

FY March 2010 Full Year Financial Results Presentation Meeting
Q&As

Q: Operating profit for FY March 2010 substantially improved from the initial forecast set in May last year. What are the reasons?

A: In May last year, we forecasted operating loss of ¥50 billion for FY March 2010. This substantial improvement is mainly because the volume and mix improved about ¥28 billion, yen's depreciation improved about ¥20 billion. Marketing expense deteriorated about ¥6 billion, but the effect of cost improvements exceeded the deterioration. In addition, since the 2nd quarter, we have shifted to a cost structure which ensures profitability even at 80% plant utilization in Japan, and achieved full year operating profit of ¥9.5 billion. As a result, operating profit improved about ¥60 billion from the initial forecast.

Q: Please explain the sales forecast by market for FY March 2011.

A: Our global sales volume for FY March 2011 is projected at 1.27 million units, up 77,000 units or 6% from the prior year, due to sales increases in North America, China and Other markets including Thailand.

We plan to introduce the New Mazda5 (Premacy in Japan) globally and Mazda2 (Demio in Japan), which is receiving high expectations from customers, in North America. In China, we will cope with the sales increase by transferring production of the Mazda3 (Axela in Japan) from the current plant in Chongqing to the plant in Nanjing where there are some more excess capacity. We also introduce the Mazda8 (MPV in Japan) in the Chinese market.

The residual value of Mazda vehicles is steadily increasing in major markets, and our brand value is continuously improving. We improve or maintain the market share in major markets, driven by products in FY March 2011. .

Q: Please explain details of the framework for medium- and long-term initiatives.

A: In March 2007, we announced the medium-term plan called "Mazda Advancement Plan" covering 4 years based on the long-term strategy that envisions 10 years ahead. Since then, we have taken various emergency measures to respond to sharp deteriorations in our business environment. At the same time, we have continued to study long-term initiatives. Considering the environmental change and progress of long-term initiatives

from 2007 till now, we announced today the framework for medium- and long-term initiatives centering on the 5 pillars. The 5 pillars include Brand value, Monotsukuri Innovation, Environmental and safety technologies, Emerging markets and Ford synergies. In the framework, we also announced outlook for FY March 2016, which includes global sales volume of 1.7 million units, operating profit of ¥170 billion and ROS of 5% or more. These are based on the current industry demand forecast, exchange rates, the market share, etc, assuming that we realize the 5 pillars as planned. They are not targets or commitment. We will follow-up the progress toward the outlook, while updating the status every year.

Q: What is your plan for dividend?

A: In FY March 2010, we plan a year-end dividend of ¥3 per share. In FY March 2011, we also plan a year- end dividend of ¥3 per share.