

February 4, 2015

(For your information)

Mazda Motor Corporation
FISCAL YEAR MARCH 2015 THIRD QUARTER FINANCIAL RESULTS
(Speech Outline)

Executive Officer
In charge of Financial Services
Tetsuya Fujimoto

1. HIGHLIGHTS

For the results of the first nine months of fiscal year March 2015, global sales increased 5% from the prior year to 1,003,000 units as sales of SKYACTIV models stayed strong. Revenue was ¥2,193.6 billion, operating profit was ¥152 billion, and net income was ¥131.5 billion.

Production of the new Mazda2/Demio was launched at Hofu Plant in Yamaguchi Prefecture, and then at the plants in Thailand and Mexico simultaneously. Its market introductions began from Japan and Australia.

At Mexico plant, we started two-shift operations in July and the engine machining plant began operations in October.

Concerning the forecast for the full year, global sales are forecast to grow 5% from the prior year to 1.4 million units.

Full year profit forecast remains unchanged at ¥210 billion of operating profit and ¥160 billion of net income.

We implemented major updates to the CX-5 and Mazda6/Atenza to enhance product appeal.

Also, global launches of the new compact crossover SUV, Mazda CX-3 will start from Japan. In the manufacturing area, establishment of global production footprint is on track; production started at the new automatic transmission plant in Thailand in January as planned and construction of a new engine plant was announced.

2. FISCAL YEAR MARCH 2015 NINE MONTH RESULTS

Global sales volume was up 5% from the prior year to 1,003,000 units.

As the sales of CX-5 stayed strong and the new Mazda3/Axela was globally expanded, the two models drove sales growth.

By region, demand slowed down in Japan and Thailand, but the drop in these markets was offset by strong markets such as North America and Europe. Overall, the sales increased year on year.

Revenue was up 13% from the prior year to ¥2,193.6 billion.

Operating profit was ¥152 billion, up ¥27.4 billion from the prior year, mainly due to volume and mix improvement from SKYACTIV vehicles, as well as on-going cost improvements.

Ordinary profit was ¥160.5 billion and profit before tax was ¥160.9 billion. Net income was ¥131.5 billion.

Average exchange rates were ¥107 to US dollar and ¥140 to Euro, ¥8 weaker against both the US dollar and the Euro compared to the prior year.

I would like to explain the sales results by market.

Sales in Japan were down 12% year-on-year to 143,000 units.

Third quarter sales turned around and rose 2% over the prior year with strong sales of new Demio, introduced in September.

Going forward, we will increase sales with the introductions of the updated Atenza and CX-5, and new compact crossover SUV, Mazda CX-3.

Sales in North America were up 11% year-on-year to 320,000 units.

Sales in the United States were strong and rose 11% year-on-year to 228,000 units.

Despite continued tough competition, non-fleet sales grew with continued strong sales of CX-5, Mazda6, and Mazda3.

We continue our policy of “Right-price Sales” to enhance the value of the brand.

Sales in Mexico were up 23% year-on-year to a record high volume of 33,000 units.

Sales in Europe were up 16% to 167,000 units.

CX-5 sales remained strong, and Mazda3 significantly contributed to higher sales.

Sales in Europe remained strong, significantly outperforming growth in overall demand.

We saw continued strong sales in key markets with sales in Germany up 14% year-on-year to 37,000 units; and sales in the UK up 14% to 25,000 units.

Sales in China increased 10% year-on-year to 156,000 units.

SKYACTIV models such as new Mazda3, new Mazda6, and CX-5 saw strong sales.

Calendar year sales grew 13% from the prior year, achieving year-on-year sales growth for the first time in four years.

Sales in other markets were about the same level as the prior year at 217,000 units. In Australia, sales were down 5% year-on-year to 73,000 units due to weak demand. CX-5 remained the top seller in its segment. Mazda remained the third best-selling brand in CY2014.

ASEAN sales fell 3% year-on-year to 56,000 units, mainly due to lower demand in Thailand. In Thailand, SKYACTIV models such as CX-5 and Mazda3 saw strong sales. In the fourth quarter, we plan to increase sales with introduction of new Mazda2. Sales in Malaysia and Vietnam continued to be strong.

I would like to explain the key factors behind ¥27.4 billion improvement in operating profit over the prior year.

Volume and mix improvement was ¥38.8 billion due to sales increase of SKYACTIV models and improved mix.

The exchange effect was ¥18.9 billion; ¥10.2 billion from US dollar, ¥6.7 billion from Euro, and ¥2 billion from other currencies.

In the area of variable costs, promotion of cost improvements generated ¥13.8 billion improvement.

Marketing expenses increased ¥11.9 billion as we enhanced advertisement of Mazda corporate brand and the new Mazda2.

Other fixed costs increased ¥32.2 billion due to increase of R&D costs, fixed costs in the Mexican Plant, etc.

3. FISCAL YEAR MARCH 2015 FORECAST

Full year global sales projection is revised downward by 20,000 units from the October forecast, to 1.4 million units, in light of the industry demand trend and changing sales environment.

Target volume is lowered primarily for regions with tough, competitive environments such as North America and China. However, we will maintain our policy of “Right-price sales” across the globe.

We project full year revenue of ¥2,980 billion, operating profit of ¥210 billion and net income of ¥160 billion.

Full year profit forecast remains unchanged as we have incorporated changes in the business environment including the global industry demand, global sales environment, depreciation of currencies in emerging countries and economic trends in Europe.

I will explain the key factors behind the ¥27.9 billion year-over-year improvement in operating profit.

Volume and mix is projected to improve ¥54.1 billion, thanks to the full year contribution of new Mazda3 and the achievements of sales at the right price.

Foreign exchange rate improves ¥15 billion in total, including improvements of ¥16.7 billion against the US dollar and ¥3.8 billion against the Euro, and deterioration of ¥5.5 billion against other currencies.

In the area of variable costs, we are expecting a ¥16.6 billion improvement from cost improvements driven by Monotsukuri Innovation.

Marketing expenses will increase ¥15 billion due to new product launches and reinforcement of advertising focusing on the Mazda brand.

Other fixed cost will increase by ¥42.8 billion, including enhanced R&D investment in next-generation technologies and higher fixed costs for overseas subsidiaries such as the Mexico Plant.

Structural Reform Plan is making smooth progress.

Regarding the business innovation by SKYACTIV Technology, we are enhancing the core model line-up.

Production of new Mazda2/Demio simultaneously started at the three plants in Hofu, Thailand and Mexico. Its sales continue to be strong and the diesel engine model accounted for over 60% of sales in Japan.

We have received high appraisals for the product and the technology, receiving numerous accolades in Japan and overseas.

We have also significantly updated Mazda6/Atenza and CX-5 for added depth and maturity. We continue to enhance our products and maintain high competitiveness by deploying Mazda's latest design, technologies and equipment to all vehicle lines.

Mazda6/Atenza, CX-5 and Mazda3/Axela received high safety ratings, including being awarded 2015 Top Safety Pick Plus by US IIHS (Insurance Institute for Highway Safety).

Furthermore, we will introduce the new compact crossover SUV, Mazda CX-3.

The CX-3 fully adopts SKYACTIV Technology and KODO Design, and it will be introduced into the fast-growing compact SUV segment as a new core product in the Mazda line-up.

Production of CX-3 started in December in Hiroshima Plant. We will introduce it first in Japan at the end of February and then in other global markets.

Our sales volume plan is for 150,000 units per year.

I will explain the establishment of a global footprint.

At Mexico, 100,000 units were produced in 11 months since operations began.

In October, production of new Mazda2 began and the engine machining factory started operations.

We plan to increase the annual production capacity in FY March 2016 from the original 230,000 units to 250,000 units.

In Thailand, the new automatic transmission plant started operations in January as scheduled. The annual production capacity is 400,000 units.

We will also construct a new engine plant in Thailand and plan to start production of SKYACTIV-D 1.5 in the third quarter of FY March 2016.

4. SUMMARY

Sales of SKYACTIV models stayed strong in global markets. Global sales volume in the first nine months was 1,003,000 units, up 5% from the prior year.

Operating profit was ¥152 billion and net income was ¥131.5 billion, on track to the full year plan.

Full year global sales forecast is revised to 1.4 million units. Profit forecasts remain unchanged at ¥210 billion of operating profit and ¥160 billion of net income.

Global launches of the new compact crossover SUV, Mazda CX-3 start from Japan.

In the manufacturing area, the establishment of a global production footprint is on track, as production started at the new automatic transmission plant in Thailand in January as planned and construction of a new engine plant was announced.

As we accomplish the structural reform plan and enhance brand value, we will continue our efforts for stable qualitative growth.

###