

Mazda to Add Engine Machining Factory to Mexican Plant

Hiroshima, Japan, 08 August 2013. Mazda Motor Corporation today announced that it will construct an engine machining factory at its new vehicle production facility in Mexico, Mazda Motor Manufacturing de Mexico S.A. de C.V. (MMMdM). MMMdM is a joint venture between Mazda and Sumitomo Corporation.

The new factory will make SKYACTIV engines for vehicles produced at MMMdM such as the Mazda3 (Axela in Japan) and Mazda2 (Demio). It will produce approximately 230,000 engines per year with operations expected to begin in October 2014. MMMdM will invest 120 million U.S. dollars (approximately 12 billion yen) in the new factory and employ approximately 100 extra people to operate it.

At MMMdM, construction of the buildings which will house the vehicle and engine assembly lines is complete and preparations are being made for the start of operations in the fourth quarter of fiscal year ending March 2014. The establishment of the new engine machining factory will further strengthen Mazda's production system for SKYACTIV technologies. Also, by localizing production and increasing the number parts procured locally, Mazda will enhance its ability to withstand exchange rate fluctuations.

MMMdM's President and CEO, Keishi Egawa, commented, "MMMdM will play a key role, supplying vehicles to North, Central and South America. We are very happy to be able to strengthen its foundation as a vehicle supply base and enhance our engine production framework in Mexico. Moving forward, we remain committed to contributing to the development of both the local community and the entire Mexican automotive industry."

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Mazda is targeting global sales of 1.7 million units by fiscal year ending March 2016 and anticipates 80 percent of those models will feature SKYACTIV Technology. For this reason, Mazda is enhancing its production framework for SKYACTIV technology. In addition to MMMdM, SKYACTIV engines are currently produced at the Hiroshima Plant in Japan and Changan Ford Mazda Engine Co., Ltd. in China.

Mazda's Activities in Mexico

- Dec 2004 Established Mazda Motor de Mexico and entered Mexican market
- Jun 2011 Announced plans to produce Mazda vehicles in Mexico
- Sep 2011 Established MMMdM joint venture with Sumitomo Corporation
- Oct 2011 Held groundbreaking Ceremony for MMMdM
- Jun 2012 Began training in Japan for MMMdM employees
- Sep 2012 Seita Kanai, then Mazda's Representative Director and Executive Vice President made Honorary Consul of the United Mexican States in Hiroshima
- Nov 2012 Agreed to produce Toyota vehicles at MMMdM
- Jan 2013 Announced MMMdM production capacity increase to 230,000 units annually
- Apr 2013 Takashi Yamanouchi, then Mazda's Representative Director and Chairman of the Board, President and CEO, awarded the Order of the Aztec Eagle

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