

FY March 2013 Full Year Financial Results Announcement
Main Q&A

1. Please comment on positive net income for the first time in 5 fiscal years?

- A. When we posted net losses over the last 4 fiscal years, we struggled with historical yen's appreciation. However, to get over this difficult environment, we continued initiatives to reform business structure, and as a result, we could achieve positive profits in the prior fiscal year (FY March 2013). With a solid determination, we have pursued development of SKYACTIV technology, Monotsukuri Innovation which realizes cost improvements and Sales Method innovation. Based on our 4th quarter results, the SKYACTIV models accounted for 30% of total sales volume but generated 60% of total profits. This means these models profits were 3.5 times as much as other models. We project our new models will also achieve high profit margin. We are gaining a massive confidence.

2. You plan to forgo dividend for this fiscal year too. What are your thoughts on resumption of dividend?

- A. Our policy is to decided dividend based on our business performance and environment. In the prior fiscal year, we forgo dividend reflecting loss carried forward on an unconsolidated basis, despite positive net income. For this fiscal year, we also project loss carried forward on an unconsolidated basis, and therefore we plan to forgo dividend payment. We target to resume the dividend by FY March 2016.

3. Please tell us sales status of SKYACTIV models.

- A. Sales mix of full SKYACTIV models will reach 41% with three SKYACTIV models in this fiscal year, up from 19% in the prior fiscal year.

In the second half of this fiscal year, we plan to introduce the 3rd full SKYACTIV model and full SKYACTIV mix will increase to 50%. We are making progress in line with our plan to introduce 8 SKYACTIV models by FY March 2016.

4. What is your projection for this fiscal year?

- A. When we posted net losses for 4 consecutive fiscal years, we implemented strict overtime work and cash control.

Under such situation, sales of CX-5 and Mazda6/Atenza have been strong and we are confident that our next new model will receive same high acclaim, according to our plan. This fiscal year will be the year to start toward medium- and long-term plan of global sales volume of 1.7 million units and operating profit of ¥150 billion for FY March 2016, driven by products.