October 31, 2013

Mazda Motor Corporation

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

1. Revenue and profit improvements in the second half are projected to be smaller than those in the first half. What are reasons?

A. We slightly reduced our sales plan in the second half from April plan because of uncertainties such as US financial situation and unstable industry demand trends in Thailand, etc. In addition, we have reflected conservative exchange rate assumptions in the second half at ¥95/US dollar and ¥125/Euro and expected cost increases for old Mazda3 sell-out and launch of Mexico plant.

2. What is your view on rush demand in Japan due to consumption tax increase?

A. JAMA (Japan Automobile Manufacturers Association) requests the government to take specific measures including cutting of car acquisition tax, to reduce rush demand due to consumption tax raise and subsequent demand decline.

We study our countermeasures, as we closely watch the development of the tax reform discussions in the end of the year. We have not incorporated rush demand in Japan in our plan at present.

3. Why did the capital expenditure plan for the full year increased by ¥10 billion? How is the preparation for Mexico plant progressing?

A. The capital spending increase from ¥130 billion to ¥140 billion is mainly due to a change in exchange rate assumption for investment in Mexico plant (from ¥90 to ¥95 to US dollar).

The amount is bigger in the second half compared with the first half because of higher payments after acceptance inspections of plant facilities in the second half.

Preparation is on track for the production start in the fourth quarter of FY March 2014.