

**FY Ending March 2012 First Half Financial Results Announcement**  
**Main Q&A**

**(Impact of Thai Flooding)**

**Q: When do you expect to resume AAT operation that is suspended? Also what is the impact from that?**

**A:** AAT is located in Rayong, south east from Bangkok and it was not directly damaged by the floods. However, we continue to face parts shortages and production of both passenger cars and trucks is now halted (as of November 2). Presently we are investigating the damage situation of the suppliers and we think we should judge the resumption time and total impact of the floods after knowing more of the parts supply situation. We are studying supply of substitute parts so that we can restart production as soon as possible.

**(Countermeasures against the Strong Yen)**

**Q: As the yen continues to be strong, what kind of actions are you taking?**

**A:** We assume the yen continues to stay strong and we are going to overcome the situation by further reform of our cost structure. For short term, as we improved volume and mix and variable and fixed costs, the effort for the cost structure reform is already paying off. For mid to longer term, we will accelerate "Monotsukuri Innovation" which we launched 5 years ago, and pursue the results from the initiative. By "Monotsukuri Innovation", we aim to improve performance and quality but ultimately aim to achieve drastic improvement of costs. We are now confident to achieve the targets such as 30% R&D efficiency improvement and 20% vehicle cost saving. In addition to "Monotsukuri Innovation", we will speed up traditional initiatives such as VE/VA to react to the strong yen.

**(SKYACTIV Models)**

**Q: What is the sales status of the SKYACTIV new Demio and Axela?**

**A:** The Demio's average monthly sales volume for July through September was about 8,000 units, of which SKYACTIV mix was 64%. Both metrics exceeded our internal targets. Since the Axela was launched in September, we have received more than 5,000 orders which is more than double our target. Its SKYACTIV mix was about 60%, again much better than our projection. In October, we started the nationwide drive campaign "JAPAN DRIVE Fest" to provide as many customers as possible with a great experience of the SKYACTIV technology.

**(New Mexico Plant)**

**Q: You are studying to export vehicles from the Mexico Plant to North America. Would you elaborate on that?**

**A:** At the current strong yen rate, exporting small vehicles like Mazda2 (Demio) and Mazda3 only from Japan is a challenging business case. While we need further

study, we are now reviewing the plan so that we can start vehicle export to North America when the Mexico Plant begins operations.

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