

**Earnings Announcement for the 1st Half of FY End March 2013**  
**Key Q&A**

**1. Tell us the situation in China.**

At present, sales and production in China have been facing a challenging environment. Concerning sales status, dealers are conducting usual operations since October, however recovery in showroom traffic and order intake has been slow. How long this sales environment will continue is uncertain at present. We will implement appropriate measures according to the situation.

To align the production with the sales pace, we changed Nanjing plant operation to 1 shift operation with day-shift from the second half of October. We already reflected in this forecast the profit impact from sales and production volume decline.

While the environment continues to be tough in the short term, our initiatives for the future are making progress. With regard to CFMA restructuring, we aim to split the Joint Venture and establish a new company at an early point in time.

China remains one of the most important markets for Mazda. We will continue our dedication to production and sales there cooperating with our 2 partners.

**2. You reduced the operating profit projection by 50 Oku yen, but maintain the estimate of the ordinary profit and profit categories under it. Why?**

Operating profit forecast is reduced by 50 Oku yen reflecting expected sales reductions in China. On the other hand, we expect to see improvements of non-operating items. Especially, we plan to have improvements in profits of equity method companies like one in Thailand, improvements in other non-operating costs, as well as exchange gains in the second half of the fiscal year.

**3. In the first half of the fiscal year, the yen advanced and volume declined more than you expected, but the result was still better than the beginning forecast. Why?**

In the first half of the year, the volumes declined mainly in China from the beginning forecast and the yen strength continued. In such circumstances, the new CX-5, our first vehicle fully equipped with SKYACTIV TECHNOLOGY, became a big hit globally and contributed substantially to volume and mix improvement. As variable and fixed costs improved also more than we expected, we were able to achieve the better results than the forecast.

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