

FY2009 Third Quarter Results Presentation Meeting
Q&As

Q: What are the reasons for the upward revision of full year forecast? Please also provide comments concerning your returning to profitability.

A: Compared with the forecast set in October last year (The 1st half financial results), we project operating profit to improve ¥17 billion, due to the volume and mix and exchange rate impact, improving operating profit by ¥7 billion respectively, and fixed cost reduction. We plan to achieve the forecast with sales volume and accelerated CR effects.

The operating profit forecast of ¥5 billion is a substantial improvement compared with our original forecast of ¥50 billion operating loss set at the beginning of the fiscal year. Our “Zoom-Zoom” products and sales strategies are achieving results, and we will try to continue this trend.

Q: What are the reasons for strong sales in China? What are your future strategies?

A: Sales have substantially increased after the introduction of 2.0-liter model of the new Mazda6 in the growing China market in November last year. The Mazda6 sales volume in December totaled to 13,600 units including the new and old models. We consider this is a result of our continued on-site advertising and marketing actions.

Since November, China has become a single largest market for Mazda. We project the sales volume increase to continue with higher recognition of Mazda6. In addition, we plan to introduce 5-door hatch-back of Mazda6 and Mazda MPV.

We will cope with sales increase of Mazda3 by moving its production from a plant in Chongqing to a plant in Nanjing.

We expect contributions of the Mazda CX-7 and Mazda3 hatch-back. We are also accelerating to reinforce sales network, with the number of our sales outlet all over China increasing to 300 outlets by end of this year from the current 254.

Q: Sales of vehicles equipped with the i-stop, an idling stop system, are strong in Japan. What are the sales volumes? Please explain its future plans including introductions in overseas.

A: Sales mix of Mazda Axela's equipped with the i-stop accounts for about 50%, exceeding our forecast, due to strong support by environment-oriented customers. The model's

total sales have been strong, selling 160% of our plan. Sales of Mazda Biante equipped with the i-stop are about 70%, compared with our forecast of 50%. In Japan, the i-stop is highly acclaimed, receiving the Eco-Products Award and the 2010 RJC Technology of the Year Award. In overseas, the system is also introduced in Europe. We focus of improving its recognition. We will continue to study introductions in other makers.