

FY March 2011 First Quarter Financial Results
Main Q&A

Q: What is the impact of one yen change against key currencies for this fiscal year (FY March 2011)?

A: The impact of one yen change on consolidated operating profit for the full year accounts for ¥3 billion for US dollar, ¥1.2 billion for Euro, ¥1.0 billion for Canadian dollar and ¥1.5 billion for Australian dollar.

Q: What are the factors for achieving positive cash flow of ¥14.6 billion for the first quarter period?

A: In addition to positive profit before tax, improved domestic plant utilization ratio and working capital resulted in positive cash flow.

Q: What are sales results in key markets in the first quarter (April-June 2010)?

A: We achieved global sales volume of 317,000 units for the first quarter, up 54,000 units or 21% year-over-year. Successful sales of Mazda2 (Demio in Japan), Mazda3 (Axela in Japan) and Mazda6 (Atenza in Japan) led to an increase in share in major markets. In Japan, in addition to the tail wind from the eco-car tax break and the subsidy for new car purchase, strong sales of Demio and Axela helped achieve 52,000 units of sales, up 27% year-over-year. Share also improved.

In North America, we achieved 90,000 units, up 21% from the prior year, reflecting strong sales of Mazda3 and other models. Our share in the United States was also up. In the United States, Mazda brand value improved, with 2010 model-year Mazda3 and CX-9 achieving the top residual value in their segments and the overall Mazda remaining one of the top rated brands.

In Europe, while overall sales fell compared to the prior year, our sales volume was 54,000 units, down 8%. Residual value and share rose in key countries such as Germany and UK.

In China, with strong sales of major carlines such as Mazda2, Mazda3 and Mazda6, we achieved 53,000 units, up 28%. We are also expanding sales network, and our plan is on track to expand the number to 300 by the end of December 2010.

In Other Markets, sales rose 41% from the prior year to 68,000 units. Sales in Australia reached a record high at 22,000 units, due to strong sales of Mazda2 and CX-7 in addition to the solid sales of the Mazda3. Sales in Thailand and Indonesia also hit record-highs, mainly due to the successful launch of Mazda2 built at AutoAlliance (Thailand).

Q: Under a tough business environment such as stronger yen, how are you going to achieve the full-year consolidated operating profit of ¥30 billion?

A: We have a concern over stronger yen, but we will achieve the full year forecast we announced at the beginning of the fiscal year by taking the following 3 actions:

1. Reinforce sales expansion initiatives,
2. Improve market mix, and
3. Further improve efficiency in cost area.

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