

Consolidated Financial Results
For the First Quarter of the Fiscal Year Ending March 31, 2017
(For the Three Months Ended June 30, 2016)



Prepared in Conformity with Generally Accepted Accounting Principles in Japan
 English Translation from the Original Japanese-Language Document

July 29, 2016

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Filing of *Shihanki Hokokusho*, quarterly securities report : Scheduled for August 10, 2016
 Payment of Dividends : -
 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, 2016 through June 30, 2016)

(1) Consolidated Financial Results

(Percentage indicates change from same period of 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	%
FY2017 1st Quarter	776,204	(3.7)	52,439	(1.7)	44,928	(17.7)	21,230	(42.2)
FY2016 1st Quarter	806,007	14.2	53,324	(5.4)	54,617	0.1	36,753	(24.8)

Note: Comprehensive income
 FY2017 1st Quarter **6,812 millions of yen** ((81.0) %)
 FY2016 1st Quarter 35,925 millions of yen ((24.1) %)

	Net Income Per Share	Net Income Per Share (Diluted)
	yen	yen
FY2017 1st Quarter	35.51	-
FY2016 1st Quarter	61.48	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	millions of yen	millions of yen	%
As of June 30, 2016	2,423,077	977,896	39.4
March 31, 2016	2,548,401	976,723	37.4

Reference: Net Assets excluding non-controlling interests
 As of **June 30, 2016** **955,067 millions of yen**
 As of March 31, 2016 954,016 millions of yen

2. Dividends

	Dividends Per Share				
	1st. Qtr.	2nd. Qtr.	3rd. Qtr.	Year End	Full-Year
	yen	yen	yen	yen	yen
FY2016	-	15.00	-	15.00	30.00
FY2017	-	-	-	-	-
FY2017 (Forecast)	-	15.00	-	20.00	35.00

Note: Revision of the dividend forecast most recently announced: None

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

Note: Revision of the consolidated financial forecast most recently announced: None

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) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: None

(3) 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 "(1) Changes in accounting policies / Changes in accounting estimates / Restatement" on Page 4 of the attachment.

(4) Number of outstanding shares (Common stock)

1) Number of outstanding shares (including treasury stock)	As of June 30, 2016	599,875,479 shares
	As of March 31, 2016	599,875,479 shares
2) Number of treasury stock	As of June 30, 2016	2,058,196 shares
	As of March 31, 2016	2,057,937 shares
3) Average number of outstanding shares	For 3 months ended June 30, 2016	597,817,358 shares
	For 3 months ended June 30, 2015	597,820,074 shares

Note on Progress in Quarterly Review Procedures by Independent Auditors

This document is out of the scope of the quarterly review procedures based on the Financial Instruments and Exchange Act.

The quarterly review 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

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. Qualitative Information on Consolidated Results for the Quarterly Period - (3) Future Estimates such as Consolidated Financial Forecast" on page 4 of the attachment.

ATTACHMENT

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(Reference)

Financial Summary (Consolidated)

For the First Quarter of the Fiscal Year Ending March 31, 2017

1. Qualitative Information on Consolidated Results for the Quarterly period

(1) Consolidated Financial Results

Under the medium-term business plan “Structural Reform Stage 2” which begins from this fiscal year ending March 31, 2017, the Mazda Group has worked to provide customers with products that are attractive in terms of both driving pleasure and outstanding environmental and safety performance, and to further improve the brand value with the aim of qualitative growth of business in all areas.

In May this year, we launched all-new Mazda CX-9, three-row midsize crossover SUV, in the North American market. The all-new CX-9 is a high-end model of Mazda’s new-generation line-up, which features the latest SKYACTIV technology and KODO-Soul of Motion design, and offers an indulgent experience of quality and comfort that exceed car’s functions and technical specification. In addition, in April this year, we unveiled a new cross over SUV, the Mazda CX-4, at the Beijing Motor Show (Auto China 2016). The all-new CX-4 is the latest model of Mazda's new generation line-up and we commenced full-scale sales in June this year as a product underpinning further growth of Mazda brand in China, where the demand for SUVs is expanding.

Global retail volume for the first three months of the fiscal year ending March 31, 2017 was 375 thousand units, up 1.3% year on year, owing to the contribution of Mazda CX-3 sales in global markets as well as the steady sales of all-new Mazda MX-5.

Retail volume by market was as follows.

<Japan>

Retail volume was 39 thousand units, down 31.4% year on year, due to a reactionary decline from the introduction of Mazda2 and CX-3 in the same period of the previous year as well as the intensified competition, etc.

<North America>

Retail volume in the U.S. was roughly flat from the same period of the previous year, due to the solid launch of all-new CX-9 and the contribution from sales of CX-3 and all-new MX-5. However, for North America as a whole, retail volume was 113 thousand units, down 2.4% year on year, due to a sales decline in Mexico, where sales circumstances got worse.

<Europe>

Due to the continued strong sales of CX-3 and all-new MX-5, retail volume was 66 thousand units, up 21.6 % year on year. By country, with the exception of Russia, our sales exceeded the growth in overall demand in the key markets, such as Germany and the United Kingdom, and other European countries.

<China>

Retail volume was 59 thousand units, up 3.1% year on year, due to the effects of tax reduction policy for small-engine vehicles implemented by the Chinese government, which continued to contribute to the expansion of sales volume of Mazda3, as well as the releases of all-new CX-4.

<Other markets>

Retail volume was 98 thousand units, up 14.0% year on year. In the key market of Australia, sales were increased due to the contribution from sales of CX-3, and in the ASEAN market, our sales volume in Vietnam and Thailand were increased. And also, in other markets, sales set records in New Zealand and Saudi Arabia.

Financial performance on a consolidated basis for the first three months of the fiscal year ending March 31, 2017 was as follows. Net sales amounted to ¥776.2 billion, a decrease of ¥29.8 billion or 3.7% compared to the corresponding period in the previous fiscal year, due to the impact of yen's appreciation, while sale of new-generation line-up increased. Operating income was roughly flat from the previous year at ¥52.4 billion, a decrease of ¥0.9 billion or 1.7% compared to the corresponding period in the previous fiscal year, owing to improvements in volume and product mix as well as progress in cost improvements through global deployment of Monotsukuri Innovation, while the yen has appreciated against major currencies such as the U.S. dollar and the Euro. Ordinary income amounted to ¥44.9 billion, a decrease of ¥9.7 billion or 17.7% compared to the corresponding period in the previous fiscal year. Net income attributable to owners of the parent amounted to ¥21.2 billion, a decrease of ¥15.5 billion or 42.2% compared to the corresponding period in the previous fiscal year.

Financial results by reportable segment for the first three months of the fiscal year ending March 31, 2017 was as follows. In Japan, net sales amounted to ¥617.9 billion, a decrease of ¥57.3 billion or 8.5% compared to the corresponding period in the previous fiscal year, and operating income by segment (hereinafter referred to as "operating income") amounted to ¥20.7 billion, a decrease of ¥8.4 billion or 28.8% compared to the corresponding period in the previous fiscal year. In North America, net sales amounted to ¥332.2 billion, a decrease of ¥48.1 billion or 12.6% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥11.2 billion, a decrease of ¥2.7 billion or 19.4% compared to the corresponding period in the previous fiscal year. In Europe, net sales amounted to ¥158.1 billion, an increase of ¥10.0 billion or 6.8% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥2.2 billion, an increase of ¥0.4 billion or 21.8% compared to the corresponding period in the previous fiscal year. In other areas, net sales amounted to ¥136.1 billion, a decrease of ¥1.6 billion or 1.1% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥6.8 billion, an increase of ¥2.3 billion or 49.2% compared to the corresponding period in the previous fiscal year.

(2) Consolidated Financial Position

(Assets, Liabilities and Net Assets)

As of June 30, 2016, total assets decreased ¥125.3 billion from the end of the previous fiscal year, to ¥2,423.1 billion. Total liabilities decreased ¥126.5 billion from the end of the previous fiscal year to ¥1,445.2 billion. Interest-bearing debt as of June 30, 2016 decreased ¥49.8 billion from the end of previous fiscal year to ¥567.4 billion. After subtracting cash and cash equivalents from the interest-bearing debt, net interest-bearing debt decreased ¥1.7 billion to ¥46.7 billion. The net debt-to-equity ratio improved 0.2 percentage points to 4.9%.

Net Assets as of June 30, 2016 increased ¥1.2 billion from the end of the previous fiscal year to ¥977.9 billion. Equity ratio increased 2.0 percentage points from the end of the previous fiscal year to 39.4% (Percentage after consideration of the equity credit attributes of the subordinated loan was 40.9%).

(Cash Flows)

Cash and cash equivalent as of June 30, 2016 decreased ¥48.1 billion from the end of the previous fiscal year to ¥520.7 billion.

Net cash provided by operating activities for the first three months of the fiscal year ending March 31, 2017 was ¥30.5 billion, reflecting income before income taxes of ¥39.4 billion and others. (For the first three months of the previous fiscal year, net cash provided by operating activities was ¥63.0 billion.) Net cash used in investing activities was ¥23.8 billion, mainly reflecting capital expenditure for the acquisition of tangible fixed assets of ¥23.3 billion. (For the first three months of the previous fiscal year, net cash used in investing activities was ¥26.5 billion.) As a result, consolidated free cash flow (net of operating and investing activities) was positive ¥6.7 billion. (For the first three months of the previous fiscal year, consolidated free cash flow was positive ¥36.5 billion.) Net cash used in financing activities was ¥44.5 billion, mainly reflecting payment of loans payable and dividend payable. (For the first three months of the previous fiscal year, net cash used in financing activities was ¥61.3 billion.)

(3) Future Estimates such as Consolidated Financial Forecast

The forecast for the full year earnings of Fiscal Year ending March 31, 2017 remains unchanged from the previous forecast, released on April 27, 2016, since it is necessary to assess the business environment surrounding the Mazda Group carefully, including economic trends in Japan and overseas as well as fluctuations in exchange rates.

2. Matters Regarding Summary Information (Notes)

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

(Changes in accounting policies)

(Application of Practical Solution on Accounting for Changes in Depreciation Method related to the 2016 Tax Law Changes)

In accordance with the amendment in the Corporate Tax Code of Japan, a part of domestic consolidated subsidiaries have adopted the “Practical Solution on Accounting for Changes in Depreciation Method related to the 2016 Tax Law Changes” (ASBJ Practical Issue Task Force (PITF) No. 32, issued on June 17, 2016) in the first quarter of the fiscal year ending March 31, 2017, and have changed the depreciation method for structures and attachment to buildings acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change on the consolidated statement of operations for the first three months of the fiscal year ending March 31, 2017 was immaterial.

(2) Additional Information

(Application of the Implementation Guidance on Recoverability of Deferred Tax Assets)

Effective from the first quarter of the fiscal year ending March 31, 2017, the Company has applied the “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016).

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(June 30 and March 31, 2016)

(Millions of Yen)

As of	FY2016 March 31, 2016	FY2017 June 30, 2016
ASSETS		
Current Assets:		
Cash and deposits	457,655	389,546
Trade notes and accounts receivable	198,894	194,848
Securities	141,200	161,300
Inventories	383,515	347,866
Other	213,124	199,378
Allowance for doubtful receivables	(681)	(552)
Total current assets	1,393,707	1,292,386
Non-current Assets:		
Property, plant and equipment:		
Buildings and structures (net)	175,073	171,596
Machinery, equipment and vehicles (net)	248,455	245,046
Land	410,195	409,527
Leased assets (net)	4,686	4,391
Other (net)	99,111	92,195
Total property, equipment and vehicles	937,520	922,755
Intangible assets:	30,738	29,876
Investments and other assets:		
Investment securities	136,063	133,647
Asset for retirement benefits	2,887	3,031
Other	50,435	44,215
Allowance for doubtful receivables	(2,949)	(2,833)
Total investments and other assets	186,436	178,060
Total non-current assets	1,154,694	1,130,691
Total Assets	2,548,401	2,423,077

(Millions of Yen)

As of	FY2016 March 31, 2016	FY2017 June 30, 2016
LIABILITIES		
Current Liabilities:		
Trade notes and accounts payable	374,637	332,952
Short-term loans payable	117,143	114,797
Bonds due within one year	350	350
Long-term loans payable due within one year	140,798	107,334
Lease obligations	1,896	1,821
Income taxes payable	31,784	8,250
Accrued expenses	168,799	176,590
Reserve for warranty expenses	104,723	101,619
Other	66,340	52,025
Total current liabilities	1,006,470	895,738
Non-current liabilities:		
Bonds	20,000	20,000
Long-term loans payable	333,661	320,023
Lease obligations	3,284	3,026
Deferred tax liability related to land revaluation	64,719	64,719
Reserve for loss on business of subsidiaries and affiliates	7,326	7,439
Reserve for environmental measures	677	677
Other reserves	312	305
Liability for retirement benefits	85,916	85,278
Other	49,313	47,976
Total non-current liabilities	565,208	549,443
Total Liabilities	1,571,678	1,445,181
NET ASSETS		
Capital and Retained Earnings:		
Common stock	258,957	258,957
Capital surplus	243,048	243,048
Retained earnings	367,601	381,763
Treasury stock	(2,228)	(2,229)
Total capital and retained earnings	867,378	881,539
Accumulated Other Comprehensive Income/(Loss):		
Net unrealized gain/(loss) on available-for-sale securities	3,721	2,483
Deferred gains/(losses) on hedges	(600)	1,919
Land revaluation	145,952	145,952
Foreign currency translation adjustment	(36,877)	(51,642)
Accumulated adjustments for retirement benefits	(25,558)	(25,184)
Total accumulated other comprehensive income	86,638	73,528
Non-controlling Interests	22,707	22,829
Total Net Assets	976,723	977,896
Total Liabilities and Net Assets	2,548,401	2,423,077

(2) Quarterly Consolidated Statements of Operations and Comprehensive Income
(For the first three months ended June 30, 2016 and 2015)

Quarterly Consolidated Statements of Operations

(Millions of Yen)

For the first three months ended	FY2016 June 30, 2015	FY2017 June 30, 2016
Net sales	806,007	776,204
Cost of sales	602,831	586,029
Gross profit on sales	203,176	190,175
Selling, general and administrative expenses	149,852	137,736
Operating income	53,324	52,439
Non-operating income		
Interest income	944	756
Equity in net income of affiliated companies	4,435	8,264
Other	2,069	1,725
Total	7,448	10,745
Non-operating expenses		
Interest expense	3,245	2,840
Foreign exchange loss	2,332	13,546
Other	578	1,870
Total	6,155	18,256
Ordinary income	54,617	44,928
Extraordinary income		
Gain on sales of property, plant and equipment	24	165
Gain on sales of investment securities	-	62
Other	5	-
Total	29	227
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	490	465
Impairment loss	26	385
Reserve for loss on business of subsidiaries and affiliates	225	113
Business restructuring costs	-	4,770
Total	741	5,733
Income before income taxes	53,905	39,422
Income taxes		
Current	13,781	7,236
Deferred	2,758	10,448
Total	16,539	17,684
Net income	37,366	21,738
Net income attributable to:		
Non-controlling interests	613	508
Owners of the parent	36,753	21,230

Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

For the first three months ended	FY2016 June 30, 2015	FY2017 June 30, 2016
Net income	37,366	21,738
Other comprehensive income/(loss):		
Net unrealized gain/(loss) on available-for-sale securities	986	(1,237)
Deferred gains/(losses) on hedges	(1,686)	2,511
Foreign currency translation adjustment	(1,302)	(12,210)
Adjustments for retirement benefits	(83)	401
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	644	(4,391)
Total	(1,441)	(14,926)
Comprehensive income	35,925	6,812
Comprehensive income attributable to:		
Owners of the parent	35,053	8,120
Non-controlling interests	872	(1,308)

(3) Quarterly Consolidated Statements of Cash Flows
(For the first three months ended June 30, 2016 and 2015)

(Millions of Yen)

For the first three months ended	FY2016 June 30, 2015	FY2017 June 30, 2016
Cash flows from operating activities:		
Income before income taxes	53,905	39,422
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:		
Depreciation and amortization	19,175	19,498
Impairment loss	26	385
Increase/(decrease) in allowance for doubtful receivables	(38)	37
Increase/(decrease) in reserve for warranty expenses	3,553	(3,104)
Increase/(decrease) in reserve for loss on business of subsidiaries and affiliates	2,364	113
Increase/(decrease) in liability for retirement benefits	(1,954)	(7)
Interest and dividend income	(1,269)	(926)
Interest expense	3,245	2,840
Equity in net loss/(income) of affiliated companies	(4,435)	(8,264)
Loss/(gain) on sales and retirement of property, plant and equipment	466	300
Decrease/(increase) in trade notes and accounts receivable	22,605	(5,238)
Decrease/(increase) in inventories	(25,102)	9,843
Increase/(decrease) in trade notes and accounts payable	36	(32,656)
Increase/(decrease) in other current liabilities	2,437	13,457
Other	(278)	23,030
Subtotal	74,736	58,730
Interest and dividends received	4,372	1,637
Interest paid	(2,440)	(1,797)
Income taxes refunded/(paid)	(13,651)	(28,049)
Net cash provided by/(used in) operating activities	63,017	30,521
Cash flows from investing activities:		
Purchase of investment securities	(1)	(220)
Proceeds from sales and redemption of investment securities	-	270
Acquisition of property, plant and equipment	(23,940)	(23,333)
Proceeds from sales of property, plant and equipment	161	882
Acquisition of intangible assets	(2,778)	(1,564)
Net decrease/(increase) in short-term loans receivable	(3)	26
Payments of long-term loans receivable	(114)	(55)
Collections of long-term loans receivable	142	143
Other	(10)	30
Net cash provided by/(used in) investing activities	(26,543)	(23,821)
Cash flows from financing activities:		
Net increase/(decrease) in short-term loans payable	(11,433)	4,133
Proceeds from long-term loans payable	150	100
Repayments of long-term loans payable	(43,867)	(39,159)
Repayments of lease obligations	(461)	(515)
Proceeds from stock issuance to non-controlling shareholders	297	-
Cash dividends paid	(5,978)	(8,967)
Cash dividends paid to non-controlling interests	(36)	(70)
Net decrease/(increase) in treasury stock	(0)	(1)
Other	-	14
Net cash provided by/(used in) financing activities	(61,328)	(44,465)
Effect of exchange rate fluctuations on cash and cash equivalents	889	(15,088)
Net increase/(decrease) in cash and cash equivalents	(23,965)	(52,853)
Cash and cash equivalents at beginning of the period	529,148	568,714
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	4,790
Cash and cash equivalents at end of the period	505,183	520,651

(4) Footnotes to the Quarterly Consolidated Financial Statements

(Note on the Assumptions as Going Concern)

None

(Significant Changes in the Amount of Equity)

None

(Segment Information)

I. FY2016 First Quarter (April 1, 2015 through June 30, 2015)

1) Sales and Income or Loss by Reportable Segments

(Millions of Yen)

FY2016 First Three Months Ended June 30, 2015	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	244,305	290,968	143,994	126,740	806,007	-	806,007
Inter-segment	430,901	89,290	4,068	10,905	535,164	(535,164)	-
Total	675,206	380,258	148,062	137,645	1,341,171	(535,164)	806,007
Segment income	29,039	13,836	1,837	4,575	49,287	4,037	53,324

Notes: 1. The adjustment on segment income is eliminations of inter-segment transactions.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for FY2016 first three months ended June 30, 2015.

2) Impairment Loss on Property, Plant and Equipment and Goodwill by Reportable Segment

Impairment losses on property, plant and equipment, gains from negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

II. FY2017 First Quarter (April 1, 2016 through June 30, 2016)

1) Sales and Income or Loss by Reportable Segments

(Millions of Yen)

FY2017 First Three Months Ended June 30, 2016	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	215,072	281,398	154,113	125,621	776,204	-	776,204
Inter-segment	402,797	50,795	3,959	10,471	468,022	(468,022)	-
Total	617,869	332,193	158,072	136,092	1,244,226	(468,022)	776,204
Segment income	20,666	11,156	2,237	6,827	40,886	11,553	52,439

Notes: 1. The adjustment on segment income is eliminations of inter-segment transactions.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for FY2017 first three months ended June 30, 2016.

2) Impairment Loss on Property, Plant and Equipment and Goodwill by Reportable Segment

Impairment losses on property, plant and equipment, gains from negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

(Significant Subsequent Events)

On July 20, 2016, the Company implemented the funding by new subordinated loan (the "Subordinated Loan") and made an early repayment of the existing subordinated loan (the "Existing Subordinated Loan"). Summary is as follows.

For more information, please refer to " Notice Concerning New Subordinated Loan Financing and Early Repayment of Existing Subordinated Loan " that has been released on July 11, 2016.

1. Overview of the Subordinated Loan

Amount borrowed	70 billion yen
Use of proceeds	Applied to the repayment of the Existing Subordinated Loan
Drawdown date	July 20, 2016
Due date	July 20, 2076
Investors (lenders) participating in the Subordinated Loan	Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Development Bank of Japan Inc. The Hiroshima Bank, Ltd. The Yamaguchi Bank, Ltd. Momiji Bank, Ltd.
Special contract	Early repayment Replacement restrictions
Equity credit attributes of the Subordinated Loan evaluated by a Ratings Institution	Class 3 / 50% (Rating and Investment Information, Inc.)

2. Details of the early repayment of the Existing Subordinated Loan

Early repayment date	July 20, 2016
Total amount of early repayment	70 billion yen
Reason for early repayment	Pursuant to the early repayment clause of the Existing Subordinated Loan (*1)

*1: Repay based on the prior consent of all lenders prior to the date available to make an early repayment initially set for the Existing Subordinated Loan (interest payment date on or after July 20, 2017)

3. Effect on the consolidated statement of operations

The effect of the funding by the Subordinated Loan and early repayment of the Existing Subordinated Loan on the consolidated statement of operations is immaterial.

4. Supplementary Information

Production and Sales Information

a) Production Volume

		FY2016 First Three Months Ended June 30, 2015	FY2017 First Three Months Ended June 30, 2016	Increase / (Decrease)
Vehicles		units	units	units
	Japan	226,105	220,400	(5,705)
	North America	53,777	44,973	(8,804)
	Total	279,882	265,373	(14,509)

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

	FY2016 First Three Months Ended June 30, 2015	FY2017 First Three Months Ended June 30, 2016	Increase / (Decrease)
Auto Alliance (Thailand) Co., Ltd.	32,786 units	33,912 units	1,126 units

b) Sales by Reportable Segment

	FY2016 First Three Months Ended June 30, 2015	FY2017 First Three Months Ended June 30, 2016	Increase / (Decrease)
	millions of yen	millions of yen	millions of yen
Japan	244,305	215,072	(29,233)
North America	290,968	281,398	(9,570)
Europe	143,994	154,113	10,119
Other areas	126,740	125,621	(1,119)
Total	806,007	776,204	(29,803)

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

c) Sales by Product Type

		FY2016 First Three Months Ended June 30, 2015		FY2017 First Three Months Ended June 30, 2016		Increase / (Decrease)	
Vehicles		units	millions of yen	units	millions of yen	units	millions of yen
		307,531	674,164	313,113	646,573	5,582	(27,591)
Knockdown Parts (Overseas)		-	19,254		16,225	-	(3,029)
Parts		-	58,950		57,345	-	(1,605)
Other		-	53,639		56,061	-	2,422
Total		-	806,007		776,204	-	(29,803)

< Wholesales Volume by Market >

		FY2016 First Three Months Ended June 30, 2015	FY2017 First Three Months Ended June 30, 2016	Increase / (Decrease)
Vehicles		units	units	units
	Japan	57,944	39,326	(18,618)
	North America	114,898	116,662	1,764
	Europe	53,986	65,678	11,692
	Other areas	80,703	91,447	10,744
	Overseas Total	249,587	273,787	24,200
Total		307,531	313,113	5,582

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

Financial Summary (Consolidated)
For the First Quarter of the Fiscal Year Ending March 31, 2017
(For the Three Months Ended June 30, 2016)

July 29, 2016
Mazda Motor Corporation

(In 100 millions of yen) (In thousands of units) (Upper left: return on sales)		FY March 2016 First Quarter Ended June 30, 2015		FY March 2017 First Quarter Ended June 30, 2016		FY March 2016 Full Year Ended March 31, 2016		FY March 2017 Full Year Forecast Ending March 31, 2017					
				%	%		%		%				
	Domestic	1	1,655	34.3	1,205	(27.2)	6,609	7.1	6,600	(0.1)			
	Overseas	2	6,405	10.0	6,557	2.4	27,457	13.6	26,200	(4.6)			
	Net sales	3	8,060	14.2	7,762	(3.7)	34,066	12.3	32,800	(3.7)			
	Operating income	4	6.6%	533	(5.4)	524	(1.7)	6.7%	2,268	11.8	5.2%	1,700	(25.0)
	Ordinary income	5	6.8%	546	0.1	449	(17.7)	6.6%	2,236	5.2	5.4%	1,760	(21.3)
	Income before income taxes	6	6.7%	539	2.1	394	(26.9)	4.9%	1,670	(20.2)	5.2%	1,690	1.2
	Net income attributable to owners of the parent	7	4.6%	368	(24.8)	212	(42.2)	3.9%	1,344	(15.4)	3.5%	1,150	(14.4)
	Operating income by segment (geographic area)												
	Japan	8		290		207		1,625					
	North America	9		138		112		298					
	Europe	10		18		22		87					
	Other areas	11		46		68		216					
	Operating income changes												
	Volume & mix	12				113						180	
	Exchange rate	13				(339)						(810)	
	Cost improvement	14				143						310	
	Marketing expense	15				25						(40)	
	Other	16				49						(208)	
	Total	17				(9)						(568)	
	Average rate for the period (Yen)												
	USD	18		121		108		120				110	
	EUR			134		122		133				125	
	Transaction rate (Yen)												
	USD	19		122		103		119				109	
	EUR			133		122		133				125	
	Capital expenditures	20		167		133		892				1,050	
	Depreciation and amortization	21		192		195		790				830	
	R & D cost	22		270		289		1,166				1,250	
	Total assets	23		24,643		24,231		25,484					
	Net Assets	24		8,991		9,551		9,540					
	Financial debt	25		6,531		5,674		6,171					
	Net financial debt	26		1,479		467		484					
	Free cash flow (Operating & Investing)	27		365		67		1,547					
	Global retail volume												
	Japan	28		57	44.0	39	(31.4)	232	3.5			233	0.3
	North America	29		116	5.6	113	(2.4)	438	3.0			449	2.5
	Europe	30		54	(3.5)	66	21.6	257	12.0			260	1.3
	China	31		57	30.8	59	3.1	235	9.5			238	1.3
	Other	32		86	21.9	98	14.0	372	22.6			370	(0.6)
	Global production volume												
	Domestic	34		226	(4.2)	220	(2.5)	989	7.6			980	(1.0)
	Overseas	35		144	74.8	136	(5.9)	582	27.7				
	Global production volume	36		370	16.2	356	(3.8)	1,571	14.3				

Note: 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).