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(For Your Information)

Mazda Motor Corporation

FY2007 3rd Quarter Results

(Speech Outline)

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Thank you for joining us at our earnings announcement today.

1. Nine Months Results

Operating profit for the nine months of FY2007 was ¥108.4 billion, up 1% from the prior year. Revenues were up 9% year over year to ¥2,506.3 billion. Net Income was up 7% and we achieved growth at all profit levels. Global sales volume steadily increased to 975,000 units, up 4% year over year. Sales in Other Markets including Australia were major contributors to the sales increase. It is the first year of Mazda Advancement Plan, and we launched full updates of two key models -- Demio/Mazda2 and Atenza/Mazda6. These models have both received high acclaim, with the Demio/Mazda2 winning RJC Car of the year. Following start of our new joint venture engine plant in Nanjing, China in April, the production of Mazda2 began at the vehicle assembly plant in October. As mentioned earlier, despite cost increase due to fiercer sales competition and raw material price hikes, profits for the nine months have been improved at all levels.

Our Consolidated Operating Profit for the nine months was ¥108.4 billion, up ¥1.1 billion. I will explain the detailed breakdown of the increase later, but overall impact of the yen's depreciation and our efforts to reduce costs exceeded negative factors such as higher fixed cost, more challenging external environment including raw material price hikes and higher development cost. Ordinary profit was ¥89.7 billion, up 7% from the prior year, reflecting exchange hedging results. Consolidated net income was ¥45 billion, up ¥2.9 billion from the prior year. Operating ROS was 4.3%.

Global retail volume increased in all regions except for Japan. Global retail volume for the nine months was 975,000 units, up 4% from the prior year and up 11% excluding the impact of discontinued production in Hainan. The yen to dollar exchange rate averaged 117 and the yen to Euro exchange rate averaged 163.

Revenues were up 9% from prior year. Overseas revenues were up 15% and domestic revenues were down 4%. Favorable volume and mix improved revenues by 4% and more favorable exchange rates by 5%.

Looking at our sales performance in each of our key markets, in Japan, industry demand was down 7% from a year ago. However, our sales decline year over year was 4%, outperforming the industry, and sales for the 3 months from October through December were up 2% from the same period last year. The new Demio launched in July won the RJC Car of the Year award and the model is contributing to increased year-over-year sales. Sales for Premacy, which received a face-lift in September, are trending higher, recording year over year growth every month since face-lift model introduction. And the New Atenza, we announced on Jan 29, has been received favorably. We expect our sales for the remaining 3 months of the fiscal year will continue to outperform the industry trend, thereby increasing share.

In North America, retail sales increased 9% to 302,000 units. This is a result of strong sales in the United States, Canada and Mexico. In the United States, retail volume was at 217,000 units, up 8% year over year, which was the best year-over-year percentage increase among all Japanese brands. Sales of Mazda3 remained strong. CX-9 is highly acclaimed and increasing its recognition by winning the Motor Trend's 2008 Sport/Utility Vehicle of the Year and 2008 North American Truck of the Year Award. Its sales continued to grow every quarter, and increased up to 3,000 units / month in the October to December timeframe. In Canada, in spite of recent industry weakening, 9 months sales recorded 69,000 units, our best ever retail performance. However, sales for the three months from October to December remained flat year over year reflecting the recent challenging sales environment in Canada. Mazda Mexico continues strong growth, 111% growth year over year for 9 month sales.

In Europe, sales momentum is increasing from the third quarter as planned led by the new Mazda2 which was launched in September. In Germany, industry remained weak, but sales in Russia are steadily expanding. Sales in Russia continued to record the best sales of each month, and achieved 56% growth from a year ago. UK and Portugal, as well as Russia, recorded best calendar year sales. Sales of the Mazda2 and CX-7 are exceeding our expectation. Mazda2 sales doubled year over year in November and December. Looking ahead, introductions of a diesel model of Mazda2 and full availability of just-launched Mazda6 will further support sales by end of this fiscal year and into next fiscal year.

Sales in China were 71,000 units. Sales of Mazda6 and Mazda3 remained strong. The Mazda6 was launched more than 4 years ago, but its sales are still growing year over year. The Mazda3 is also selling well with introductions of a new version. Sales of the

New Mazda2 started in January as planned. Together with the Mazda5 launched in December, the Mazda2 will contribute to improvement in our brand presence. Excluding the impact of terminating the production of Mazda brand models in Hainan, sales were up 97% year over year.

In Other Markets, sales were up 22% to 199,000 units, due to strong sales of the CX-7, launched in Australia and other countries, the BT-50 pick-up truck and the Mazda3 in numerous markets. In particular, monthly sales in Australia hit the record level for 12 consecutive months, and the sales volume for 9 months total is up 22% to 58,000 units. Other markets such as Israel and several Latin American markets also achieved best ever calendar year sales.

Concerning the key factors behind the improvement in Operating Profit of ¥1.1 billion, volume and mix effects are flat year over year. Volume growth in Other Markets was offset by higher incentive in North America, first half dealer inventory adjustment actions in United States and Europe, and Mazda6 model changeover in Europe. Due to changes in business sentiment stemming from the sub-prime loan issue and other factors, we continue to manage wholesales and inventories at a moderate level.

Exchange rates had a favorable effect on Operating Profits of ¥31.2 billion. This was due to the weaker yen against most currencies.

Product Enhancement costs increased ¥7.9 billion in total, including updates of Demio/Mazda2 and Atenza/Mazda6. Net cost reduction improved ¥9.2 billion. This reflects cost reduction effects, which more than fully offset the impact of higher raw material costs including precious metals and aluminum.

Fixed marketing cost is ¥6.2 billion higher than the prior year to promote introduction of new products. Other cost increased ¥26.2 billion primarily due to higher R&D cost and depreciation, as we discussed in Mazda Advancement Plan.

2. FY2007 Full Year Projections

We plan to achieve our original full year targets we projected at the beginning of this fiscal year and achieve a 7th consecutive year of sales and profit growth. However, the elements of operating profit slightly changed. The impact of continued yen weakness is offset by higher sales promotion cost due to fiercer sales competition, mainly in North America. The detail is shown on appendix slide 31.

Our exchange rate assumptions are ¥114 to the dollar and ¥161 to the Euro for full year and ¥105 to the dollar and ¥155 to the Euro for the fourth quarter.

There is no change in global sales volume and wholesales volume from the November Plan.

I will explain operating profit changes from the prior year.

There is no change in operating profit target from the November plan. Volume and mix effects are ¥5.5 billion favorable due to sales expansion through introduction of the new models, partially offset by the dealer stock optimization in the United States and Europe and higher incentive spend in North America. As mentioned earlier, we changed exchange rates assumptions for the full year to ¥114 to the dollar and ¥161 to the Euro. With the changes, exchange rate impacts are projected to improve operating profit by ¥22.4 billion, with positive impact from stronger Euro and other currencies partially offset by a weaker U.S. dollar.

Product enhancement cost of ¥13.3 billion includes content for model updates including Demio/Mazda2, as well as our actions to meet regulatory requirements. Net cost reduction is projected to be ¥16.1 billion, including raw material price hikes. Fixed marketing cost is projected to be ¥3.9 billion higher than the prior year to promote global introductions of new products. This is consistent with Mazda Advancement Plan strategy to take actions to improve Brand Value. Other cost will increase ¥25.3 billion primarily due to higher R&D cost and depreciation.

3. In Summary

As mentioned earlier, for the full year, we project to achieve the targets we projected at the beginning of this fiscal year and realize a 7th consecutive year of sales and profit growth. Despite various factors including escalation of sales competition mainly in North America triggered the sub-prime loan issue and oil price hikes, volatile exchange rates, raw material price hikes and our development investment for the future, we are steadily advancing to achieve the targets. As I said at the beginning of the presentation, the second generation of our new products is off to a good start and accelerating our sales momentum again. Deteriorations in external environment including fiercer sales competition and raw material price hikes are our big challenges. But we will focus our efforts to achieve Mazda Advancement Plan while addressing these challenges.

Thank you for your attention.