

Earnings Announcement for the 1st Quarter of FY End March 2013
Key Q&A

(Yen strength)

Q: The yen is stronger than your assumption rate at this moment, but what is your assessment of the 1st quarter and what is the plan to achieve the full-year projection?

A: In the 1st quarter of the year, we generated ¥1.8 billion operating profit. Despite the strong yen environment, we achieved the positive result, following the 4th quarter of the last year. We think we made a good start toward the full-year target.

At this moment, the yen is stronger than the beginning projection, mainly against the Euro, but we are pursuing to achieve the full-year projection through the following actions.

- ① Increase CX-5 sales volume, which is good at the moment, as well as the next Mazda6, and improve model mix and country mix.
- ② Further improve costs.
- ③ Continue to pursue further production efficiency.
- ④ Reduce marketing expenses by sales method innovation.

(SKYACTIV mix)

Q: What is the reason behind the increased mix of SKYACTIV in your sales for this fiscal year from the original projection of 20% to 30%?

A: As Demio and Axela are eligible for tax cut and exemption by the eco-car subsidy program in Japan, the sales increase of these models contributes to SKYACTIV mix raise. Also CX-5 actual sales outpace the original plan and Mazda3 mix in US and Canada exceeds our plan. Furthermore, the global effect of CX-5 significantly contributes to the increase of SKYACTIV mix.

(Business in emerging countries)

Q: Please let us know your progress in emerging countries business.

A: We are making a steady progress in enhancement of the business in emerging countries, which is one of the initiatives in our structural reform plan.

First of all, in Malaysia, we started discussions with Bermaz regarding the establishment of a joint venture production and sales company. The new JV plans to start building CX-5 in the first half of 2013 in addition to Mazda3, which is already locally assembled.

In Russia, we concluded a joint venture agreement with Sollers and we aim to start production in this autumn. In Mexico, we are building a plant now to launch the operation in the 4th quarter of FY end March 2014. We are aiming to complete the land development and building construction by the end of FY end March 2013.

As regard with the amendment of the bilateral accord between Mexico and Brazil and the Brazil's new Auto Policy, we assume these will not cause a significant impact in the long term. We are studying every possibility to enter into the Brazilian market to pursue the best entry strategy for us.