

## **FY March 2015 First Half Financial Results Announcement Main Q&A**

- 1. What are the major factors behind the ¥30 billion year-over-year operating profit improvements in the first half?**
  - A. In addition to sales increase of SKYACTIV models and progress of cost improvement, weaker yen effect contributed to the improvements. These improvements significantly exceeded fixed cost increase for reinforced advertising and R&D, and resulted in the ¥30 billion year-over-year operating profit improvements.
  
- 2. How was the impact of consumption tax on sales in Japan, compared with your forecast?**
  - A. As the repercussion continued longer than we expected, our sales in Japan in the first half declined 18% year-over-year. We can now see a recovery trend in our sales following the introduction of new Demio. While continuing to control inventory at an appropriate level and sales at the right-price, we enhance advertising to communicate values that Mazda provides and try to achieve volume recovery.
  
- 3. What are reasons for your plan to increase annual production capacity at Mexico plant from 230,000 units to 250,000 units?**
  - A. As we can expect sales increase of Mazda3 and Mazda2, we decided to increase supply capacity. Based on this capacity increase, we plan to increase overseas production ratio while maintaining operations in Japan. By utilizing Mexico plant, we can expect tariff merits and lower shipping cost for vehicles to Europe, North America, etc.
  
- 4. What is the order status of new Demio?**
  - A. We started taking orders of new Demio on September 11, and have received the total order of 19,233 units, far exceeding our plan, as of October 26. With sales mix of gasoline-engine model accounting for 37% and diesel-engine model 63%, our clean diesel engine is highly received by customers.  
The new Demio is highly acclaimed and won 2014-2015 Japan Car of the Year award.

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