

FY March 2015 Third Quarter Financial Results Announcement Main Q&A

- 1. Why did you revise down the full year sales plan?**

A. By reflecting negative impact such as the fiercer competition in North America and China and the sales reduction in 4th quarter and onward due to the deterioration in market environment in Russia, and positive impact of strong sales in other markets, we reassessed the sales plan.

While we continue the right-price sales policy and minimize incentive spending, we accelerate our actions in each market to achieve sales volume of 1.4 million units, up 5% from the prior year.

- 2. What are the main factors behind ¥27.4 billion year-over-year improvement of operating profit for the nine months?**

A. In addition to the sales increase of SKYACTIV models and progress of cost improvement, improvements from the weaker yen contributed.

These improvements exceeded the negative impact from higher fixed cost due to strengthened advertising and R&D investment, and achieved the ¥27.4 billion year-over-year operating profit improvement.

- 3. While the yen has depreciated against US dollar and Euro, what are reasons that full-year operating profit of ¥2,100 oku remains unchanged?**

A. We did not change our full year profit forecast because of the following reasons; We expect higher expense due to increasing competitions in major markets in North America and China, and lower contribution of foreign exchange on profits due to negative impact from weaker currencies in emerging markets including Russian Ruble despite positive impact of weaker yen against key currencies such as US dollar and Euro.

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