

Mazda to Jointly Establish Vehicle Production Facility in Mexico and Sales Company in Brazil with Sumitomo

HIROSHIMA, Japan—Mazda Motor Corporation today announced that it has signed formal agreements and begun preparations to establish a Mazda vehicle production facility in Mexico and a sales company in Brazil, in alliance with Sumitomo Corporation. Through the new joint ventures, Mazda and Sumitomo intend to combine their individual strengths in order to enhance both companies' business in the rapidly growing Central and South American markets.

The Mexico production facility will be established as a compact vehicle manufacturing hub mainly for Central and South America, and will include both vehicle and engine assembly plants. It will be constructed in Salamanca city, Guanajuato state, 250 kilometers northwest of Mexico City. Mazda and Sumitomo plan to commence operations in the fiscal year 2013 (April 2013 to March 2014) with an annual production capacity of 140,000 units. The facility will produce Mazda2 (Mazda Demio in Japan) and Mazda3 (Mazda Axela in Japan) models.

The Brazilian sales company will begin operations in the fiscal year 2012 (April 2012 to March 2013), before the production plant in Mexico is completed, and will initially sell vehicles imported from Japan. When the Mexico facility becomes operational, it will also sell vehicles shipped from Mexico.

Between 2005 and 2010, new car demand in Brazil doubled to approximately 3.5 million units. Currently, Brazil is the world's fourth largest automobile market following China, the United States and Japan.

Takashi Yamanouchi, Mazda's Representative Director, Chairman of the Board, President and CEO, said, "Since Mazda entered the Mexican market in October 2005, our sales results have steadily improved, and in 2010 we set a new record for both sales volume and market share. Building on this success, and by leveraging Sumitomo Corporation's extensive experience and knowledge of emerging markets, we will continue to strengthen our business in Mexico and throughout Central and South America, including the rapidly growing Brazilian market. These initiatives are part of Mazda's plans to achieve its mid- to long-term goals for emerging markets."

In accordance with the agreements, Sumitomo and Mazda plan to establish the local joint venture companies as follows:

Production company outline

Company name: Mazda Motor Manufacturing de Mexico S.A. de C.V.

Head office: Salamanca city, Guanajuato state, Mexico

Investment: 500 million dollars

Investment ratio: 70% Mazda, 30% Sumitomo

Business outline: Manufacture and sale of Mazda vehicles and parts

No. of employees (at full capacity): approx. 3,000

Sales company outline

Company name: Mazda Motor do Brasil Limitada

Head office: Sao Paulo, Brazil

Investment ratio: 70% Mazda, 30% Sumitomo

Business outline: Import and sale of Mazda vehicles and parts