comprehensive Income

(Millions of Yen)

For the years ended	FY2015 March 31, 2015	**FY2016** **March 31, 2016**
Net income	161,661	**137,303**
Other comprehensive income/(loss)		
Net unrealized gain/(loss) on available-for-sale securities	2,523	**47**
Deferred gains/(losses) on hedges	1,900	**(1,115)**
Revaluation reserve for land	7,055	**3,399**
Foreign currency translation adjustment	4,059	**(10,351)**
Adjustments for retirement benefits	4,643	**(21,838)**
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	32,865	**(7,346)**
Total	53,045	**(37,204)**
Comprehensive income/(loss)	214,706	**100,099**
Comprehensive income/(loss) attributable to:		
Owners of the parent	209,038	**98,974**
Non-controlling interests	5,668	**1,125**

(3) Consolidated Statements of Changes in Net Assets

(For the Year Ended March 31, 2015)

	Capital and Retained Earnings					Accumulated Other Comprehensive Income/(Loss)	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/ (losses) on hedges
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2014	258,957	242,649	89,424	(2,204)	588,826	1,152	(1,223)
Cumulative effects of changes in accounting policies			2,841		2,841		
Restated balance	258,957	242,649	92,265	(2,204)	591,667	1,152	(1,223)
Changes during the period:							
Dividends paid			(2,989)		(2,989)		
Net income attributable to owners of the parent			158,808		158,808		
Purchase of treasury stock				(18)	(18)		
Sale of treasury stock		1		0	1		
Land revaluation			10		10		
Change in treasury shares of parent arising from transactions with non-controlling shareholders					—		
Changes in items other than capital and retained earnings, net						2,529	1,891
Total changes during the period	—	1	155,829	(18)	155,812	2,529	1,891
Balance at March 31, 2015	258,957	242,650	248,094	(2,222)	747,479	3,681	668

	Accumulated Other Comprehensive Income/(Loss)				Non-controlling Interests	Total Net Assets
	Land revaluation	Foreign currency translation adjustment	Accumulated adjustments for retirement benefits	Total		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2014	135,541	(55,586)	(7,988)	71,896	16,115	676,837
Cumulative effects of changes in accounting policies					(52)	2,789
Restated balance	135,541	(55,586)	(7,988)	71,896	16,063	679,626
Changes during the period:						
Dividends paid						(2,989)
Net income attributable to owners of the parent						158,808
Purchase of treasury stock						(18)
Sale of treasury stock						1
Land revaluation						10
Change in treasury shares of parent arising from transactions with non-controlling shareholders						—
Changes in items other than capital and retained earnings, net	7,045	34,210	4,545	50,220	5,668	55,888
Total changes during the period	7,045	34,210	4,545	50,220	5,668	211,700
Balance at March 31, 2015	142,586	(21,376)	(3,443)	122,116	21,731	891,326

(For the Year Ended March 31, 2016)

	Capital and Retained Earnings					Accumulated Other Comprehensive Income/(Loss)	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/ (losses) on hedges
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2015	**258,957**	**242,650**	**248,094**	**(2,222)**	**747,479**	**3,681**	**668**
Cumulative effects of changes in accounting policies					—		
Restated balance	**258,957**	**242,650**	**248,094**	**(2,222)**	**747,479**	**3,681**	**668**
Changes during the period:							
Dividends paid			**(14,946)**		**(14,946)**		
Net income attributable to owners of the parent			**134,419**		**134,419**		
Purchase of treasury stock				**(6)**	**(6)**		
Sale of treasury stock		**0**		**0**	**0**		
Land revaluation			**34**		**34**		
Change in treasury shares of parent arising from transactions with non-controlling shareholders		**398**			**398**		
Changes in items other than capital and retained earnings, net						**40**	**(1,268)**
Total changes during the period	**—**	**398**	**119,507**	**(6)**	**119,899**	**40**	**(1,268)**
Balance at March 31, 2016	**258,957**	**243,048**	**367,601**	**(2,228)**	**867,378**	**3,721**	**(600)**

	Accumulated Other Comprehensive Income/(Loss)				Non-controlling Interests	Total Net Assets
	Land revaluation	Foreign currency translation adjustment	Accumulated adjustments for retirement benefits	Total		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2015	**142,586**	**(21,376)**	**(3,443)**	**122,116**	**21,731**	**891,326**
Cumulative effects of changes in accounting policies						—
Restated balance	**142,586**	**(21,376)**	**(3,443)**	**122,116**	**21,731**	**891,326**
Changes during the period:						
Dividends paid						**(14,946)**
Net income attributable to owners of the parent						**134,419**
Purchase of treasury stock						**(6)**
Sale of treasury stock						**0**
Land revaluation						**34**
Change in treasury shares of parent arising from transactions with non-controlling shareholders						**398**
Changes in items other than capital and retained earnings, net	**3,366**	**(15,501)**	**(22,115)**	**(35,478)**	**976**	**(34,502)**
Total changes during the period	**3,366**	**(15,501)**	**(22,115)**	**(35,478)**	**976**	**85,397**
Balance at March 31, 2016	**145,952**	**(36,877)**	**(25,558)**	**86,638**	**22,707**	**976,723**

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

For the years ended	FY2015 March 31, 2015	**FY2016** **March 31, 2016**
Cash flows from operating activities:		
Income before income taxes	209,335	**166,986**
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:		
Depreciation and amortization	68,872	**78,972**
Impairment loss	2,495	**1,165**
Increase/(decrease) in allowance for doubtful receivables	(20)	**(21)**
Increase/(decrease) in reserve for warranty expenses	13,683	**59,006**
Increase/(decrease) in reserve for loss on business of subsidiaries and affiliates	(6,131)	**5,655**
Increase/(decrease) in reserve for environmental measures	(484)	**(413)**
Increase/(decrease) in liability for retirement benefits	(2,596)	**(6,368)**
Interest and dividend income	(4,268)	**(4,347)**
Interest expense	13,706	**12,859**
Equity in net loss/(income) of affiliated companies	(17,216)	**(21,988)**
Loss/(gain) on sales and retirement of property, plant and equipment	5,608	**5,868**
Decrease/(increase) in trade notes and accounts receivable	(30,252)	**14,561**
Decrease/(increase) in inventories	(49,403)	**(27,151)**
Increase/(decrease) in trade notes and accounts payable	46,568	**(3,968)**
Increase/(decrease) in other current liabilities	24,710	**(8,420)**
Other	(45,467)	**18,004**
Subtotal	229,140	**290,400**
Interest and dividends received	4,898	**15,980**
Interest paid	(14,081)	**(13,177)**
Income taxes refunded/(paid)	(15,498)	**(30,433)**
Net cash provided by/(used in) operating activities	204,459	**262,770**
Cash flows from investing activities:		
Net decrease/(increase) in time deposits	988	**(27,006)**
Net decrease/(increase) in securities	-	**(3,000)**
Purchase of investment securities	(1,907)	**(3,242)**
Proceeds from sales and redemption of investment securities	40,810	**3,549**
Acquisition of property, plant and equipment	(123,370)	**(78,904)**
Proceeds from sales of property, plant and equipment	1,476	**8,761**
Acquisition of intangible assets	(12,758)	**(9,175)**
Net decrease/(increase) in short-term loans receivable	(784)	**71**
Payments of long-term loans receivable	(592)	**(795)**
Collections of long-term loans receivable	1,075	**1,873**
Other	(486)	**(224)**
Net cash provided by/(used in) investing activities	(95,548)	**(108,092)**

(Millions of Yen)

For the years ended	FY2015 March 31, 2015	**FY2016 March 31, 2016**
Cash flows from financing activities:		
Net increase/(decrease) in short-term loans payable	11,909	**(50)**
Proceeds from long-term loans payable	18,592	**17,119**
Repayments of long-term loans payable	(87,811)	**(74,390)**
Proceeds from issuance of bonds	19,913	**-**
Redemption of bonds	(20,100)	**(20,100)**
Repayments of lease obligations	(2,273)	**(1,950)**
Proceeds from stock issuance to non-controlling shareholders	-	**297**
Cash dividends paid	(2,989)	**(14,946)**
Cash dividends paid to non-controlling interests	-	**(36)**
Net decrease/(increase) in treasury stock	(17)	**(6)**
Net cash provided by/(used in) financing activities	(62,776)	**(94,062)**
Effect of exchange rate fluctuations on cash and cash equivalents	3,259	**(21,050)**
Net increase/(decrease) in cash and cash equivalents	49,394	**39,566**
Cash and cash equivalents at beginning of the period	479,754	**529,148**
Cash and cash equivalents at end of the period	529,148	**568,714**

(5) Footnotes to the Consolidated Financial Statements

(Note on the Assumptions as Going Concern)

Not applicable

(Significant Accounting Policies in Preparing the Consolidated Financial Statements)

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries	58	
Overseas	35	Mazda Motor of America, Inc. Mazda Motors (Deutschland) GmbH and others
Domestic	23	15 dealers and 8 others
2) Equity Method-Applied Affiliates	13	
Overseas	5	Auto Alliance (Thailand) Co., Ltd. Changan Mazda Automobile Co., Ltd. and others
Domestic	8	1 automotive parts sales company and 7 others

2. Changes in Consolidation Scope and Application of Equity Method

The changes in Consolidation Scope and Application of Equity Method are as follows.

1) Consolidated Subsidiaries

(Newly added)

Overseas	1	(newly founded) Mazda Technical Training Australia Pty. Ltd.

(Excluded)

Overseas	2	(liquidation) Compania Colombiana Automotriz S.A. Mazda Motor do Brasil Ltda.

2) Equity Method-Applied Affiliates

(Excluded)

Domestic	1	(transfer of stocks) Mazda Parts Sales Nishi-Kyushu Co., Ltd.

3. Accounting Periods of Consolidated Subsidiaries

The year-end consolidated balance sheet date is March 31. Among the consolidated subsidiaries, the following subsidiaries have the year-end balance sheet date (in its statutory financial statements) different from the year-end consolidated balance sheet date.

(Company name)	(Balance sheet date)	
Vehiculos Mazda de Venezuela C.A.	December 31	(Note 1)
Mazda Motor (China) Co., Ltd.	December 31	(Note 2)
Mazda South East Asia, Ltd.	December 31	(Note 2)
Mazda Motor de Mexico, S. de R.L de C.V.	December 31	(Note 1)
Mazda Servicios de Mexico, S. de R.L de C.V.	December 31	(Note 1)
Mazda Motor Manufacturing de Mexico S.A. de C.V.	December 31	(Note 1)
Mazda Motor Operaciones de Mexico S.A. de C.V.	December 31	(Note 1)
Mazda Motor Rus, OOO	December 31	(Note 1)
Logistics Alliance (Thailand) Co., Ltd.	December 31	(Note 2)
Kurashiki Kako (Dalian) Co., Ltd.	December 31	(Note 2)
Mazda Powertrain Manufacturing (Thailand) Co., Ltd.	December 31	(Note 1,3)
Mazda de Colombia S.A.S.	December 31	(Note 1)

(Note 1) In preparing the consolidated financial statements, special purpose financial statements prepared for consolidation as of the consolidated balance sheet date are used.

(Note 2) In preparing the consolidated financial statements, adjustments necessary in consolidation were made for material transactions that occurred between the balance sheet dates (in its statutory financial statements) of these subsidiaries and the consolidated balance sheet date.

(Note 3) Although the Company heretofore used financial statements of the consolidated subsidiary as of balance sheet dates (in its statutory financial statements) and made the necessary adjustments for consolidation, commencing in the fiscal year ended March 31, 2016, special purpose financial statements that are prepared for consolidation as of the consolidated balance sheet date are used, in order to grasp the managerial information and disclose the consolidated financial statements more properly. As a result, the consolidated operating results for the year ended March 31, 2016 includes financial statements from the subsidiary covering 15 months period from January 1, 2015 through March 31, 2016.

Commencing in the fiscal year ended March 31, 2016, Mazda Malaysia Sdn. Bhd. has changed the year-end balance sheet date from December 31 to March 31, the same date as the consolidated balance sheet date. As a result, the consolidated operating results for the year ended March 31, 2016 includes financial statements from the subsidiary covering 15 months period from January 1, 2015 through March 31, 2016.

4. Accounting Policies

1) Valuation Standards and Methods of Significant Assets

a) Securities

Available-for-sale securities

With available fair value: Recorded at fair value, which represents the market prices at the balance sheet date (unrealized gains/losses on these securities are reported, net of applicable income taxes, as a separate component of accumulated other comprehensive income with equity. Realized gains/losses on the sale of such securities are computed mainly using moving-average cost.)

Without available fair value: Recorded at cost on a historical cost basis mainly on a moving average method.

b) Derivative instruments: Mainly a fair value method.

c) Inventories: For inventories that are held for the purpose of sales in the normal course of business, inventories are recorded mainly on a historical cost basis based on an average method. (The carrying value in the consolidated balance sheet is determined by the lower of cost or net realizable value.)

2) Depreciation and Amortization Methods of Significant Non-current Assets

a) Property, Plant and Equipment (excluding leased assets)

Mainly a straight-line method over the estimated useful lives of the assets with a residual value at the end of useful lives to be a memorandum value.

b) Intangible Assets (excluding leased assets)

Mainly a straight-line method with periods of useful life estimated by a method equivalent to the provisions of Japanese income tax law. Software for internal use is amortized on a straight-line basis over the period of internal use, i.e., 5 years.

c) Leased assets

For finance leases which do not transfer ownership, depreciation or amortization expense is recognized on a straight-line basis over the lease period. For leases with a guaranteed minimum residual value, the contracted residual value is considered to be the residual value for financial accounting purposes. For other leases, the residual value is zero.

3) Standards for Recognition of Reserves

a) Allowance for doubtful receivables
Allowance for doubtful receivables provides for the losses from bad debt. The amount estimated to be uncollectible is recognized. For receivables at an ordinary risk, the amount is estimated based on the past default ratio. For receivables at a high risk and receivables from debtors under bankruptcy proceedings, the amount is estimated based on the financial standing of the debtor.

b) Reserve for warranty expenses
Reserve for warranty expenses provides for after-sales expenses of products (vehicles). The amount is estimated per product warranty provisions and actual costs incurred in the past, taking future prospects into consideration.

c) Reserve for loss on business of subsidiaries and affiliates
Reserve for loss on business of subsidiaries and affiliates provides for losses on subsidiaries and affiliates' businesses. The amount of loss estimated to be incurred by Mazda Motor Corporation is recognized.

d) Reserve for environmental measures
Reserve for environmental measures provides for expenditure aimed at environmental measures. The amount of future expenditure estimated as of the end of the current fiscal year is recognized.

4) Accounting method for Retirement benefits

a) Method of attributing expected benefit to periods
In calculating the retirement benefit obligation, the method of attributing expected benefit to the accounting period is based on mainly a benefit formula basis.

b) Method of amortization of actuarial gains or losses and prior service cost
The recognition of prior service cost is deferred on a straight-line basis over a period equal to or less than the average remaining service period of employees at the time such cost is incurred (mainly 12 years).
The recognition of actuarial differences is also deferred on the straight-line basis over a period equal to or less than the average remaining service period of employees at the time such gains or losses are realized (mainly 13 years).

5) Foreign Currency Translation
Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate on the fiscal year end; gains and losses in foreign currency translation are included in the income of the current period. Balance sheets of consolidated foreign subsidiaries are translated into Japanese yen at the rates on the fiscal year ends of the subsidiaries' accounting periods except for equity accounts, which are translated at the historical rates. Statement of operations of consolidated foreign subsidiaries are translated at average rates of the subsidiaries' fiscal years, with the translation differences prorated and included in the equity as foreign currency translation adjustment and non-controlling interests.

6) Accounting for Hedging Activities
Full-deferral hedge accounting is mainly applied. Also, for certain interest rate swap contracts that are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the interest rate swap contract was executed.

7) Amortization of Goodwill
Goodwill is amortized on a straight-line basis over a period (primarily 5 years) during which each investment is expected to generate benefits.

8) Cash and Cash Equivalents in the Consolidated Statement of Cash Flows
Cash and cash equivalents consist of cash on hand, bank deposits that can be readily withdrawn, and short-term, highly liquid investments with maturities of three months or less at the time of acquisition that present insignificant risk of changes in value.

9) Others

a) Accounting for Consumption Taxes
Tax-excluded method
In addition, any non-deductible consumption taxes associated with asset purchases are recorded as an expense during the current fiscal year.

b) Adoption of Consolidated taxation system
Consolidated taxation system with domestic subsidiaries has been adopted.

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

(Changes in accounting policies)

Effective from the fiscal year ended March 31, 2016, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereinafter the “Business Combinations Accounting Standard”), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereinafter the “Consolidation Accounting Standard”), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereinafter the “Business Divestitures Accounting Standard”) and other standards. As a result, the differences arising from the changes in equity of parent company to its subsidiaries in case where control is retained have been adjusted in capital surplus, and acquisition-related costs have been reported as expenses for the fiscal year in which such costs are incurred. For business combinations implemented on or after the beginning of the fiscal year under review, the accounting method was changed so as to reflect the adjustments to the allocated amount of acquisition costs under the finalization of provisional accounting treatment in the consolidated financial statements of the fiscal year in which the combination took place. In addition, the presentation method of net income was amended and the reference to “minority interests” was changed to “non-controlling interests”. To reflect this change in financial statement presentation, prior year’s consolidated financial statements have been reclassified to conform to this year’s presentation.

The Company has applied the Business Combinations Accounting Standard and other standards effective April 1, 2015, the beginning of the fiscal year under review, in accordance with the transitional treatment set forth in article 58-2 (4) of the Business Combinations Accounting Standard, article 44-5 (4) of the Consolidation Accounting Standard and article 57-4 (4) of the Business Divestitures Accounting Standard.

As a result of the application, income before income tax for the fiscal year ended March 31, 2016 has decreased by ¥398 million, and the capital surplus at the end of the fiscal year ended March 31, 2016 has increased by ¥398 million.

In addition, the method of presentation was changed in the Consolidated Statement of Cash Flows, and the cash flows from a purchase or a sale of shares of subsidiaries, which do not bring about a change in the scope of consolidation, are presented in "Net cash provided by (used in) financing activities", and cash flows with regard to the expenses related to a purchase of shares of subsidiaries, which bring about a change in the scope of consolidation, or the expenses related to a purchase or a sale of shares of subsidiaries, which do not lead a change in the scope of consolidation, are presented in "Net cash provided by (used in) operating activities".

In the Consolidated Statements of Changes in Net Assets for the fiscal year under review, the capital surplus at the end of the fiscal year ended March 31, 2016 has increased by ¥398 million.

The effect of this change on net assets per share of common stock and net income per share of common stock were immaterial.

(Segment Information)

1) Overview of Reportable Segments

The reportable segments of Mazda Group consist of business components for which separate financial statements are available. The reportable segments are the subject of periodical review by board of directors' meetings for the purpose of making decisions on the distribution of corporate resources and evaluating business performance.

Mazda Group is primarily engaged in the manufacture and sale of automobiles. Businesses in Japan are managed by Mazda Motor Corporation. Businesses in North America are managed by Mazda Motor of America, Inc. and Mazda Motor Corporation. And businesses in Europe regions are managed by Mazda Motor Europe GmbH and Mazda Motor Corporation. Areas other than Japan, North America and Europe are defined as Other areas, regarding it as one management unit. Business deployment in countries in Other areas are managed in an integrated manner by Mazda Motor Corporation.

Accordingly, Mazda Group consists of regional segments based on a system of managing production and sale. As such, Japan, North America, Europe and Other areas are designated as four reportable segments.

2) Measurement of Sales, Income or Loss, Assets, and Other Items by Reportable Segments

The accounting treatment of reportable segments are the same as that described under "Significant Accounting Policies in Preparing the Consolidated Financial Statements." In addition, inter-segment sales or transfer are based on the current market price.

3) Sales, Income or Loss, Assets, and Other Items by Reportable Segments

(For the fiscal year ended March 31, 2015)

(Millions of Yen)

	Reportable Segments						
Year Ended March 31, 2015	Japan	North America	Europe	Other areas	Total	Adjustment (Note 1)	Consolidated (Note 2)
Net sales:							
Outside customers	942,414	1,019,269	606,647	465,569	3,033,899	-	3,033,899
Inter-segment sales or transfer	1,585,731	236,877	16,257	17,811	1,856,676	(1,856,676)	-
Total	2,528,145	1,256,146	622,904	483,380	4,890,575	(1,856,676)	3,033,899
Segment income	142,382	37,881	14,925	13,491	208,679	(5,791)	202,888
Segment assets	1,973,969	442,361	209,672	271,156	2,897,158	(423,871)	2,473,287
Other items							
Depreciation and amortization	52,081	11,693	3,863	1,220	68,857	-	68,857
Amortization of goodwill	15	-	-	-	15	-	15
Investments in equity method-applied affiliates	20,828	-	2,440	92,676	115,944	-	115,944
Increase in property, plant and equipment and intangible assets	75,706	34,296	2,194	18,814	131,010	-	131,010

Notes: 1. Notes on Adjustment:

(1) The adjustment on segment income is eliminations of inter-segment transactions.

(2) The adjustment on segment assets is mainly eliminations of inter-segment receivables and payables.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for the fiscal year ended March 31, 2015.

Segment assets are reconciled with the total assets in the consolidated balance sheet as of March 31, 2015.

(For the fiscal year ended March 31, 2016) (Millions of Yen)

Year Ended March 31, 2016	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	**1,016,260**	**1,157,524**	**674,998**	**557,821**	**3,406,603**	**-**	**3,406,603**
Inter-segment sales or transfer	**1,799,423**	**282,883**	**14,978**	**37,176**	**2,134,460**	**(2,134,460)**	**-**
Total	**2,815,683**	**1,440,407**	**689,976**	**594,997**	**5,541,063**	**(2,134,460)**	**3,406,603**
Segment income	**162,528**	**29,818**	**8,724**	**21,589**	**222,659**	**4,116**	**226,775**
Segment assets	**2,044,532**	**412,383**	**214,586**	**262,182**	**2,933,683**	**(385,282)**	**2,548,401**
Other items							
Depreciation and amortization	**54,862**	**16,997**	**4,068**	**3,045**	**78,972**	**-**	**78,972**
Amortization of goodwill	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investments in equity method-applied affiliates	**21,535**	**-**	**-**	**96,631**	**118,166**	**-**	**118,166**
Increase in property, plant and equipment and intangible assets	**66,343**	**14,181**	**2,639**	**6,051**	**89,214**	**-**	**89,214**

Notes: 1. Notes on Adjustment:

(1) The adjustment on segment income is eliminations of inter-segment transactions.

(2) The adjustment on segment assets is mainly eliminations of inter-segment receivables and payables.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for the fiscal year ended March 31, 2016.

Segment assets are reconciled with the total assets in the consolidated balance sheet as of March 31, 2016.

(Information on Amounts Per Share of Common Stock)

	FY2015 (April 1, 2014 to March 31, 2015)	**FY2016 (April 1, 2015 to March 31, 2016)**
Net assets per share of common stock (Yen)	1,454.61	**1,595.83**
Net income per share of common stock (Yen)	265.64	**224.85**

Note1: Since there are no dilutive potential securities, diluted information is not presented.

Note2: Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Net income per share of common stock is calculated based on the assumption that consolidation of shares had been carried out at the beginning of the previous fiscal year.

Note3: The calculation basis of Net income per share of common stock is as follows.

	FY2015 (April 1, 2014 to March 31, 2015)	**FY2016 (April 1, 2015 to March 31, 2016)**
Net income attributable to owners of the parent (Millions of Yen)	158,808	**134,419**
Amount not attribute to common stock shareholders (Millions of Yen)	-	**-**
Net income attributable to owners of the parent related to common stock (Millions of Yen)	158,808	**134,419**
Average number of shares outstanding during the period (Thousands of shares)	597,823	**597,819**

Note4: The calculation basis of Net assets per share of common stock is as follows.

	FY2015 (as of March 31, 2015)	**FY2016 (as of March 31, 2016)**
Total Net assets (Millions of Yen)	891,326	**976,723**
Amount deducted from total Net assets (Millions of Yen)	21,731	**22,707**
(of which Non-controlling Interests (Millions of Yen))	(21,731)	**(22,707)**
Net assets related to common stock (Millions of Yen)	869,595	**954,016**
Number of common stock used in the calculation of net assets per share (Thousands of shares)	597,820	**597,817**

(Significant Subsequent Events)

Not applicable

6. Unconsolidated Financial Statements
(1) Unconsolidated Balance Sheets

(Millions of Yen)

As of	FY2015 March 31, 2015	**FY2016** **March 31, 2016**
ASSETS		
Current Assets:		
Cash and time deposits	240,272	**307,905**
Accounts receivable - Trade	278,619	**261,276**
Securities	149,000	**141,200**
Finished Products	65,175	**62,614**
Work in process	92,525	**84,761**
Raw material and Supplies	5,493	**4,929**
Prepaid expenses	2,535	**1,834**
Deferred tax assets	39,533	**60,709**
Accounts receivable - Other	63,722	**64,013**
Short-term loans receivable	47,419	**43,069**
Other	18,652	**31,872**
Allowance for doubtful receivables	(252)	**(127)**
Total current assets	1,002,693	**1,064,055**
Non-current Assets:		
Property, plant and equipment:		
Buildings	81,783	**82,262**
Structures	13,425	**13,368**
Machinery and equipment	156,038	**160,341**
Vehicles	2,002	**2,323**
Tools, furniture and fixtures	22,020	**22,917**
Land	285,395	**284,290**
Leased assets	3,018	**3,592**
Construction in progress	27,240	**28,330**
Total property, plant and equipment	590,921	**597,423**
Intangible assets:		
Software	21,046	**21,300**
Leased assets	4	**5**
Total intangible assets	21,050	**21,305**
Investments and other assets:		
Investment securities	5,298	**7,447**
Stocks of subsidiaries and affiliates	203,251	**194,280**
Investments in capital	3	**3**
Investments in capital of subsidiaries and affiliates	34,933	**34,234**
Long-term loans receivable	1,467	**-**
Long-term loans receivable from employees	1	**0**
Long-term loans receivable from subsidiaries and affiliates	23,740	**14,170**
Long-term prepaid expenses	5,148	**6,258**
Deferred tax assets	2,292	**10,469**
Other	2,830	**4,096**
Allowance for doubtful receivables	(2,450)	**(2,283)**
Investment valuation allowance	(397)	**-**
Total investments and other assets	276,116	**268,674**
Total non-current assets	888,087	**887,402**
Total Assets	1,890,780	**1,951,457**

(Millions of Yen)

As of	FY2015 March 31, 2015	**FY2016** **March 31, 2016**
LIABILITIES		
Current Liabilities:		
Trade notes payable	815	**54**
Accounts payable - Trade	314,775	**298,867**
Bonds due within one year	20,000	**-**
Long-term loans payable due within one year	61,262	**122,372**
Lease obligations	1,076	**1,349**
Accounts payable - Other	16,523	**18,521**
Accrued expenses	67,036	**65,626**
Income taxes payable	11,590	**25,099**
Advances received	6,143	**636**
Unearned revenue	294	**290**
Deposits received	31,998	**30,215**
Reserve for warranty expenses	45,717	**104,723**
Forward exchange contracts	130	**2,088**
Total current liabilities	577,359	**669,840**
Non-current Liabilities:		
Bonds	20,000	**20,000**
Long-term loans payable	330,679	**223,307**
Lease obligations	2,235	**2,615**
Deferred tax liability related to land revaluation	68,134	**64,719**
Employees' and executive officers' severance and retirement benefits	39,781	**33,822**
Reserve for loss on business of subsidiaries and affiliates	45,753	**39,609**
Reserve for environmental measures	1,039	**638**
Long-term guarantee deposited	3,554	**3,937**
Asset retirement obligations	6,333	**6,300**
Other	3,064	**4,329**
Total non-current liabilities	520,572	**399,276**
Total Liabilities	1,097,931	**1,069,116**
NET ASSETS		
Capital and Retained Earnings:		
Common stock	258,957	**258,957**
Capital surplus		
Capital reserve	168,847	**168,847**
Other capital surplus	73,803	**73,803**
Total capital surplus	242,650	**242,650**
Retained earnings		
Other earned surplus		
Unappropriated retained earnings	148,700	**234,414**
Total retained earnings	148,700	**234,414**
Treasury stock	(2,217)	**(2,223)**
Total capital and retained earnings	648,090	**733,798**
Valuation and Translation Adjustments:		
Net unrealized gain/(loss) on available-for-sale securities	1,492	**3,025**
Deferred gains/(losses) on hedges	681	**(434)**
Land revaluation	142,586	**145,952**
Total valuation and translation adjustments	144,759	**148,543**
Total Net Assets	792,849	**882,341**
Total Liabilities and Net Assets	1,890,780	**1,951,457**

(2) Unconsolidated Statements of Operations

(Millions of Yen)

For the years ended	FY2015 March 31, 2015	**FY2016** **March 31, 2016**
Net sales	2,334,421	**2,606,527**
Cost of sales	1,918,450	**2,157,676**
Gross profit on sales	415,971	**448,851**
Selling, general and administrative expenses	293,346	**312,507**
Operating income	122,625	**136,344**
Non-operating income		
Interest income	1,737	**1,665**
Interest income of securities	229	**289**
Dividends income	673	**23,359**
Rental income	4,684	**4,573**
Foreign exchange gain	3,812	**-**
Other	1,115	**1,127**
Total	12,250	**31,013**
Non-operating expenses		
Interest expense	8,741	**7,371**
Interest paid on bonds	423	**203**
Foreign exchange loss	-	**8,684**
Other	2,456	**3,014**
Total	11,620	**19,272**
Ordinary income	123,255	**148,085**
Extraordinary income		
Gain on sales of property, plant and equipment	21	**244**
Gain on sales of investment securities	-	**45**
Gain on sales of subsidiaries and affiliates' stocks	-	**1**
Reversal of allowance for investment loss	-	**1**
Gain on reversal of reserve for loss on business of subsidiaries and affiliates	2,226	**-**
Total	2,247	**291**
Extraordinary losses		
Loss on sales of property, plant and equipment	142	**166**
Loss on retirement of property, plant and equipment	4,512	**4,387**
Impairment loss	1,469	**772**
Reserve for product warranties	-	**40,708**
Valuation loss on investment securities	3	**-**
Loss on valuation of investments in capital of subsidiaries and affiliates	-	**552**
Reserve for loss on business of subsidiaries and affiliates	-	**2,076**
Reserve for environmental measures	107	**-**
Total	6,233	**48,661**
Income before income taxes	119,269	**99,715**
Income taxes		
Current	11,941	**28,554**
Deferred	1,160	**(29,465)**
Total	13,101	**(911)**
Net income	106,168	**100,626**

(3) Unconsolidated Statements of Changes in Net Assets

(For the Year Ended March 31, 2015)

	Capital and Retained Earnings					
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total Capital and Retained earnings
		Capital reserve	Other capital surplus	Other earned surplus Unappropriated retained earnings		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2014	258,957	168,847	73,802	43,898	(2,199)	543,305
Cumulative effects of changes in accounting policies				1,613		1,613
Restated balance	258,957	168,847	73,802	45,511	(2,199)	544,918
Changes during the period:						
Dividends paid				(2,989)		(2,989)
Net income				106,168		106,168
Purchase of treasury stock					(18)	(18)
Sale of treasury stock			1		0	1
Reversal for land revaluation				10		10
Changes in items other than capital and retained earnings, net						
Total changes during the period	—	—	1	103,189	(18)	103,172
Balance at March 31, 2015	258,957	168,847	73,803	148,700	(2,217)	648,090

	Valuation and Translation Adjustments				Total Net Assets
	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges	Land revaluation	Total valuation and translation adjustments	
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2014	647	(1,228)	135,541	134,960	678,265
Cumulative effects of changes in accounting policies					1,613
Restated balance	647	(1,228)	135,541	134,960	679,878
Changes during the period:					
Dividends paid					(2,989)
Net income					106,168
Purchase of treasury stock					(18)
Sale of treasury stock					1
Reversal for land revaluation					10
Changes in items other than capital and retained earnings, net	845	1,909	7,045	9,799	9,799
Total changes during the period	845	1,909	7,045	9,799	112,971
Balance at March 31, 2015	1,492	681	142,586	144,759	792,849

(For the Year Ended March 31, 2016)

	Capital and Retained Earnings					
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total Capital and Retained earnings
		Capital reserve	Other capital surplus	Other earned surplus Unappropriated retained earnings		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2015	**258,957**	**168,847**	**73,803**	**148,700**	**(2,217)**	**648,090**
Cumulative effects of changes in accounting policies						–
Restated balance	**258,957**	**168,847**	**73,803**	**148,700**	**(2,217)**	**648,090**
Changes during the period:						
Dividends paid				**(14,946)**		**(14,946)**
Net income				**100,626**		**100,626**
Purchase of treasury stock					**(6)**	**(6)**
Sale of treasury stock			**0**		**0**	**0**
Reversal for land revaluation				**34**		**34**
Changes in items other than capital and retained earnings, net						
Total changes during the period	–	–	**0**	**85,714**	**(6)**	**85,708**
Balance at March 31, 2016	**258,957**	**168,847**	**73,803**	**234,414**	**(2,223)**	**733,798**

	Valuation and Translation Adjustments				Total Net Assets
	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/ (losses) on hedges	Land revaluation	Total valuation and translation adjustments	
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2015	**1,492**	**681**	**142,586**	**144,759**	**792,849**
Cumulative effects of changes in accounting policies					–
Restated balance	**1,492**	**681**	**142,586**	**144,759**	**792,849**
Changes during the period:					
Dividends paid					**(14,946)**
Net income					**100,626**
Purchase of treasury stock					**(6)**
Sale of treasury stock					**0**
Reversal for land revaluation					**34**
Changes in items other than capital and retained earnings, net	**1,533**	**(1,115)**	**3,366**	**3,784**	**3,784**
Total changes during the period	**1,533**	**(1,115)**	**3,366**	**3,784**	**89,492**
Balance at March 31, 2016	**3,025**	**(434)**	**145,952**	**148,543**	**882,341**

(4) Footnotes to the Unconsolidated Financial Statements

(Note on the Assumptions as Going Concern)

There are no matters to be discussed.

7. Other

(1) Production and Sales Information

a) Production Volume by Market

		FY2015 Year Ended March 31, 2015	**FY2016 Year Ended March 31, 2016**	Increase / (Decrease)
		units	**units**	units
Vehicles	Japan	919,405	**989,401**	69,996
	North America	140,089	**213,088**	72,999
	Total	1,059,494	**1,202,489**	142,995

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

	FY2015 Year Ended March 31, 2015	**FY2016 Year Ended March 31, 2016**	Increase / (Decrease)
Auto Alliance (Thailand) Co., Ltd.	84,540 units	**126,378 units**	41,838 units

b) Sales by Reportable Segment

	FY2015 Year Ended March 31, 2015	**FY2016 Year Ended March 31, 2016**	Increase / (Decrease)
	millions of yen	**millions of yen**	millions of yen
Japan	942,414	**1,016,260**	73,846
North America	1,019,269	**1,157,524**	138,255
Europe	606,647	**674,998**	68,351
Other areas	465,569	**557,821**	92,252
Total	3,033,899	**3,406,603**	372,704

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

c) Sales by Product Type

	FY2015 Year Ended March 31, 2015		**FY2016 Year Ended March 31, 2016**		Increase / (Decrease)	
	units	millions of yen	**units**	**millions of yen**	units	millions of yen
Vehicles	1,196,478	2,500,446	**1,306,727**	**2,861,511**	110,249	361,065
Knockdown Parts (Overseas)	-	79,018	-	**64,403**	-	(14,615)
Parts	-	231,723	-	**244,237**	-	12,514
Other	-	222,712	-	**236,452**	-	13,740
Total	-	3,033,899	-	**3,406,603**	-	372,704

< Wholesales Volume by Market >

			FY2015 Year Ended March 31, 2015	**FY2016 Year Ended March 31, 2016**	Increase / (Decrease)
			units	**units**	units
Vehicles	Japan		220,121	**227,563**	7,442
		North America	434,923	**438,755**	3,832
		Europe	225,567	**260,991**	35,424
		Other areas	315,867	**379,418**	63,551
	Overseas Total		976,357	**1,079,164**	102,807
	Total		1,196,478	**1,306,727**	110,249

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

Financial Summary (Consolidated)

For the Fiscal Year Ended March 31, 2016

April 27, 2016
Mazda Motor Corporation

(In 100 millions of yen) (In thousands of units) (Upper left: return on sales)		FY 2015 Full Year (Apr.'14-Mar.'15)	%	FY 2016 1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	FY 2016 Full Year (Apr.'15-Mar.'16)	%	FY 2017 Full Year Forecast (Apr.'16-Mar.'17)	%
Domestic	1	6,174	(5.8)	1,655	1,738	1,349	1,867	6,609	7.1	6,600	(0.1)
Overseas	2	24,165	18.7	6,405	7,207	7,124	6,721	27,457	13.6	26,200	(4.6)
Net sales	3	30,339	12.7	8,060	8,945	8,473	8,588	34,066	12.3	32,800	(3.7)
Operating income	4	6.7% 2,029	11.4	6.6% 533	8.1% 726	5.6% 475	6.2% 534	6.7% 2,268	11.8	5.2% 1,700	(25.0)
Ordinary income	5	7.0% 2,126	51.1	6.8% 546	7.4% 665	6.0% 509	6.0% 516	6.6% 2,236	5.2	5.4% 1,760	(21.3)
Income before income taxes	6	6.9% 2,093	114.9	6.7% 539	7.0% 624	5.9% 502	0.1% 5	4.9% 1,670	(20.2)	5.2% 1,690	1.2
Net income attributable to owners of the parent	7	5.2% 1,588	17.0	4.6% 368	5.8% 515	4.1% 352	1.3% 109	3.9% 1,344	(15.4)	3.5% 1,150	(14.4)
Operating income by segment (geographic area)											
Japan	8	1,424		290	581	438	316	1,625			
North America	9	379		138	105	21	34	298			
Europe	10	149		18	22	26	21	87			
Other areas	11	135		46	61	81	28	216			
Operating profit changes											
Volume & mix	12			70	196	218	76	560		180	
Exchange rate	13			(57)	(58)	(160)	(149)	(424)		(810)	
Cost improvement	14			65	91	112	169	437		310	
Marketing expense	15			(53)	(3)	(5)	78	17		(40)	
Other	16			(56)	24	(170)	(149)	(351)		(208)	
Total	17			(31)	250	(5)	25	239		(568)	
Average rate for the period (Yen) USD	18	110		121	122	121	115	120		110	
Average rate for the period (Yen) EUR	18	139		134	136	133	127	133		125	
Transaction rate (Yen) USD	19	110		122	122	121	114	119		109	
Transaction rate (Yen) EUR	19	138		133	136	135	129	133		125	
Capital expenditures	20	1,310		167	202	168	355	892		1,050	
Depreciation and amortization	21	689		192	196	198	204	790		830	
R & D cost	22	1,084		270	280	265	351	1,166		1,250	
Total assets	23	24,733		24,643	25,095	25,180		25,484			
Net Assets	24	8,696		8,991	9,461	9,702		9,540			
Financial debt	25	7,010		6,531	6,610	6,712		6,171			
Net financial debt	26	1,719		1,479	994	908		484			
Free cash flow (Operating & Investing)	27	1,089		365	568	173	441	1,547			
Japan	28	225	(7.8)	57	63	43	69	232	3.5	233	0.3
North America	29	425	8.9	116	117	112	93	438	3.0	449	2.5
Europe	30	229	10.8	54	70	59	74	257	12.0	260	1.3
China	31	215	9.2	57	52	68	58	235	9.5	238	1.3
Other	32	303	3.4	86	92	99	95	372	22.6	370	(0.6)
Global retail volume	33	1,397	5.0	370	394	381	389	1,534	9.8	1,550	1.0
Domestic	34	919	(5.5)	226	251	258	254	989	7.6	980	(1.0)
Overseas	35	456	53.5	144	147	144	147	582	27.7		
Global production volume	36	1,375	8.3	370	398	402	401	1,571	14.3		
Number of employees (excluding dispatches)	37	44,035						46,398			

Note: Net income attributable to owners of the parent for FY2015 are referred to as "Net income".

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

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).

Financial Summary (Unconsolidated)
For the Fiscal Year Ended March 31, 2016

April 27, 2016
Mazda Motor Corporation

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

			FY 2015 Full Year (Apr.'14-Mar.'15)	%	FY 2016 Full Year (Apr.'15-Mar.'16)	%
	Domestic	1	4,345	(5.8)	4,678	7.7
	Export	2	18,999	19.0	21,387	12.6
Net sales		3	23,344	13.5	26,065	11.7
Operating income		4	5.3% 1,226	(20.1)	5.2% 1,363	11.2
Ordinary income		5	5.3% 1,233	(17.2)	5.7% 1,481	20.1
Income before taxes		6	5.1% 1,193	(24.6)	3.8% 997	(16.4)
Net income		7	4.5% 1,062	(36.0)	3.9% 1,006	(5.2)
Average rate for the period (Yen)		8	USD 110 EUR 139		USD 120 EUR 133	
Capital investment		9	640		545	
Depreciation & amortization		10	429		447	
R & D cost		11	1,037		1,136	
Total assets		12	18,908		19,515	
Net assets		13	7,928		8,823	
Financial debt		14	4,353		3,696	
Net financial debt		15	460		—	
Net cash		16	—		495	
	Japan	17	227	(5.9)	232	2.3
	North America	18	410	6.1	422	3.0
	Europe	19	229	12.6	274	19.5
	Others	20	280	13.1	336	20.0
Wholesales (units)		21	1,146	6.3	1,264	10.3
Domestic production units		22	919	(5.5)	989	7.6
Number of employees (excluding dispatches)		23	20,491		20,849	