

FY March 2014 First Quarter Financial Results Announcement
Main Q&A

1. Please summarize the first quarter financial results.

- A. Although we have not disclosed our first quarter financial forecast, we consider we could achieve higher profits than planned due to high profitability and strong sales of SKYACTIV-equipped models, in addition to more than expected depreciation of the yen (Yen was weaker by ¥9 to both US dollar and Euro from our initial forecast). In terms of sales volume, SKYACTIV-equipped CX-5 and new Mazda6 sales have been strong and made a significant contribution.

2. Please explain exchange loss you booked.

- A. The difference between the operating profit and the net income is ¥(31.1) billion, which is the total of non-operating income and expense, extraordinary profit and loss, tax and others. Majority of this is foreign exchange loss of ¥(27.2) billion in non-operating expense. Since we continue to hedge the foreign exchange for the upcoming 6 months, a foreign exchange loss of ¥(27.2) billion was incurred due to the sharp depreciation of yen (the difference between the exchange contract rates and the actual foreign exchange rates at the time of sales, etc.). We will not see such a big exchange loss from the second quarter onward.

3. What are reasons that you did not revise up your full year forecast?

- A. Although the exchange rates of major currencies have changed greatly from our initial forecast, the exchange rate trend continues to be unstable and we are cautiously assessing the continuously-uncertain business environment including a slow-down of economic situations in emerging countries. We will revise the forecast, if we judge it is necessary.