

**FY Ending March 2012 Full Year Forecast
Main Q&A at the presentation meeting**

(FY ending March 2012 full year forecast)

Q: What are the factors for turning around to profitability in the 2nd half from operating loss in the 1st half?

A: In the 1st half, wholesales volume is projected to decline due to the earthquake impact, and we project an operating loss of ¥20 billion. In the 2nd half, however, we project wholesales volume to increase 45,000 units year-over-year as production recovers to normal operations including over-time and holiday operations. In addition, we plan to introduce products equipped with SKYACTIV TECHNOLOGY, starting with the launch of the new Demio for Japan on June 30. With volume contributions from these new-generation products, we project to achieve operation profit of ¥40 billion in the 2nd half. In the full year, we forecast operating profit of ¥20 billion and net income of ¥1 billion, achieving profitability in all profit categories.

Q: Please explain the current production situation.

A: When we announced FY ended March 2011 financial results 2 months ago, we told the timing for fully stable production will start "in or after the 2nd half". However, at domestic plants, we are implementing normal operations including overtime and holiday operations from the latter half of the 1st quarter. We forecast to continue it from this month and onward, and produce 900,000 units, exceeding the prior year level, in the full year. Overseas production sites which were operating at the straight time in April have already started the normal operation, too.

(Manufacturing business in Mexico and sales business in Brazil)

Q: Why did you choose Mexico for your production site? Please also explain the Brazilian market.

A: We have been focusing on enhancing its emerging market business as one of our Framework for Medium- and Long-term Initiatives. We decided that Mexico is the best location for production as we will gain advantages in various areas such as transportation and customs duties (FTA, etc.). At the plant in Mexico, we produce Mazda2 and Mazda3 mainly for Central and South America.

The Brazilian market, which grew to the 4th largest market following China, USA and Japan in 2010, has demand of 3.5 million units. As the Olympic Games are scheduled to be held there in 2016, we expect the demand to increase to 5 million units in the future. It is the biggest market among markets where Mazda has yet to enter, and of the 5 million units, 70% to 80% is the demand of B and C segments where Mazda has strong performance.

(Updates of Framework for Medium- and Long-term Initiatives)

Q: You updated the Framework for Medium- and Long-term Initiatives but did not change outlook for FY Ending March 2016. How are you going to achieve the operating profit of ¥170 billion?

A: Growth drivers to the outlook are:

- (1) Significant improvement of volume & mix with SKYACTIV series.
- (2) Cost improvement due to the acceleration of Monotsukuri Innovation.
- (3) Improve brand value and strengthen sales capability by Tsunagari Innovation.
- (4) Growth in emerging markets including China and ASEAN.

We aim at expanding profits particularly in and after FY ending March 2012 when the drivers (1) and (2) fully contribute.