

MAZDA MOTOR CORPORATION

MILLENNIUM PLAN STATUS

October 31, 2002

PRESENTATION OUTLINE

- ◆ **1ST Half FY2002 Estimate**
- ◆ **Full Year Outlook**
- ◆ **Japan Dealer Mergers & Debt-To-Equity Conversion**
- ◆ **Millennium Plan Updates**
 - **New Vehicle Launch Status**
 - **Plant Capacity Changes**
 - **Cost Reduction Initiatives**
 - **Other Matters**
- ◆ **Attachments**

1st HALF FY2002 OVERVIEW

- ◆ **Volume Targets Essentially Met. Revenue Up YOY 11.7%**
- ◆ **Substantial YOY Profit Improvement**
 - Operating Profit Up 30%
 - Net Profit Quadrupled
- ◆ **Exceeded All Profit and Return Objectives Versus May Plan**
 - Positive Cost Performance & Weaker Yen
- ◆ **Cash Flow Near Breakeven Target**
- ◆ **Syndicated Loan and Convertible Bond Successfully Concluded**
- ◆ **Atenza/Mazda6 & Demio Launched**

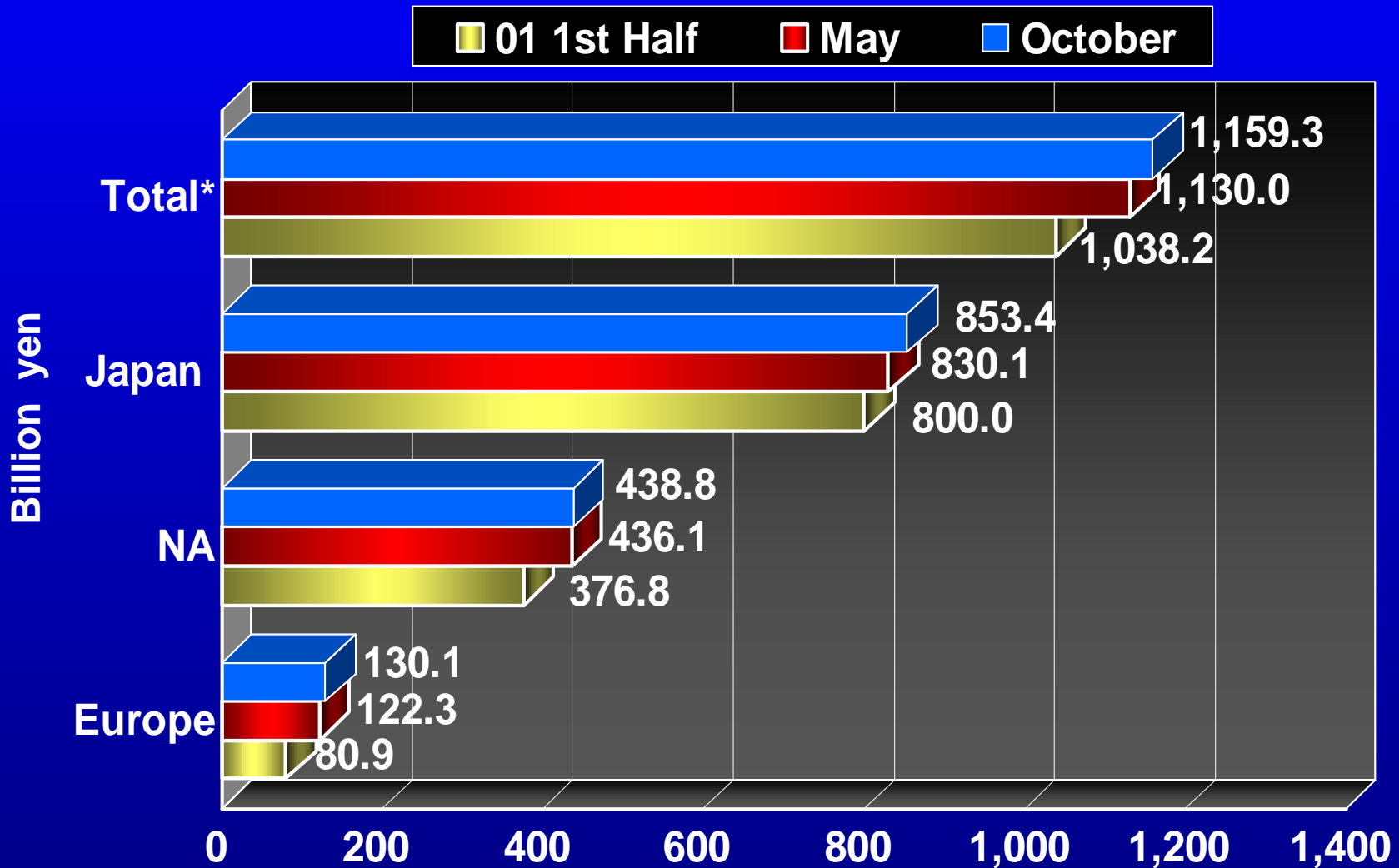
1st HALF KEY ASSUMPTIONS

	<u>1st Half</u>	<u>B/(W) Than</u>	
		<u>May</u>	<u>Prior Year</u>
<u>INDUSTRY VOLUME (000)</u>			
Japan	2,780	0.6 %	(1.0) %
U.S.	8,336	(1.6)	(3.0)
Western Europe	8,845	(0.2)	(4.7)
<u>MARKET SHARES (PCT.)</u>			
Japan	4.6 %	(0.6) Pts.	(0.3) Pts.
U.S.	1.5	0.0	(0.1)
Western Europe	0.9	0.0	0.0
<u>WHOLESALES & PROD. (000)</u>			
Consolidated Wholesales	498	(6)	5
Consolidated Production	523	(1)	31
<u>EXCHANGE RATES</u>			
Yen Per U.S. Dollar	123.1	(1.9)	0.9
Yen Per Euro	116.9	1.9	9.1

1ST HALF FINANCIAL METRICS

(Billion yen)	<u>1st Half</u>	<u>Better/(Worse) Than</u>	
		<u>May</u>	<u>Prior Year</u>
Revenue	1,159.3	29.3	121.1
Operating Profit	14.6	3.6	3.4
Ordinary Profit	9.1	6.1	4.3
Profit Before Tax	7.1	5.1	1.3
Net Income	5.5	3.5	4.2
Return On Sales	0.5 %	0.3 Pts	0.4 Pts
Return On Assets	0.3 %	0.2 Pts	0.2 Pts
Cash Flow	(2.1)	(2.1)	NA
Net Debt	453.0	(4.9)	3.9

1ST HALF GEOGRAPHIC REVENUE



* Including Inter-Segment Elimination and ROW

GEOGRAPHIC OPERATING PROFIT

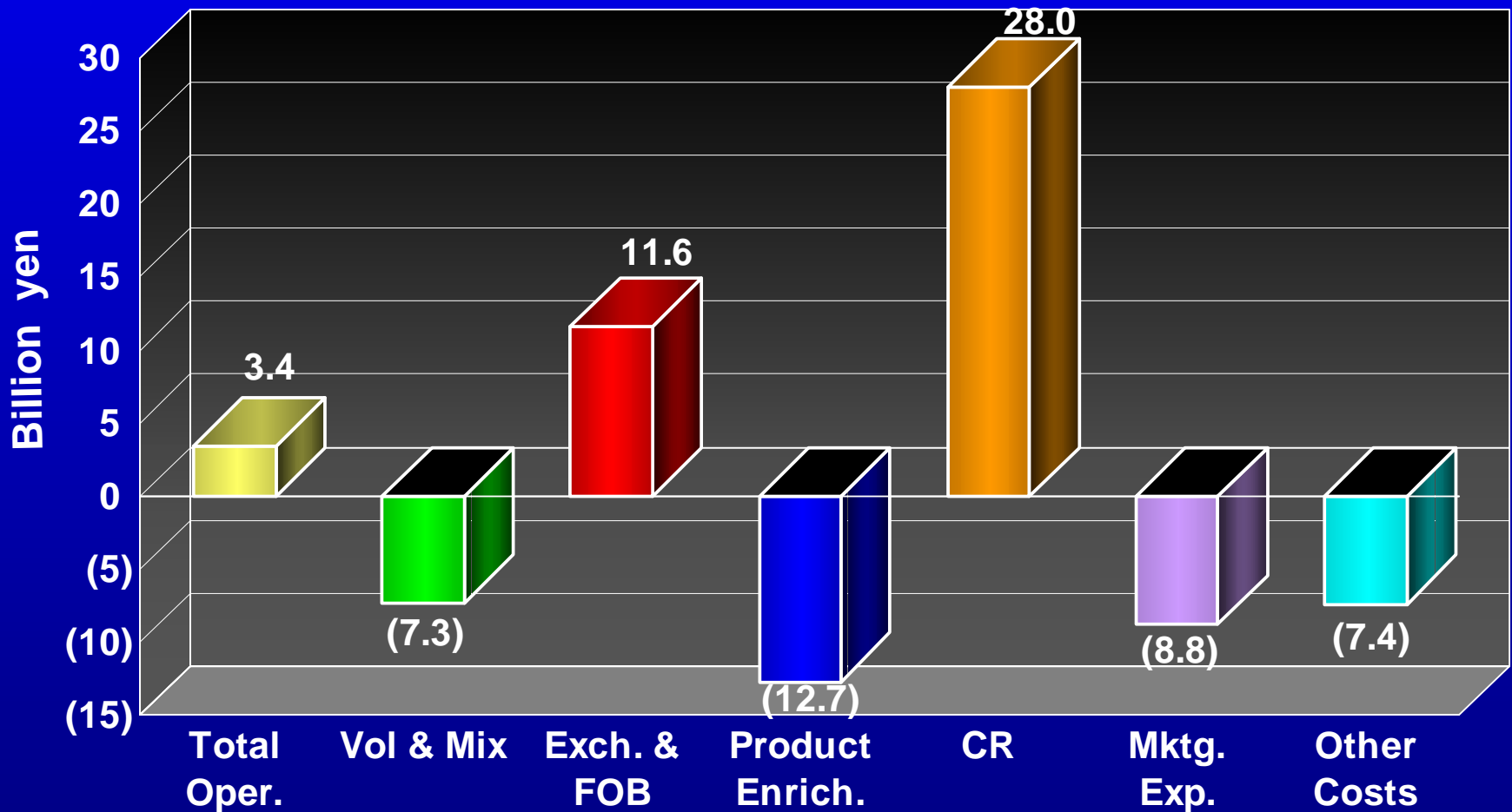
(Billion yen)	Better/(Worse) Than		
	1st Half	May	Prior Year
Japan			
Mazda	8.5	5.5	(0.2)
Subsidiaries	9.1	(1.8)	(0.6)
Total Japan *	16.3	5.2	9.9
North America	(7.2)	(4.3)	(12.3)
Europe	2.8	2.8	4.6
Rest Of World	1.8	0.2	0.0
Total **	14.6	3.6	3.4

* Including Consolidation Adjustments

** Including Intersegment Adjustments

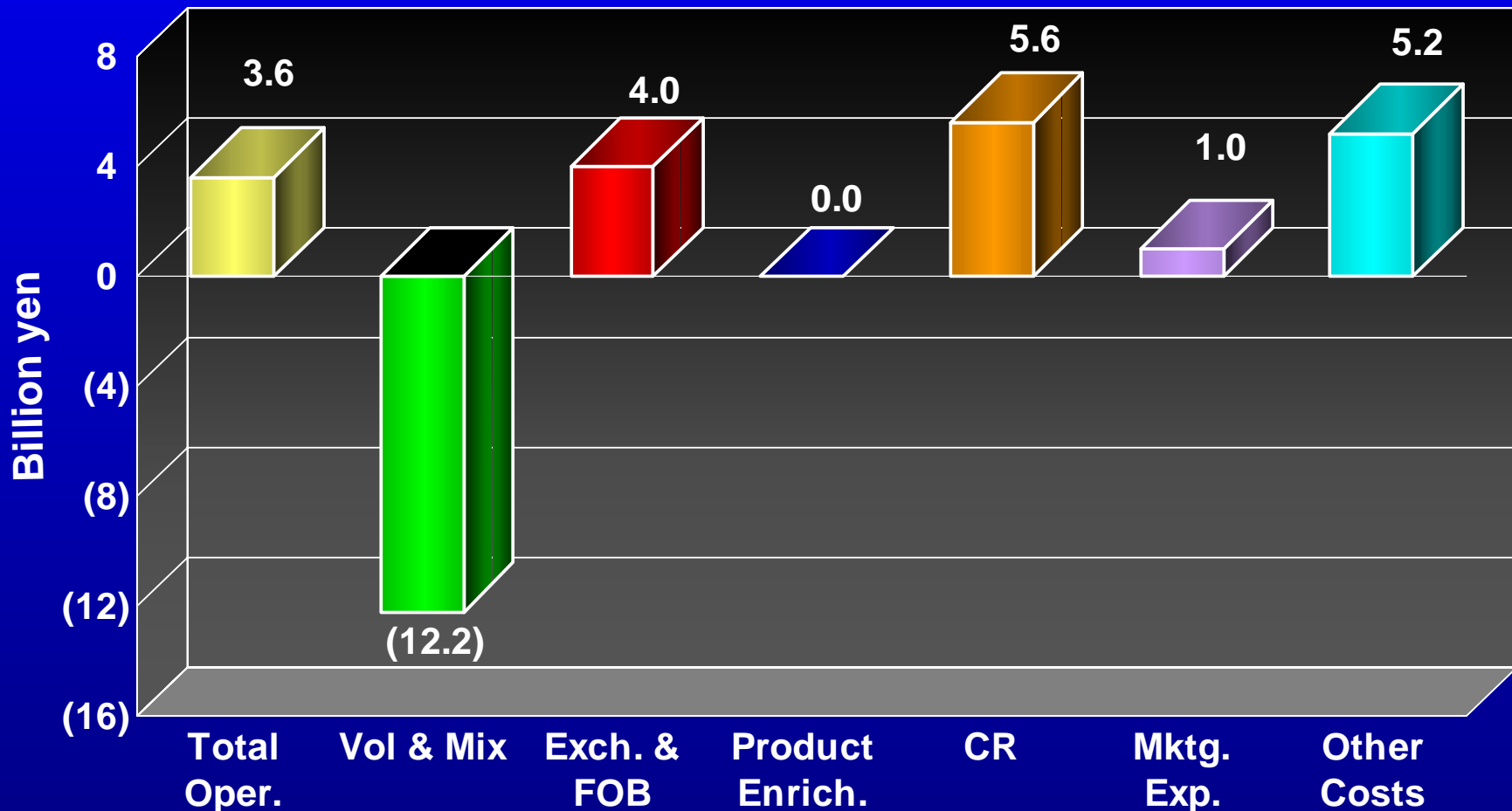
OPERATING PROFIT CHANGES

1st Half Compared With Prior Year



OPERATING PROFIT CHANGES

1st Half Compared With May Plan



NET DEBT & CASH FLOW

(Billion yen)	<u>Better/(Worse) Than</u>		
	<u>1st Half</u>	<u>May</u>	<u>Prior Year End</u>
Cash & Cash Equivalents	214.3	(18.0)	(15.1)
Borrowing	667.3	13.1	19.0
NET DEBT	<u>453.0</u>	<u>(4.9)</u>	<u>3.9</u>
CASH FLOW	(2.1)	(2.1)	NA
Net Debt-To-Equity	260 %	6 Pts	4 Pts
Capital Spending	20.6	6.4	0.5

*FY2002 FULL YEAR
FORECAST*

FULL YEAR OVERVIEW

- ◆ **On Track To Achieve May Plan For Revenue, Volume, Profit & Cash Flow Projections Prior To Japan Dealer & Plant Capacity Actions**
- ◆ **Net Income Projected To Increase To ¥26.5 Billion Due To Dealer Restructuring & Plant Capacity Realignment**
- ◆ **New Products Off To Good Start. AAI Launch Of Mazda6 Proceeding Well. On Track With RX-8 and Mazda2**

FULL YEAR KEY ASSUMPTIONS

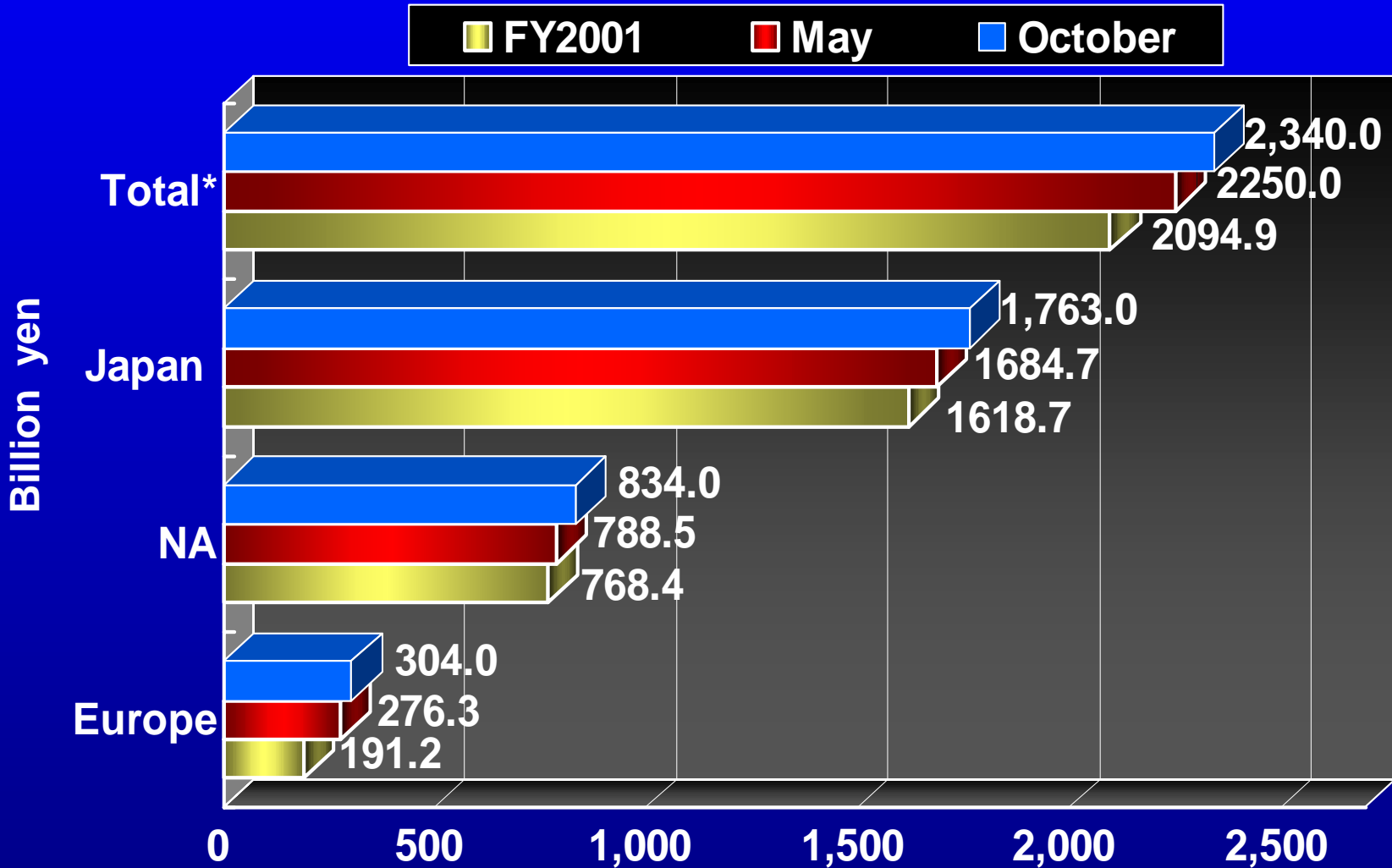
	<u>Proj. FY2002</u>	<u>B/(W) Than</u>	
		<u>May</u>	<u>Prior Year</u>
<u>INDUSTRY VOLUME (000)</u>			
Japan	5,770	1.2 %	(0.8) %
U.S.	16,710	1.0	(1.3)
Western Europe	16,278	0.5	(4.6)
<u>MARKET SHARES (PCT.)</u>			
Japan	4.9 %	(0.3) Pts.	0.3 Pts.
U.S.	1.6	0.0	0.0
Western Europe	1.1	0.0	0.2
<u>WHOLESALES & PROD. (000)</u>			
Consolidated Wholesales	1,015	14	67
Consolidated Production	1,015	14	74
<u>EXCHANGE RATES</u>			
Yen Per U.S. Dollar	121.6	(3.4)	(3.4)
Yen Per Euro	117.4	2.4	7.0

FULL YEAR FINANCIAL METRICS

(Billion yen)	Proj. FY2002	Better/(Worse) Than	
		May	Prior Year
Revenue	2,340.0	90.0	245.1
Operating Profit	51.0	0.0	22.5
Ordinary Profit	37.0	0.0	17.8
Profit Before Tax	31.5	(1.5)	16.0
Net Income	20.0	0.0	11.2
Return On Sales	0.9 %	0.0 Pts	0.5 Pts
Return On Assets	1.2 %	0.0 Pts	0.7 Pts
Cash Flow	40.0	0.0	NA
Net Debt	412.4	(7.2)	44.5

**Excludes Impact Of Japan Dealer Actions
And Plant Capacity Realignment**

GEOGRAPHIC REVENUE



* Including Inter-Segment Elimination and ROW

GEOGRAPHIC OPERATING PROFIT

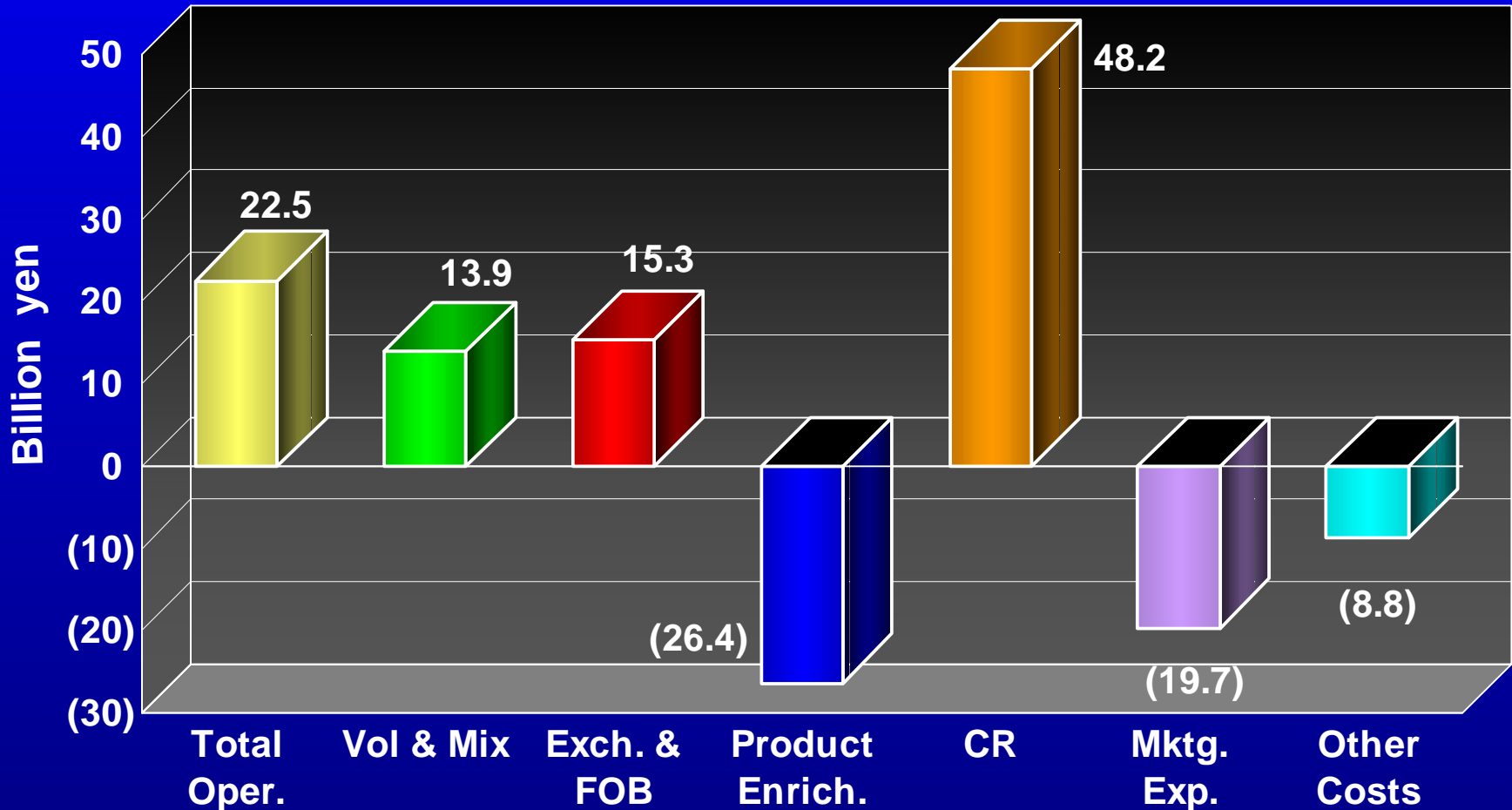
(Billion yen)	Proj. FY2002	Better/(Worse) Than	
		May	Prior Year
Japan			
Mazda	18.0	(10.0)	(8.0)
Subsidiaries	20.8	0.8	1.5
Total Japan*	32.4	(4.2)	7.9
North America	5.8	2.6	(2.4)
Europe	7.9	0.0	6.9
Rest Of World	4.5	0.0	1.2
Total **	51.0	0.0	22.5

* Including Consolidation Adjustments

** Including Intersegment Adjustment

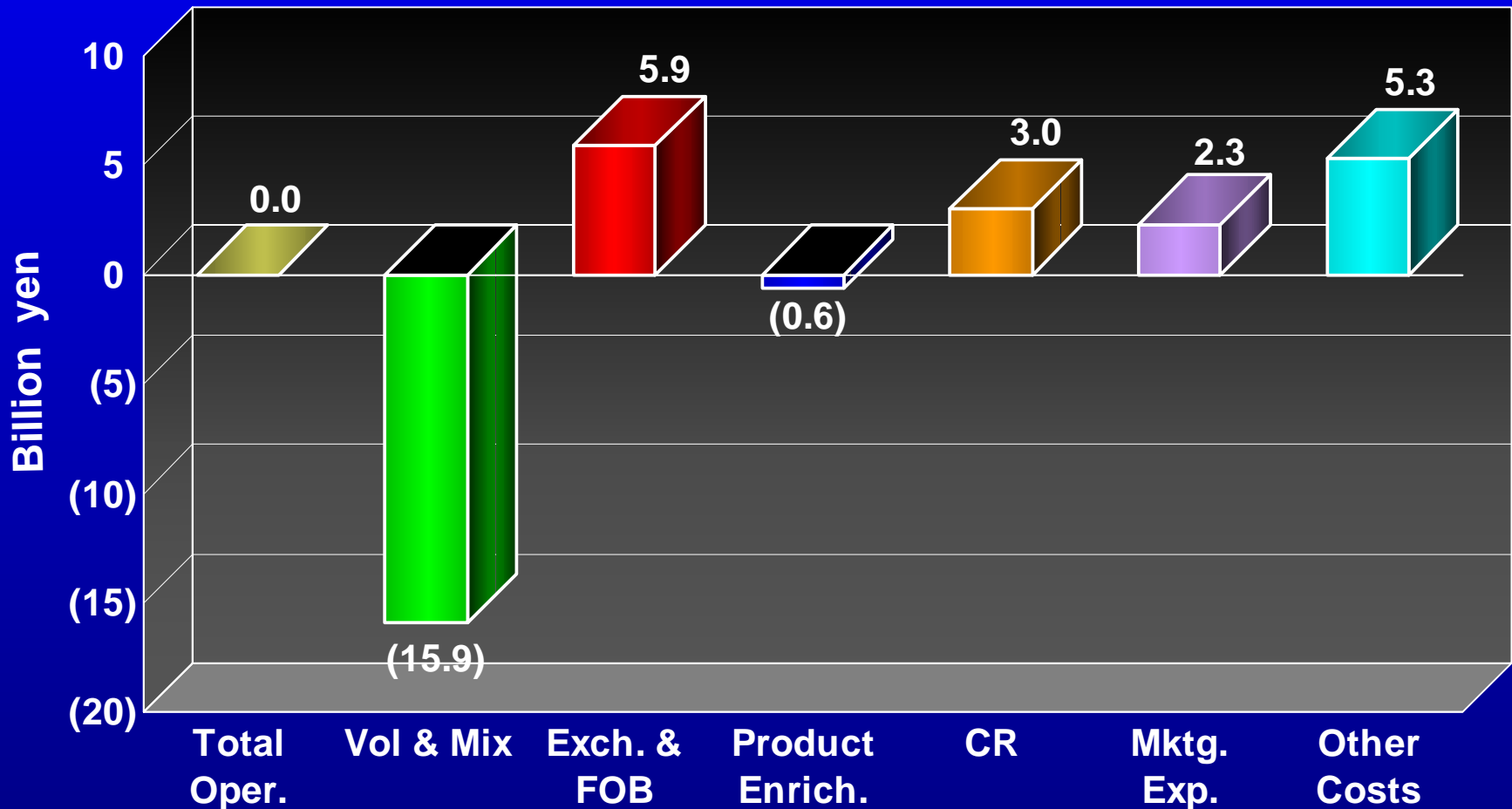
OPERATING PROFIT CHANGES

Full Year Compared With Prior Year



OPERATING PROFIT CHANGES

Full Year Compared With May Plan



NET DEBT AND CASH FLOW

(Billion yen)	Proj. FY2002	Better/(Worse) Than	
		May	Prior Year End
Cash & Cash Equivalents	260.3	30.9	30.9
Borrowing	672.7	(38.1)	13.6
NET DEBT	412.4	(7.2)	44.5
CASH FLOW	40.0	0.0	NA
Net Debt-To-Equity	221 %	(3) Pts	43 Pts
Capital Spending	44.0	4.0	12.6
DIVIDEND PER SHARE	2	-	-

MILLENNIUM PLAN DELIVERABLES

<i>METRIC</i>	<i>MAY PLAN</i>	<i>OUTLOOK</i>
Revenue Growth	+7%	+12%
Volume Growth	+6%	+7%
Uncons. Net Income	¥16.0 Billion	¥4.5 Billion
Consol. Operating Income	¥51.0 Billion	¥51.0 Billion
Consol. Net Income	¥20.0 Billion	¥20.0 Billion
ATROS	0.9%	0.9%
Consol. Cash Flow	¥40.0 Billion	¥40.0 Billion
Customer Satisfaction	YOY Improvement	Report In 2nd Half

**Excludes Impact Of Japan Dealer Actions
And Plant Capacity Realignment**

MILLENNIUM PLAN DELIVERABLES

<i>METRIC</i>	<i>MAY PLAN</i>	<i>OUTLOOK</i>
Product	Introduce MPV, Mazda Atenza/Mazda6, New Demio & AAT 1-Ton Pickup. Job #1 For RX-8 and AAI Mazda6	Completed & On Track
Distribution	Japan – Profitable/CF+ Additional Mergers	On Track Announced
People	MBLD3 M21 Leadership Program Expand 360° Reviews	Completed On Track Completed

JAPAN DEALER ACTIONS

JAPAN DEALER ACTIONS

- ◆ **Dealer Mergers – 42 To 18 Dealers**
- ◆ **Subordinated Loans Of ¥133 Billion Converted To Equity**
- ◆ **Objectives**
 - **Substantial Operating Improvements**
 - **Stabilized Financing In More Severe Banking Environment**
- ◆ **Financial Impact**
 - **Unconsolidated Extraordinary Losses**
 - **Consolidated Results Improved**

FINANCIAL IMPACT

(Billion yen)	Projected FY2002	
	<u>Uncons.</u>	<u>Consol.</u>
Operating Profit	-	(1.0)
Ordinary Profit	-	(1.0)
Profit Before Tax	(37.2)	(2.7)
Tax	(0.7)	10.8 *
Net Income	(37.9)	8.1

* Reflects Tax Efficiency Within The Group

MILLENNIUM PLAN UPDATES

NEW VEHICLE LAUNCH STATUS

- ◆ **Brand Strategy Execution On Track**
- ◆ **New Products Delivering Brand DNA**
- ◆ **Global Launch Plan Coordinating Brand And Product Messages**
- ◆ **Launch Activities Highly Successful**
- ◆ **Atenza/Mazda6 Beating All Targets**
- ◆ **Demio Off To A Good Start**
- ◆ **Zoom-Zoom Communications Highly Effective and Efficient**
- ◆ **RX-8 Preparations On Track. High Incrementality Expected**

PLANT CAPACITY ACTIONS

- ◆ **Ujina 2 Closed September 2001. Reduced Japan Capacity By 25%, Or 266K Units, To 788K Units**
- ◆ **Ujina 1 & Hofu At Or Above Straight-Time Capacity. F Plant Underutilized**
- ◆ **Added Capacity Required By FY2004 To Support Volume Growth**
- ◆ **Plan To Close F Plant and Re-Open Ujina 2. Japan Capacity To Increase By 14% To 898K Units -- But Still Down 15% From Pre-Ujina 2 Closure**

COST REDUCTION INITIATIVES

- ◆ **Commodity-Focused Approach (“ABC”)**
- ◆ **Cost Reduction Through Total Value Chain – Improved Design, Lower Logistics Costs, Commonization, etc.**
- ◆ **World-Wide Lowest Cost – Japan, China, Thailand, Others**
- ◆ **Target 25% Cost Reduction By End – 2004**
- ◆ **Present Status On Track**

OTHER MATTERS

◆ Stock Options

- Plan To Include Impact In Financial Results As Soon As Permitted By J-GAAP. Impact Less Than ¥0.1 Billion

◆ Financial Integrity

- Uncompromised
- President & CFO Stand Behind Financial Statements
- Outside Auditor and Statutory Auditor Assessments Conducted. No Issues

WRAP UP

- ◆ **Millennium Plan Remains On Track**
- ◆ **New Products Off To Good Start. NA Mazda6 Launched. RX-8 & Mazda2 Job #1 Before Fiscal Year End**
- ◆ **Increasing Pressure On Net Revenue and Costs. Delivery Of New CR Targets Mandatory**
- ◆ **Financing Stable**
- ◆ **Relationship With Ford Firm**
- ◆ **Tactical Revisions To Plan**
- ◆ **Delivering Growth!**



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ATTACHMENTS
1ST HALF FY2002

UNCONS. FINANCIAL METRICS

(Billion yen)	<u>1st Half</u>	<u>Better/(Worse) Than</u>	
		<u>May</u>	<u>Prior Year</u>
Revenue	736.8	6.8	63.3
Operating Profit	8.5	5.5	(0.2)
Ordinary Profit	7.4	6.4	(3.5)
Profit Before Tax	4.8	0.8	(4.6)
Net Income	3.9	0.9	(2.8)
Return On Sales	0.5 %	0.1 Pts	(0.5) Pts
Return On Assets	0.3 %	0.1 Pts	(0.2) Pts
Cash Flow	(11.9)	(11.9)	NA
Net Debt	294.3	(11.1)	(14.3)

JAPAN VOLUME – 1ST HALF

	<u>1st Half FY2002</u>	<u>Over/(Under)</u>	
		<u>May</u>	<u>Prior Year</u>
<u>REGISTERED</u>			
Industry (000)	1,892	(0.1) %	(2.8) %
Mazda Market Share	5.6 %	(0.9) Pts	(0.5) Pts
Mazda Retail (000)	107	(13.8) %	(9.9) %
<u>MICRO</u>			
Industry (000)	888	2.1 %	3.1 %
Mazda Market Share	2.5 %	0.1 Pts	0.3 Pts
Mazda Retail (000)	22	5.3 %	15.3 %
<u>TOTAL</u>			
Industry (000)	2,780	0.6 %	(1.0) %
Mazda Market Share	4.6 %	(0.6) Pts	(0.3) Pts
Mazda Retail (000)	129	(11.0) %	(6.4) %

U.S. VOLUME – 1ST HALF

	<u>1st Half CY2002</u>	<u>Over/(Under)</u>	
		<u>May</u>	<u>Prior Year</u>
Industry (000)	8,336	(1.6) %	(3.0) %
Mazda Market Share	1.5 %	0.0 Pts	(0.1) Pts
Mazda Retail (000)	129	(1.4) %	(8.5) %

W. EUROPE VOLUME – 1ST HALF

	<u>1st Half CY2002</u>	<u>Over/(Under)</u>	
		<u>May</u>	<u>Prior Year</u>
Industry (000)	8,845	(0.2) %	(4.7) %
Mazda Market Share	0.9 %	0.0 Pts	0.0 Pts
Mazda Retail (000)	82	1.2 %	(1.3) %
Memo: Total Europe	87	1.7 %	(2.3) %

CANADA VOLUME – 1ST HALF

	<u>1st Half CY2002</u>	<u>Over/(Under)</u>	
		<u>May</u>	<u>Prior Year</u>
Industry (000)	888	2.7 %	9.8 %
Mazda Market Share	4.1 %	(0.1) Pts	(0.1) Pts
Mazda Retail (000)	36	1.0 %	7.1 %

AUSTRALIA VOLUME – 1ST HALF

	<u>1st Half CY2002</u>	<u>Over/(Under)</u>	
		<u>May</u>	<u>Prior Year</u>
Industry (000)	407	0.8 %	8.5 %
Mazda Market Share	4.4 %	(0.2) Pts	(0.3) Pts
Mazda Retail (000)	18	(2.3) %	2.8 %

MAZDA WHOLESALES & PRODN

(000)	1st Half FY2002	Over/(Under)	
		May	Prior Year
<u>WHOLESALES</u>			
Japan	148	(9)	1
North America	101	3	(12)
Europe	102	4	28
Rest of World	88	4	2
Total	439	2	19
Memo:			
Excl. Outsourced Vehicles	392	(2)	17
<u>PRODUCTION</u>			
Domestic	127	(7)	2
Export	268	8	19
Subtotal Mazda	395	1	21
Purchased	47	3	3
Total	442	4	24

CONS. WHOLESALES & PRODN

(000)	1st Half FY2002	Over/(Under)	
		May	Prior Year
<u>WHOLESALES</u>			
Japan	142	(15)	(5)
North America	179	5	(5)
Europe	91	1	16
Rest of World	86	3	(1)
Total	498	(6)	5

PRODUCTION

Japan	153	(5)	7
North America	187	(2)	3
Europe	94	2	21
Rest of World	89	4	0
Total	523	(1)	31

*ATTACHMENTS
FULL YEAR 2002*

KEY ASSUMPTIONS

	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. FY2002</u>
<u>INDUSTRY VOLUME (000)</u>			
Japan	2,780	2,990	5,770
U.S.	8,336	8,374	16,710
Western Europe	8,845	7,433	16,278
<u>MARKET SHARES (PCT.)</u>			
Japan	4.6 %	5.1 %	4.9 %
U.S.	1.5	1.7	1.6
Western Europe	0.9	1.2	1.1
<u>WHOLESALES & PROD. (000)</u>			
Consolidated Wholesales	498	517	1,015
Consolidated Production	523	492	1,015
<u>EXCHANGE RATES</u>			
Yen Per U.S. Dollar	123.1	120.0	121.6
Yen Per Euro	116.9	118.0	117.4

CONS. FINANCIAL METRICS

(Billion yen)	Proj.		Proj.	B/(W) Than	
	1st Half	2nd Half	FY2002	May	Prior Year
Revenue	1,159.3	1,180.7	2,340.0	90.0	245.1
Operating Profit	14.6	35.4	50.0	(1.0)	21.5
Ordinary Profit	9.1	26.9	36.0	(1.0)	16.8
Profit Before Tax	7.1	18.9	26.0	(7.0)	10.5
Net Income	5.5	21.0	26.5	6.5	17.7
Return On Sales	0.5 %	1.8 %	1.1 %	0.2 Pts	0.7 Pts
Return On Assets	0.3 %	1.2 %	1.5 %	0.3 Pts	1.0 Pts
Cash Flow	(2.1)	42.1	40.0	0.0	NA
Net Debt	453.0	412.4	412.4	(7.2)	44.5

**Includes Impact Of Japan Dealer Actions
And Plant Capacity Realignment**

UNCONS. FINANCIAL METRICS

(Billion yen)	Proj.		Proj.	B/(W) Than	
	1st Half	2nd Half	FY2002	May	Prior Year
Revenue	736.8	793.2	1,530.0	30.0	165.4
Operating Profit	8.5	9.5	18.0	(10.0)	(8.0)
Ordinary Profit	7.4	5.6	13.0	(12.0)	(15.3)
Profit Before Tax	4.8	(37.3)	(32.5)	(57.5)	(52.6)
Net Income	3.9	(38.9)	(35.0)	(51.0)	(48.2)
Return On Sales	0.5 %	(4.9) %	(2.3) %	(3.4) Pts	(3.3) Pts
Return On Assets	0.3 %	(2.8) %	(2.5) %	(3.7) Pts	(3.4) Pts
Cash Flow	(11.9)	(8.1)	(20.0)	(30.0)	NA
Net Debt	294.3	303.2	303.2	(30.0)	(23.2)

**Includes Impact Of Japan Dealer Actions
And Plant Capacity Realignment**

JAPAN VOLUME – FY2002

<i>REGISTERED</i>	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. FY2002</u>	<u>Over/(Under)</u>	
				<u>May</u>	<u>Prior Year</u>
Industry (000)					
Sedan	774	826	1,600	11.7 %	11.9 %
RV	736	829	1,565	(7.2)	(10.1)
Other	382	379	761	(2.5)	(5.9)
Total	1,892	2,034	3,926	0.7 %	(1.3) %
Mazda Market Share	5.6 %	6.4 %	6.0 %	(0.5) Pts	0.3 Pts
Mazda Retail (000)	107	129	236	(7.2) %	3.9 %
 <i>MICRO</i>					
Industry (000)	888	956	1,844	2.4 %	0.3 %
Mazda Market Share	2.5 %	2.3 %	2.4 %	0.1 Pts	0.2 Pts
Mazda Retail (000)	22	22	44	5.6 %	7.0 %
 <i>TOTAL</i>					
Industry (000)	2,780	2,990	5,770	1.2 %	(0.8) %
Mazda Market Share	4.6 %	5.1 %	4.9 %	(0.3) Pts	0.3 Pts
Mazda Retail (000)	129	151	280	(5.4) %	4.3 %

U.S. VOLUME – CY2002

	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. CY2002</u>	<u>Over/(Under)</u>	
				<u>May</u>	<u>Prior Year</u>
Industry (000)	8,336	8,374	16,710	1.0 %	(1.3) %
Mazda Market Share	1.5 %	1.7 %	1.6 %	0.0 Pts	0.0 Pts
Mazda Retail (000)	129	141	270	3.8 %	0.1 %

W. EUROPE VOLUME – CY2002

	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. CY2002</u>	<u>Over/(Under)</u>	
				<u>May</u>	<u>Prior Year</u>
Industry (000)	8,845	7,433	16,278	0.5 %	(4.6) %
Mazda Market Share	0.9 %	1.2 %	1.1 %	0.0 Pts	0.2 Pts
Mazda Retail (000)	82	89	171	0.5 %	12.1 %
Memo: Total Europe	87	95	182	0.6 %	10.6 %

CANADA VOLUME – CY2002

	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. CY2002</u>	<u>Over/(Under)</u>	
				<u>May</u>	<u>Prior Year</u>
Industry (000)	888	822	1,710	5.3 %	7.1 %
Mazda Market Share	4.1 %	4.3 %	4.2 %	(0.1) Pts	(0.1) Pts
Mazda Retail (000)	36	36	72	2.1 %	4.1 %

AUSTRALIA VOLUME – CY2002

	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. CY2002</u>	<u>Over/(Under)</u>	
				<u>May</u>	<u>Prior Year</u>
Industry (000)	407	423	830	2.4 %	7.5 %
Mazda Market Share	4.4 %	5.1 %	4.8 %	(0.1) Pts	0.4 Pts
Mazda Retail (000)	18	22	40	(1.1) %	15.9 %

MAZDA WHOLESALLES & PRODN

(000)	Proj.		Proj. FY2002	Over/(Under)	
	1st Half	2nd Half		May	Prior Year
<u>WHOLESALLES</u>					
Japan	148	155	303	(16)	16
North America	101	95	196	7	(30)
Europe	102	98	200	9	49
Rest of World	88	84	172	6	15
Total	439	432	871	6	50
Memo:					
Excl. Outsourced Vehicles	392	388	780	1	50
<u>PRODUCTION</u>					
Domestic	127	127	254	(18)	12
Export	268	258	526	21	38
Subtotal Mazda	395	385	780	3	50
Purchased	47	45	92	5	2
Total	442	430	872	8	52

CONS. WHOLESALES & PRODN

(000)	Proj.		Proj. FY2002	Over/(Under)	
	1st Half	2nd Half		May	Prior Year
<u>WHOLESALES</u>					
Japan	142	158	300	(19)	12
North America	179	165	344	21	(3)
Europe	91	104	195	7	45
Rest Of World	86	90	176	5	13
Total	498	517	1,015	14	67
<u>PRODUCTION</u>					
Japan	153	149	302	(17)	16
North America	187	149	336	16	(6)
Europe	94	105	199	10	49
Rest Of World	89	89	178	5	15
Total	523	492	1,015	14	74



mazda