

**FY March 2012 Third Quarter Financial Results
Main Q&A**

(Financial Results and Forecast)

Q: What are main reasons for projecting full year loss in this fiscal year?

A: For the nine months of this fiscal year, operating loss was ¥54.3 billion, due to historical yen's appreciation, the Earthquake impact, crisis in Europe and the flood in Thailand. Net loss was ¥112.8 billion due to the provision of valuation allowance for our deferred tax assets. Out of operating loss of ¥54.3 billion, the Earthquake impact accounts for ¥22.0 billion and the flooding in Thailand is ¥4.2 billion. In total, ¥26.2 billion is due to one-time external factors. Based on this status, etc., we revised down full year forecast.

Q: What is the profit contribution of SKYACTIV products such as introductions of the new CX-5?

A: We will launch the new CX-5 which fully adopts SKYACTIV TECHNOLOGY starting in the 4th quarter globally. Based on CX-5 which can generate profits even in strong-yen environment, we expect to achieve positive profits in all profit categories in the 4th quarter, bottoming-out the 3rd quarter. Sales of the new CX-5 will start in Japan in this month, and then the model will be launched globally.

(Structural Reform Plan)

Q: What is the background and initiatives for Structural Reform Plan you announced?

A: First, we recognize that Mazda's structural issues includes;

- (1) Relying on the domestic production, so high exposure to exchange fluctuations
- (2) The Mazda6, manufactured at AAI, the only one North American production site, makes losses
- (3) High sales volume ratio in developed countries such as North America and Europe, and
- (4) Delay of entry in emerging markets like ASEAN.

In June last year, we updated the Framework for Medium- and Long-term Initiatives. But since then, our business environment has been sharply changing such as the yen's appreciation to a historical level and the floods in Thailand. To address these external changes, we will implement structural reforms and reinforce the Framework for Medium- and Long-term Initiatives. The structural reform initiatives are;

- (1) Business innovation by SKYACTIV TECHNOLOGY
- (2) Accelerate further cost improvement through Monotsukuri Innovation
- (3) Reinforce business in emerging countries and establish global production footprints
- (4) Promote global alliances

We will conduct these initiatives to achieve profitability in all profit categories in FY ending March 2013 and sustainable profitability onward.

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