

WITH SHAREHOLDERS AND INVESTORS

Dialogue with Shareholders and Investors

For continued growth and enhancement of corporate value over the medium and long terms, Mazda engages in a variety of investor relations initiatives in keeping with its policy of timely and appropriate disclosure of information and with constructive dialogue. In addition to general shareholders' meetings, the Company holds frequent meetings with its shareholders and investors, providing quarterly announcements to explain its business results and other activities. The Company is working to increase opportunities for dialogue in such ways as holding business briefings for institutional investors, individual investors, and domestic and overseas securities analysts. Mazda strives the fair information disclosure with a high degree of transparency.

Mazda's official website provides information such as the schedule for general shareholders' meetings and financial results announcements, performance/financial data, notice of the general meeting of shareholders (business report), shareholders reports (Japanese only), summary of financial results, briefing materials for the financial results, Securities Report (Japanese only), annual reports, and Corporate Governance Report.

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

Management Conditions and Dividends for FY March 2016

With regard to the business environment surrounding the Mazda Group, such as the economic downturn in emerging countries, and fluctuations in foreign exchange rates. Mazda in FY March 2016, the final year of the Structural Reform Plan, 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 services.

In terms of products, the Company launched the Roadster /MX-5, which employs SKYACTIV TECHNOLOGY and KODO design and features the enjoyable *Jinba-Ittai* (oneness between car and driver) driving experience, first in Japan and then globally. The Roadster has earned high marks from the public, receiving over 60 awards both in Japan and overseas, including the "2015-2016 Car of the Year Japan" and the "2016 World Car of the Year."

For overseas, the Company unveiled the new three-row mid-size crossover SUV CX-9 equipped with SKYACTIV-G 2.5T, a new 2.5-liter direct injection turbocharged gasoline engine, in November 2015, and started sales from North America in May 2016. With the launch of this new CX-9 in the mid-size SUV segment, the Company will enhance the lineup of new-generation models, with a view to achieving sustainable growth and taking further steps forward. In the production area, the Company steadily pushed ahead with the restructuring of its global production, which is one of a key initiatives of the Structural Reform Plan.

In Thailand, mass production of SKYACTIV engines began in October 2015. Production of the CX-3 also started 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, Global sales volume for FY March 2016 was up 9.8% year on year at 1,534 thousand units, reflecting full-scale sales of the CX-3 in all markets and with a contribution from continued strong sales of the CX-5.

Net sales amounted to 3,406.6 billion yen, up 372.7 billion yen year on year, owing to increasing sales of models with SKYACTIV TECHNOLOGY in global markets.

Operating income amounted to 226.8 billion yen, up 23.9 billion yen year on year, owing to an increase in the number of vehicles shipped and ongoing cost improvements through "Monotsukuri Innovation*¹." Net income attributable to owners of the parent company, however, declined by 24.4 billion yen to 134.4 billion yen, mainly due to recording of part of the provision for product warranties as extraordinary losses.

The Company's policy in determining the dividend is to take into account the result for the fiscal year, the operating environment, and its financial position.

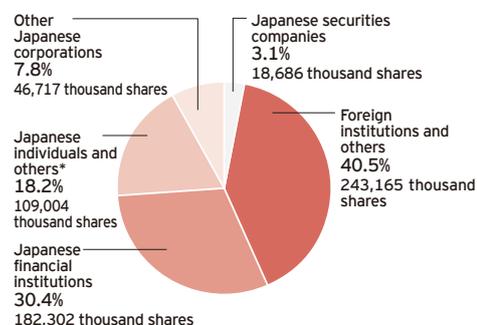
Mazda paid a dividend of 30 yen per share (comprising an interim dividend of 15 yen and a year-end dividend of 15 yen) for FY March 2016.

For FY March 2017, the Company plans to pay a dividend of 35 yen per share (comprised of an interim dividend of 15 yen and a year-end dividend of 20 yen).

The Company will continue to strive to maintain a stable dividend with steady increase.

a Breakdown of Shareholders by Type

(as of March 31, 2016)



* Treasury stock is included in Japanese individuals and others

b Management Conditions

(consolidated /billion yen)

	FY March 2014	FY March 2015	FY March 2016
Net sales	2,692.2	3,033.9	3,406.6
Operating income	182.1	202.9	226.8
Net income attributable to owners of the parent company	135.7	158.8	134.4
Capital investment	133.2	131.0	89.2
R & D costs	99.4	108.4	116.6
Total assets	2,246.0	2,473.3	2,548.4
Equity	660.7	869.6	954.0

(Consolidated; thousand units)

	FY March 2014	FY March 2015	FY March 2016
Total	1,331	1,397	1,534
Japan	244	225	232
North America	391	425	438
Europe	207	229	257
China	196	215	235
Others	293	303	372

Investor Relations
<http://www.mazda.com/en/investors/>

Financial Results / Presentation Documents
<http://www.mazda.com/en/investors/library/presentation/>

Business Report
http://www.mazda.com/globalassets/en/assets/investors/stockinfo/meeting/files/150shoshu_e.pdf

Security Report (Japanese Only)
http://www.mazda.com/globalassets/ja/assets/investors/library/s-report/files/f_repo160629.pdf

*¹ Innovation in vehicle-manufacturing processes to uphold the objective of realizing both "diversity that enhances product competitiveness" and "commonality that improves manufacturing economies of scale" at a high level

Outlook for FY March 31, 2017

In FY March 2017, despite the gradual recovery expected in the U.S., Europe, and other advanced countries, uncertainty in the world economy is likely to continue due to economic downturn in China and other emerging countries, and fluctuations in foreign exchange rates.

For Mazda, FY March 2017 is the first year of Structural Reform Stage 2, a new mid-term business plan. The Company will work to provide customers with products that are attractive in terms of both driving pleasure and outstanding environmental and safety performance, and to enhance brand value through the qualitative growth of the business. For FY March 2017, the Company is projecting a 1.0% increase year on year in global sales volume, to 1.55 million units, with net sales of 3,280.0 billion yen (down 126.6 billion yen), operating income of 170.0 billion yen (down 56.8 billion yen), and net income attributable to owners of the parent company of 115.0 billion yen (down 19.4 billion yen).

Structural Reform Stage 2

Mazda formulated the Structural Reform Plan (for FY March 2013 -to FY March 2016) to enable it 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, the Company has made major progress in the areas of products, sales, production and alliances. Toward therealization of a stable earnings structure, Mazda has had reasonable success. Nevertheless, the Company 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 formulated the Structural Reform Stage 2, the new mid-term plan that will cover the three-year period starting in FY March 2017, in order to achieve qualitative growth of the business and accelerate a significant increase in brand value. The projected financial indicators for FY March 2019, the plan's final year, are as follows (foreign exchange rate assumptions: 120 yen/USD, 130 yen/euro): 1.65 million units for global sales volume, with an operating income ratio of 7% or more, equity ratio of 45% or more, and dividend payout ratio of 20% or more. Along with the reinforcement of its financial base, the Company will work to improve shareholder returns steadily.

Structural Reform Stage 2

Structural reform will lead to qualitative growth and enhanced brand value	
Product and R&D	<ul style="list-style-type: none"> Continuous enhancement of SKYACTIV models Develop & introduce GEN2* models
Brand and sales	<ul style="list-style-type: none"> Drive reforms at sales frontline to ensure penetration of sales strategy Improve ownership experience
Global production	<ul style="list-style-type: none"> Deploy <i>Monotsukuri</i> Innovation globally to accelerate cost improvements Maximize plant utilization to support sales growth
Strengthen financial structure	<ul style="list-style-type: none"> Establish strong financial structure Raise dividend payout ratio

FY March 2019 Targets (Exchange Rates US Dollar 120 yen / Euro 130 yen)

Global sales volume	Operating income ratio	Equity ratio	Dividend payout ratio
1.65 million units	7% or more	45% or more	20% or more

Structural Reform Stage 2

1 Product and R&D

- Launch six new carlines (including one derivative model) that offer driving pleasure and outstanding environmental and safety performance
- Introduce the latest design, technology, and equipment to all updated models. Achieve sustainable volume growth and reduce incentives by continuously enhancing SKYACTIV models
- Improve net revenue (transaction price) and profitability by expanding the CX-series lineup
- Develop and introduce GEN2 model*
- Evolve i-ACTIVESENSE advanced safety technologies.

2 Global sales and network enhancement

- Enhance sales with full line-up of SKYACTIV models
- Improve net revenue(transaction price), residual value, and customer retention by ensuring good penetration of the "right-price" sales policy globally
 - Integrate *Monotsukuri* and marketing activities and educate the sales frontline globally about our products and technologies through programs such as Driving Academy
- Promote reforms at sales frontline focused on customer care improvement and initiatives for better customer brand experience
 - Increase customer participation and interactive events
 - Expand new generation stores globally
- Enhance sales initiatives focused on improving customer retention
 - Improve retention of SKYACTIV model customers by enhancing trade cycle management
- Stepped approach for dealer network reinforcement/reorganization

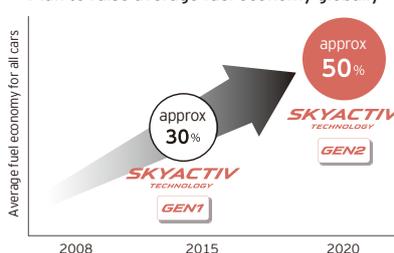
3 Global production and cost improvement

- Deploy *Monotsukuri* Innovation* globally to accelerate cost improvements
 - *Monotsukuri* Innovation* developed in Japan will be deployed around the globe
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 - Global swing production enables plants to supplement each other
 - Improve production flexibility between passenger cars and crossovers

4 Strengthen financial base and shareholder returns

- Generate stable profit and cash flow by improving brand value through steadily increased sales and qualitative business growth.
 - Strengthen the financial base (improve equity and reduce net debt)
 - Improve the payout ratio; maintain and enhance capital efficiency
 - Promote R&D and capital investment for the future.

Plan to raise average fuel economy globally



New-generation showroom



* GEN stands for Generation