

# *Mazda Motor Corporation*

## ***FY2003 FIRST HALF RESULTS FULL YEAR PROJECTIONS***

**November 6, 2003**

# OUTLINE

- ◆ Highlights
- ◆ First Half Results
- ◆ Full Year Projections
- ◆ Wrap-Up

# FY2003 FIRST HALF HIGHLIGHTS

- ◆ **First Half Profits up Sharply from Prior Year:**
  - **Operating Profit up 94%**
  - **Net Income up 100%**
- ◆ **Introduction of Mazda2 in Europe and RX-8 in Japan**
- ◆ **Strong Sales in Europe, Australia and China**
- ◆ **U.S. Market a Key Challenge**
- ◆ **No Change in Full Year Outlook**

# FIRST HALF SUMMARY

(Billion Yen)	First Half		Change	
	FY2003	FY2002	Amount	Pct.
Revenue	1,209.5	1,159.3	50.2	4 %
Operating Profit	28.4	14.6	13.8	94 %
Ordinary Profit	19.0	9.1	9.9	107 %
Net Income	11.2	5.5	5.7	100 %
Wholesales (000)	526	498	28	6 %

# OTHER ACCOMPLISHMENTS

- ◆ **Mazda6 Accolades:**
  - **More Than 60 Awards in 22 Countries**
  - **5-Star Safety Rating (National Highway Traffic Safety Administration, U.S.)**
- ◆ **“Most Reliable” U.K. Car Manufacturer (Warranty Direct)**
- ◆ **RENESIS - - International Engine of the Year 2003 (Engine Technology International)**

# FULL YEAR PROJECTIONS

(Billion Yen)	FY2003	FY2002	Change		Memo:
			Amount	Pct.	April Proj. FY2003
Revenue	2,500.0	2,364.5	135.5	6 %	2,420.0
Operating Profit	65.0	50.6	14.4	28 %	65.0
Ordinary Profit	57.0	40.7	16.3	40 %	57.0
Net Income	30.0	24.1	5.9	24 %	30.0
Wholesales (000)	1,060	1,017	43	4 %	1,053

# ***FY2003 FIRST HALF RESULTS***

# FIRST HALF FINANCIAL METRICS

(Billion yen)	First Half		Change	
	<u>FY2003</u>	<u>FY2002</u>	<u>Amount</u>	<u>Pct.</u>
Revenue	1,209.5	1,159.3	50.2	4 %
Operating Profit	28.4	14.6	13.8	94 %
Ordinary Profit	19.0	9.1	9.9	107 %
Profit Before Tax	15.4	7.1	8.3	116 %
Net Income	11.2	5.5	5.7	100 %
Return on Sales	0.9%	0.5%	0.4 Pts	-
EPS (Yen/Share)	9.15	4.57	4.58	100 %



# CASH FLOW & NET DEBT

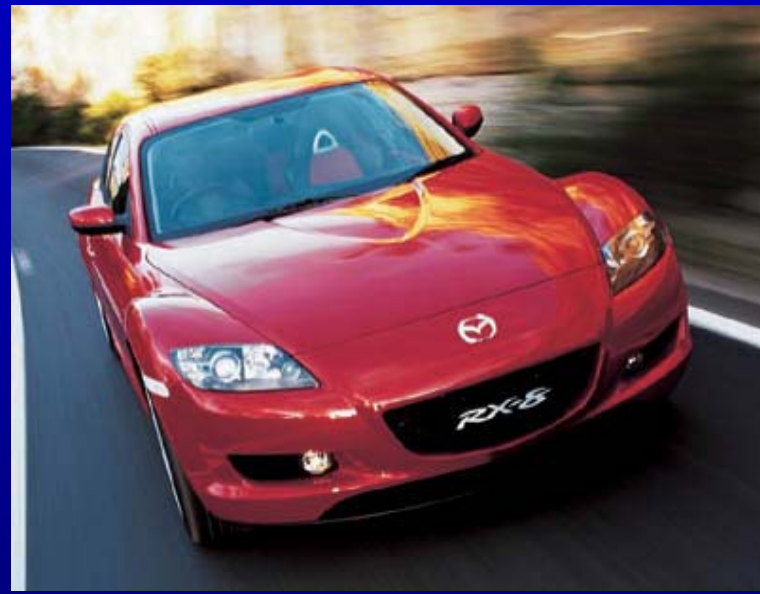
(Billion yen)	<u>First Half FY2003</u>	<u>B/(W) Prior Year End</u>
Cash Flow	(21.8)	NA
Net Debt	428.1	(24.6)
Net Debt-to-Equity	208%	0 Pts
Capital Spending	15.7	NA

# JAPAN

## First Half

	<u>FY2003</u>	<u>FY2002</u>	<u>Change</u>
Industry (000)	2,745	2,780	(1) %
Market Share	4.9 %	4.6 %	0.3 Pts
Retail Volume (000)	134	129	4 %

## Strong Demand for Demio and RX-8



# UNITED STATES

	First Half		Change
	CY2003	CY2002	
Industry (000)	8,133	8,336	(2) %
Market Share	1.5 %	1.5 %	0 Pts
Retail Volume (000)	119	129	(8) %

**Lower Fleet Sales; Mazda6 Sales Improving**



# WESTERN EUROPE

## First Half

	<u>CY2003</u>	<u>CY2002</u>	<u>Change</u>
Industry (000)	8,633	8,845	(2) %
Market Share	1.3 %	0.9 %	0.4 Pts
Retail Volume (000)	109	82	32 %
Memo: Total Europe	116	87	33 %

## Mazda6 & Mazda2 – Driving Growth

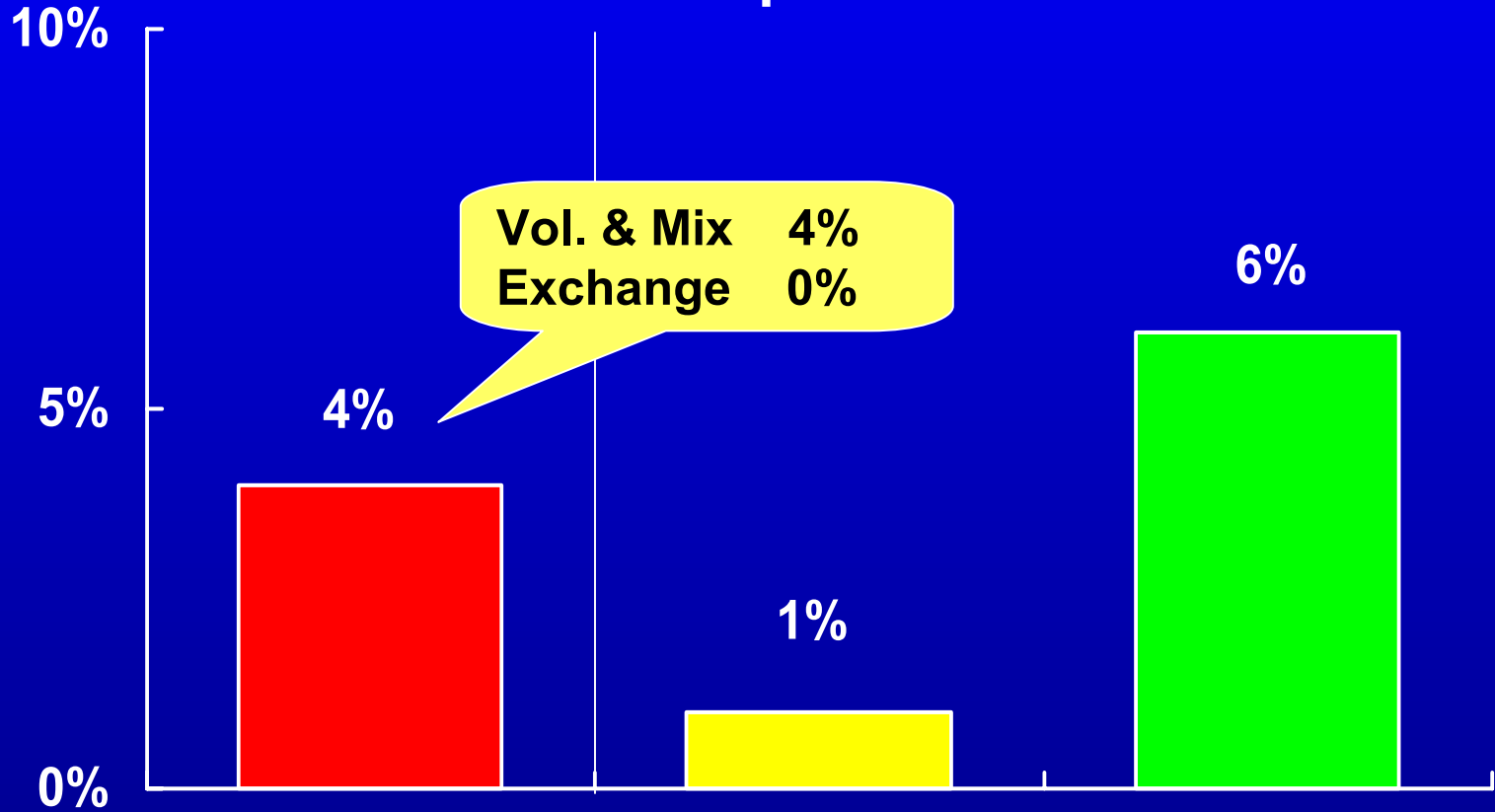


# KEY ASSUMPTIONS

	First Half		<u>Change</u>
	<u>FY2003</u>	<u>FY2002</u>	
<b><u>WHOLESALES (000)</u></b>			
Consolidated	526	498	6 %
<b><u>EXCHANGE RATES</u></b>			
Yen / U.S. Dollar	118	128	¥ (10)
Yen / Euro	134	116	¥ 18

# REVENUE CHANGES BY DESTINATION

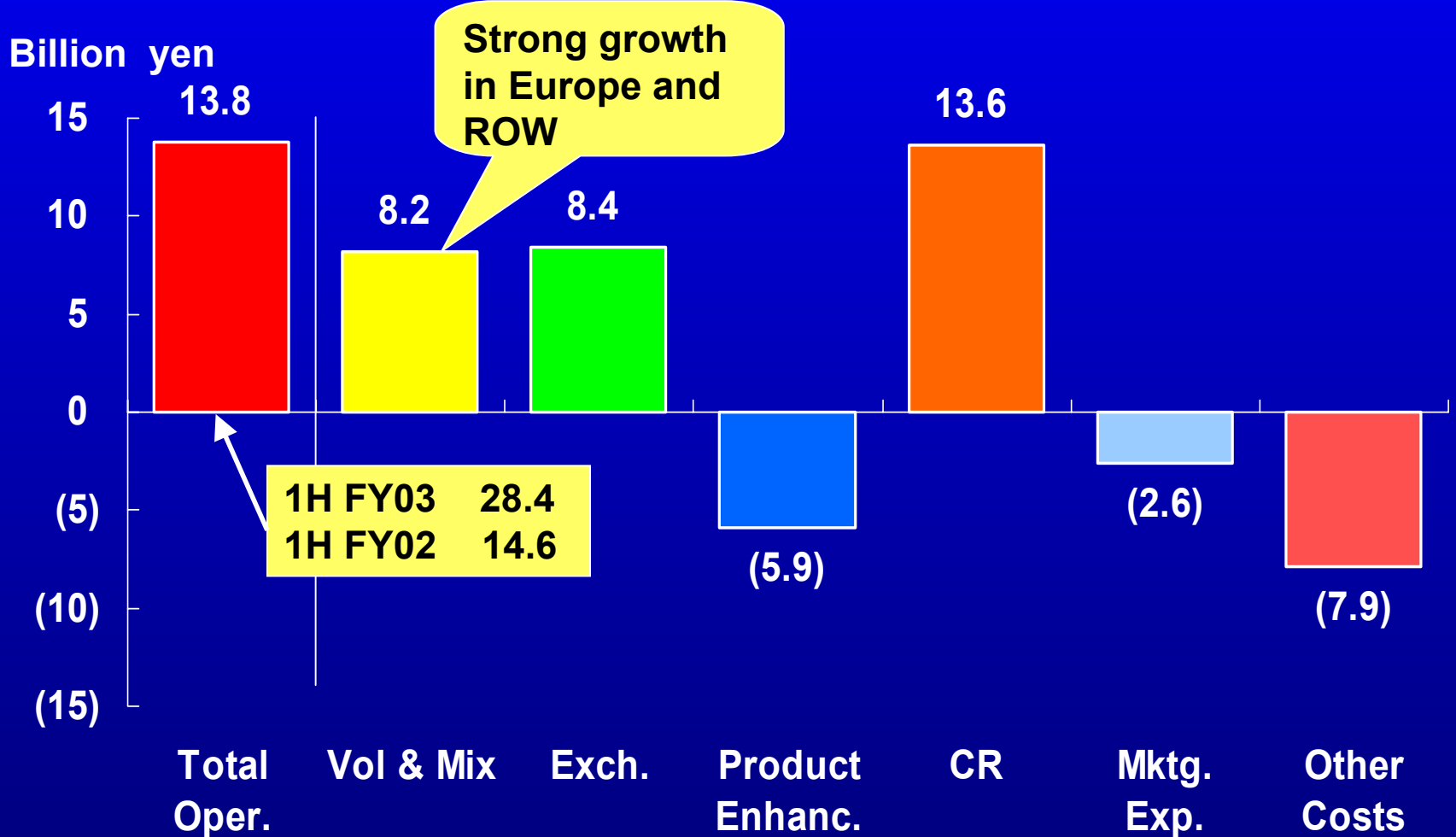
FY2003 First Half Compared with FY2002 First Half



(Billion yen)	Total	Domestic	Overseas
1H FY03	1,209.5	409.6	799.9
1H FY02	1,159.3	406.3	753.0

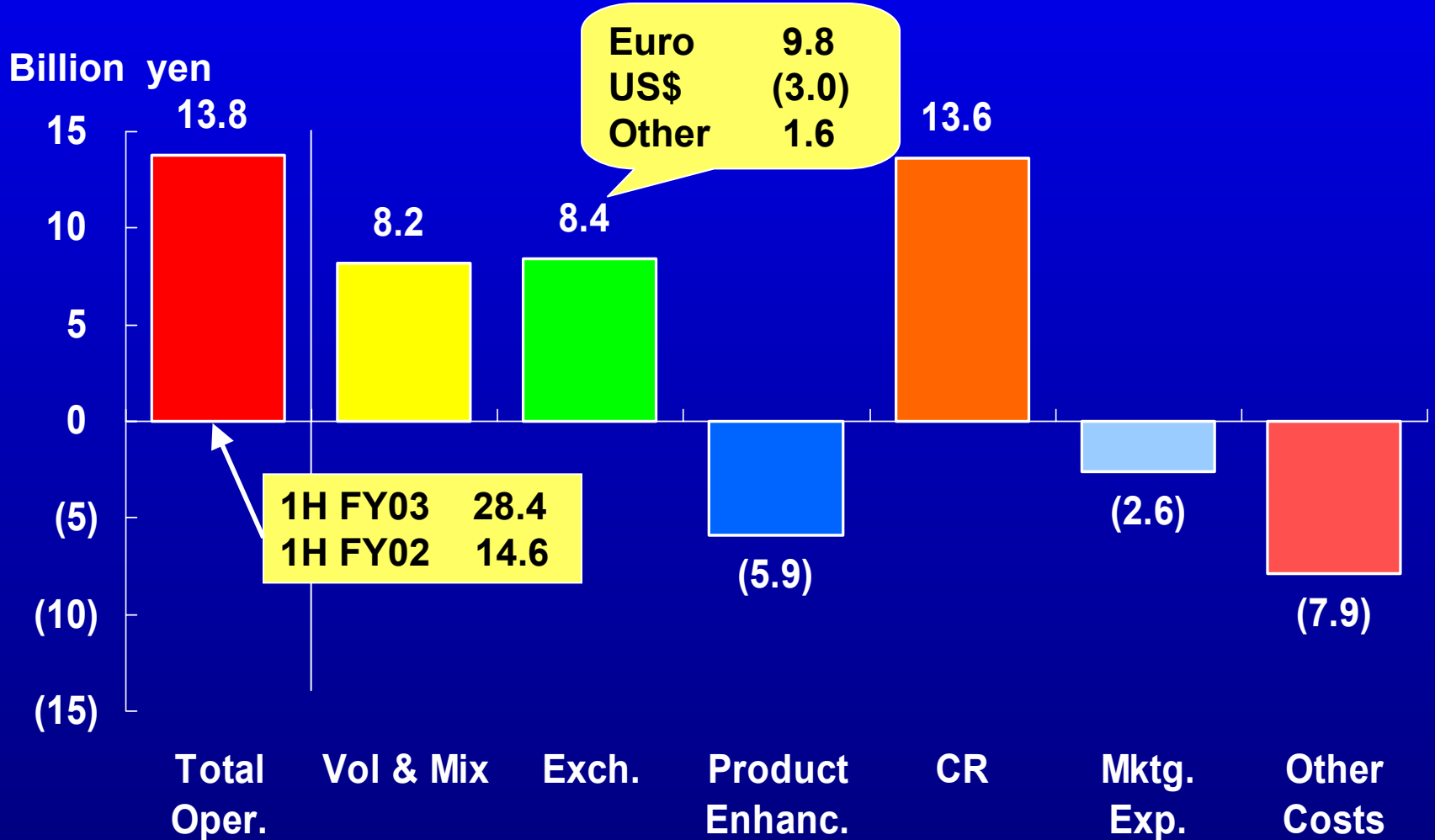
# OPERATING PROFIT CHANGES

FY2003 First Half Compared with FY2002 First Half



# OPERATING PROFIT CHANGES

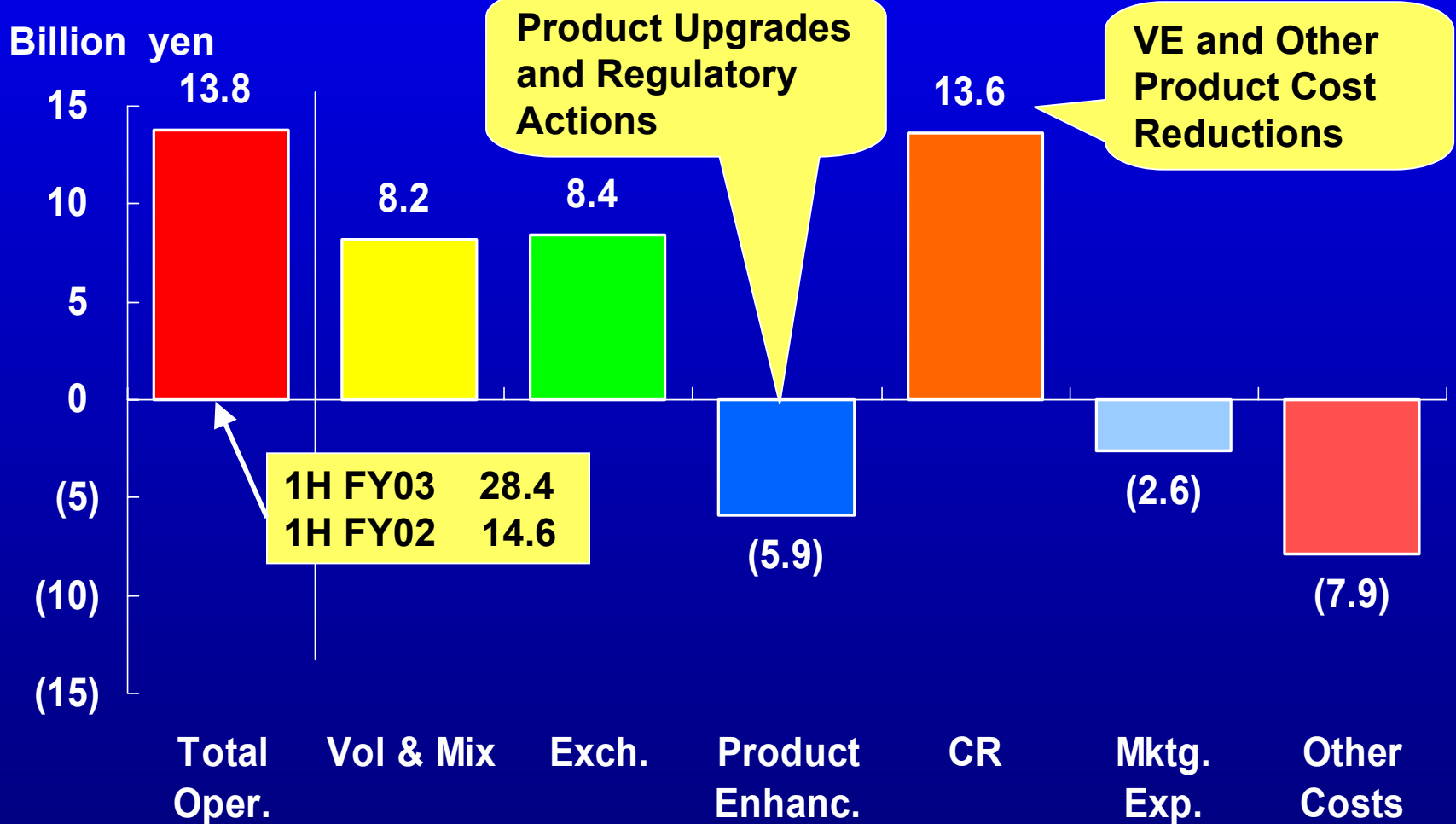
FY2003 First Half Compared with FY2002 First Half





# OPERATING PROFIT CHANGES

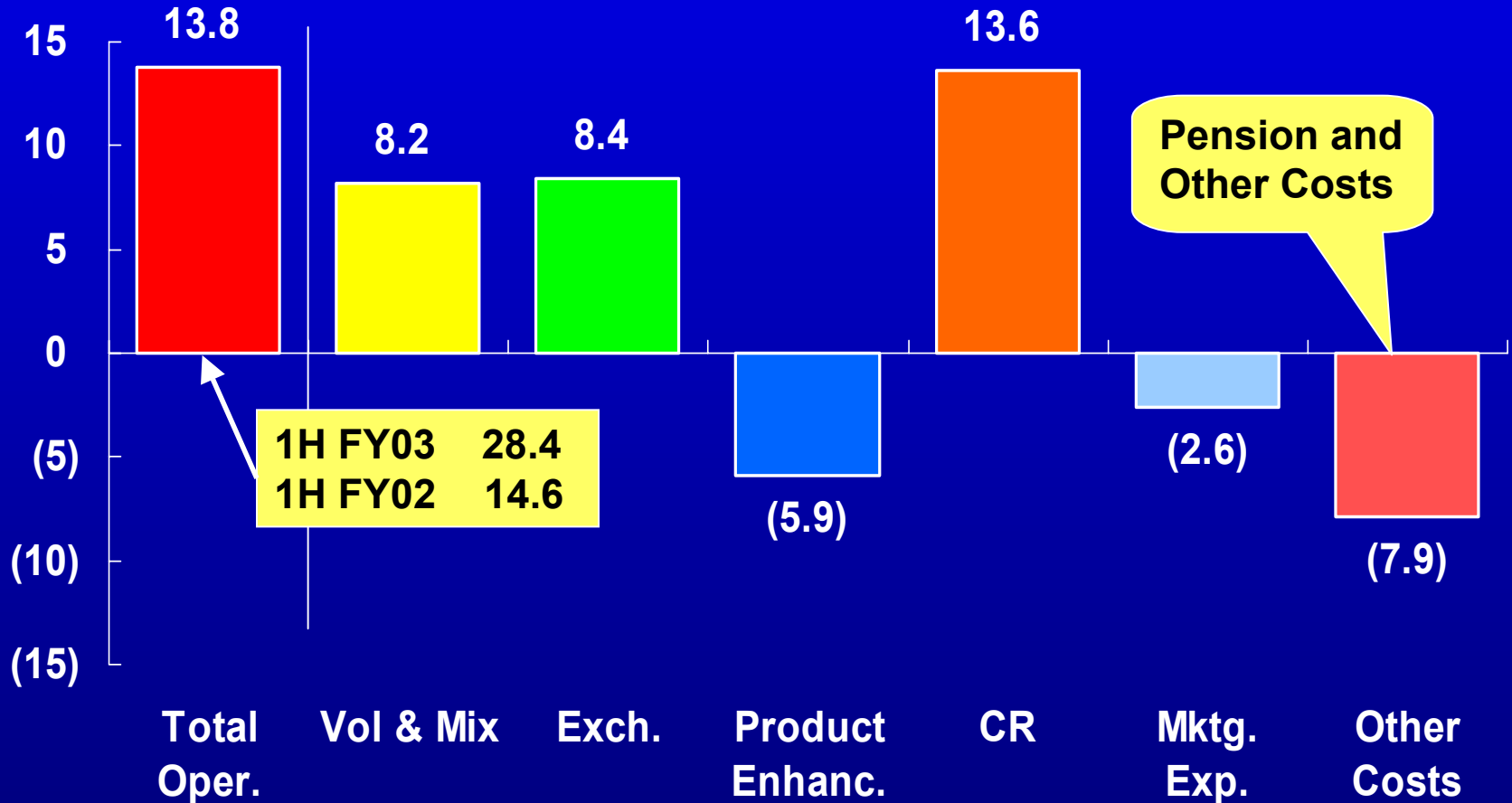
FY2003 First Half Compared with FY2002 First Half



# OPERATING PROFIT CHANGES

FY2003 First Half Compared with FY2002 First Half

Billion yen



# ***FY2003 FULL YEAR PROJECTIONS***

# FULL YEAR FINANCIAL METRICS

(Billion yen)	<u>FY2003</u>	<u>FY2002</u>	<u>Change</u>		<u>Memo: April Proj. FY2003</u>
			<u>Amount</u>	<u>Pct.</u>	
Revenue	2,500.0	2,364.5	135.5	6 %	2,420.0
Operating Profit	65.0	50.6	14.4	28 %	65.0
Ordinary Profit	57.0	40.7	16.3	40 %	57.0
Profit Before Tax	49.0	28.1	20.9	74 %	49.0
Net Income	30.0	24.1	5.9	24 %	30.0
Return on Sales	1.2%	1.0%	0.2 Pts	-	1.2%
EPS (Yen/Share)	24.65	19.80	4.85	24 %	24.61

# CASH FLOW & NET DEBT

(Billion yen)	<u>FY2003</u>	<u>FY2002</u>	FY2003 B/(W) <u>FY2002</u>	Memo: April Proj. <u>FY2003</u>
Cash Flow	40.0	47.0	NA	40.0
Net Debt	367.1	403.5	36.4	370.7
Net Debt-to-Equity	168%	208%	40 Pts	170%
Capital Spending	48.0	44.0	(4.0)	55.0
Dividend (Yen/Share)	2	2	0	2

# NEW VEHICLE INTRODUCTIONS

2002/2003

Europe

**Mazda6**  
**Mazda2**  
**RX-8**  
**Mazda3**

Japan

**Atenza**  
**Demio**  
**RX-8**  
**Axela**

North  
America

**Mazda6**  
**RX-8**  
**Mazda3**

# JAPAN

	<u>FY2003</u>	<u>FY2002</u>	<u>Change</u>
Industry (000)	5,757	5,864	(2) %
Market Share	4.9 %	4.6 %	0.3 Pts
Retail Volume (000)	280	270	4 %

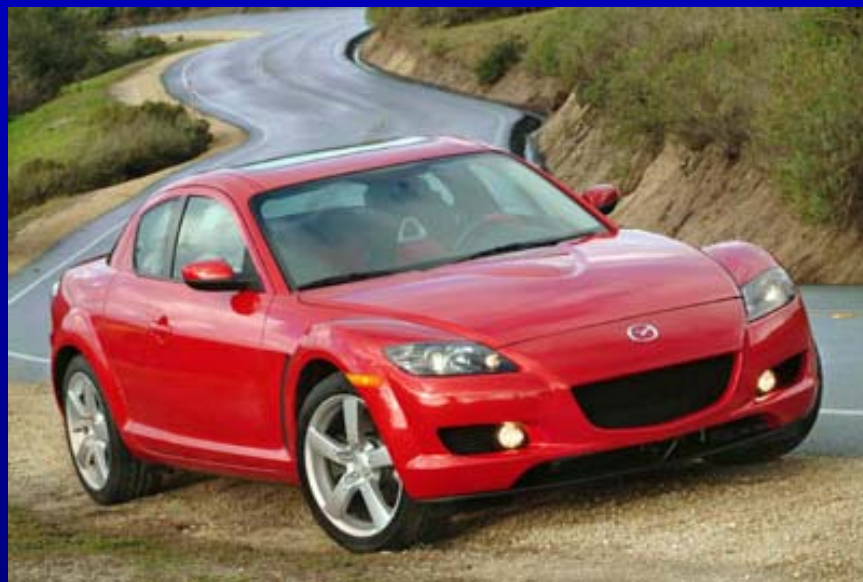
***Axela - - Dynamic Sports Compact - - Just Launched***



# UNITED STATES

	<u>CY2003</u>	<u>CY2002</u>	<u>Change</u>
Industry (000)	16,508	16,615	(1) %
Market Share	1.6 %	1.6 %	0 Pts
Retail Volume (000)	265	258	3 %

*Growing Sales with Mazda6 and RX-8*





# WESTERN EUROPE

	<u>CY2003</u>	<u>CY2002</u>	<u>Change</u>
Industry (000)	16,032	16,518	(3) %
Market Share	1.3 %	1.0 %	0.3 Pts
Retail Volume (000)	210	170	23 %
Memo: Total Europe	225	182	24 %

## *RX-8 and Mazda3 – Adding to a Great Line-up*



# KEY ASSUMPTIONS

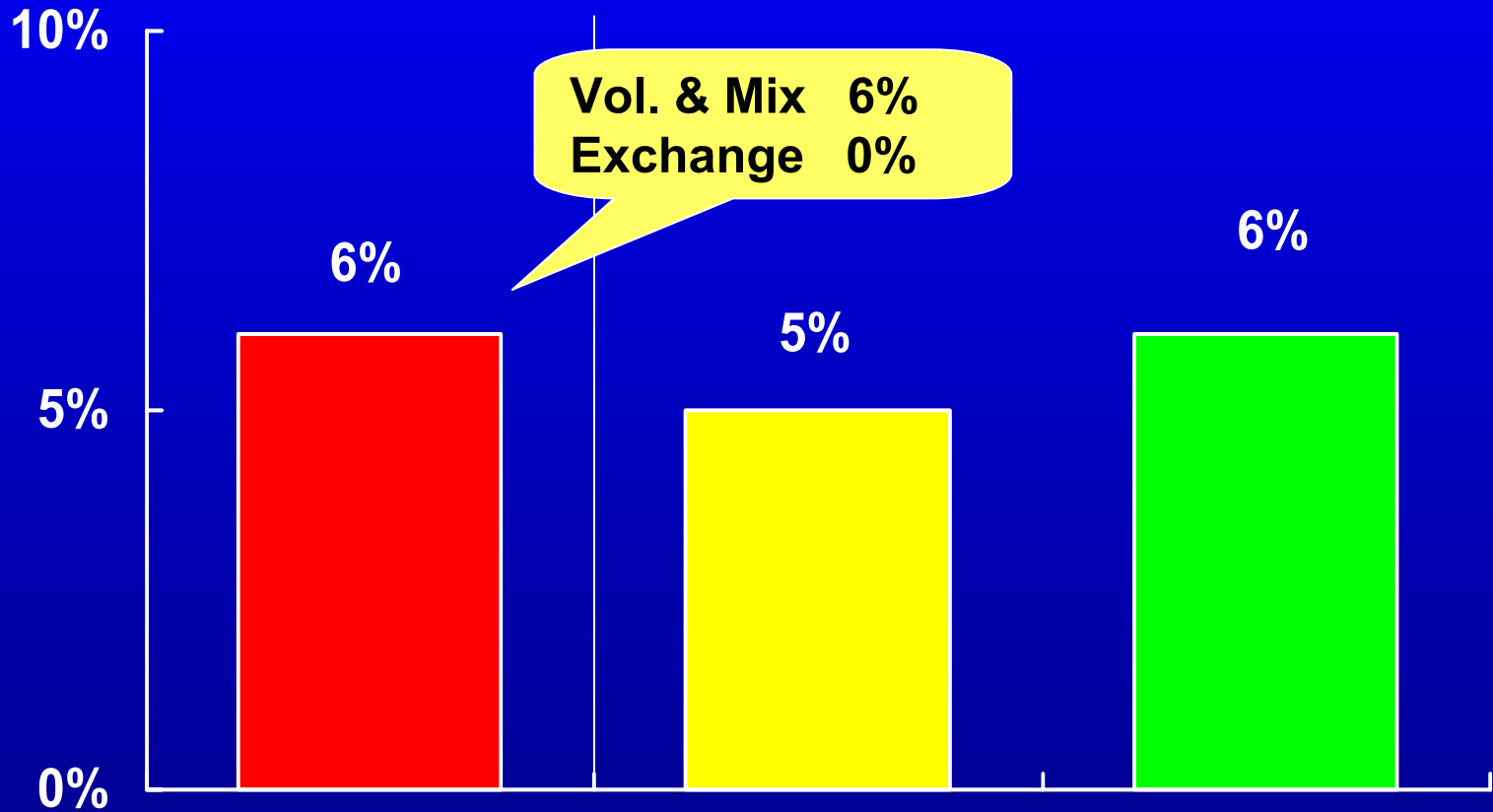
	<u>FY2003</u>	<u>FY2002</u>	<u>Change</u>
<b><u>WHOLESALES (000)</u></b>			
Consolidated	1,060	1,017	4 %

## **EXCHANGE RATES**

Yen / U.S. Dollar	114	124	¥ (10)
Yen / Euro	129	119	¥ 10

# REVENUE CHANGES BY DESTINATION

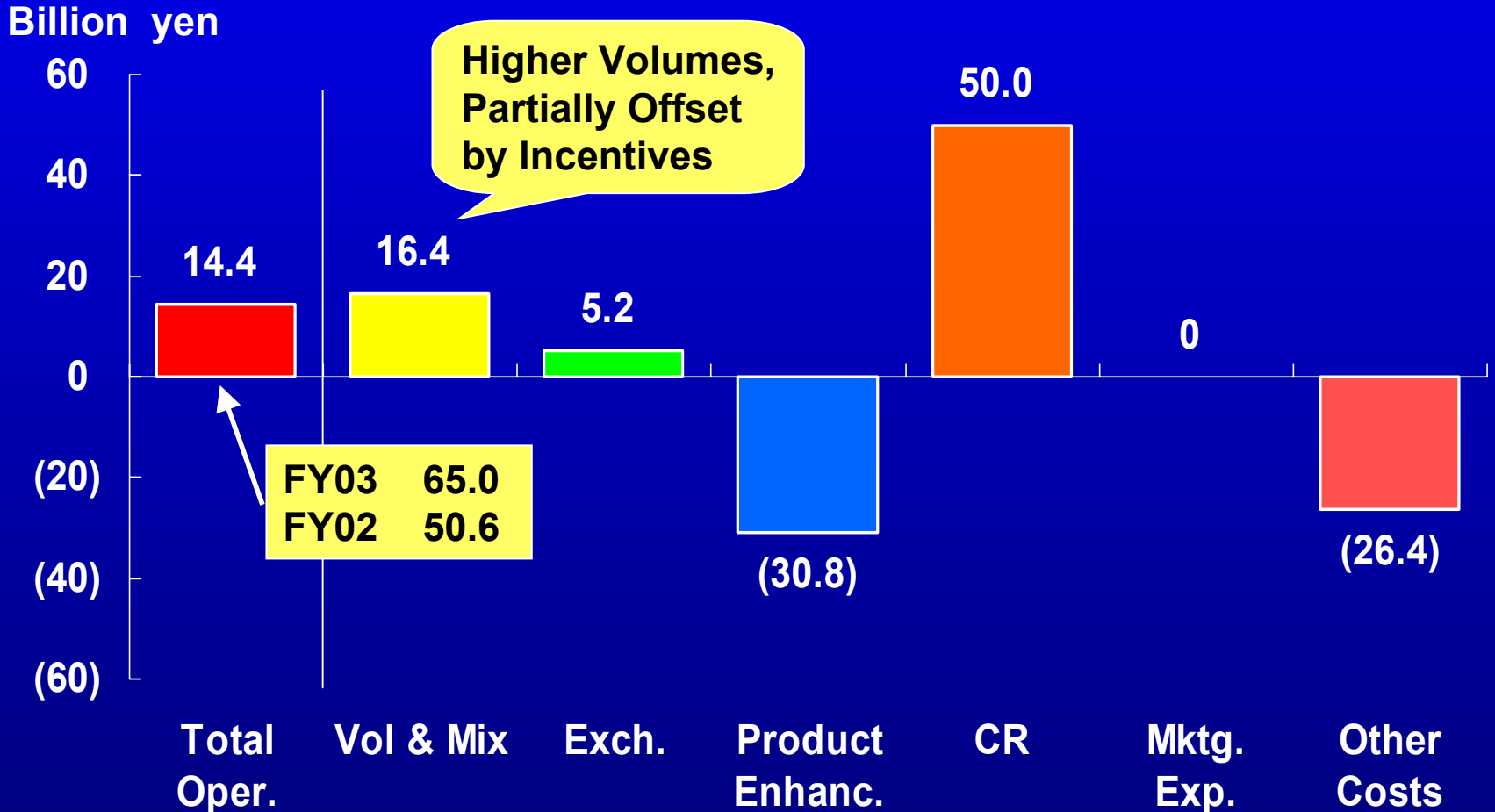
FY2003 Full Year Compared with FY2002 Full Year



(Billion yen)	Total	Domestic	Overseas
FY03	2,500.0	860.0	1,640.0
FY02	2,364.5	818.3	1,546.2

# OPERATING PROFIT CHANGES

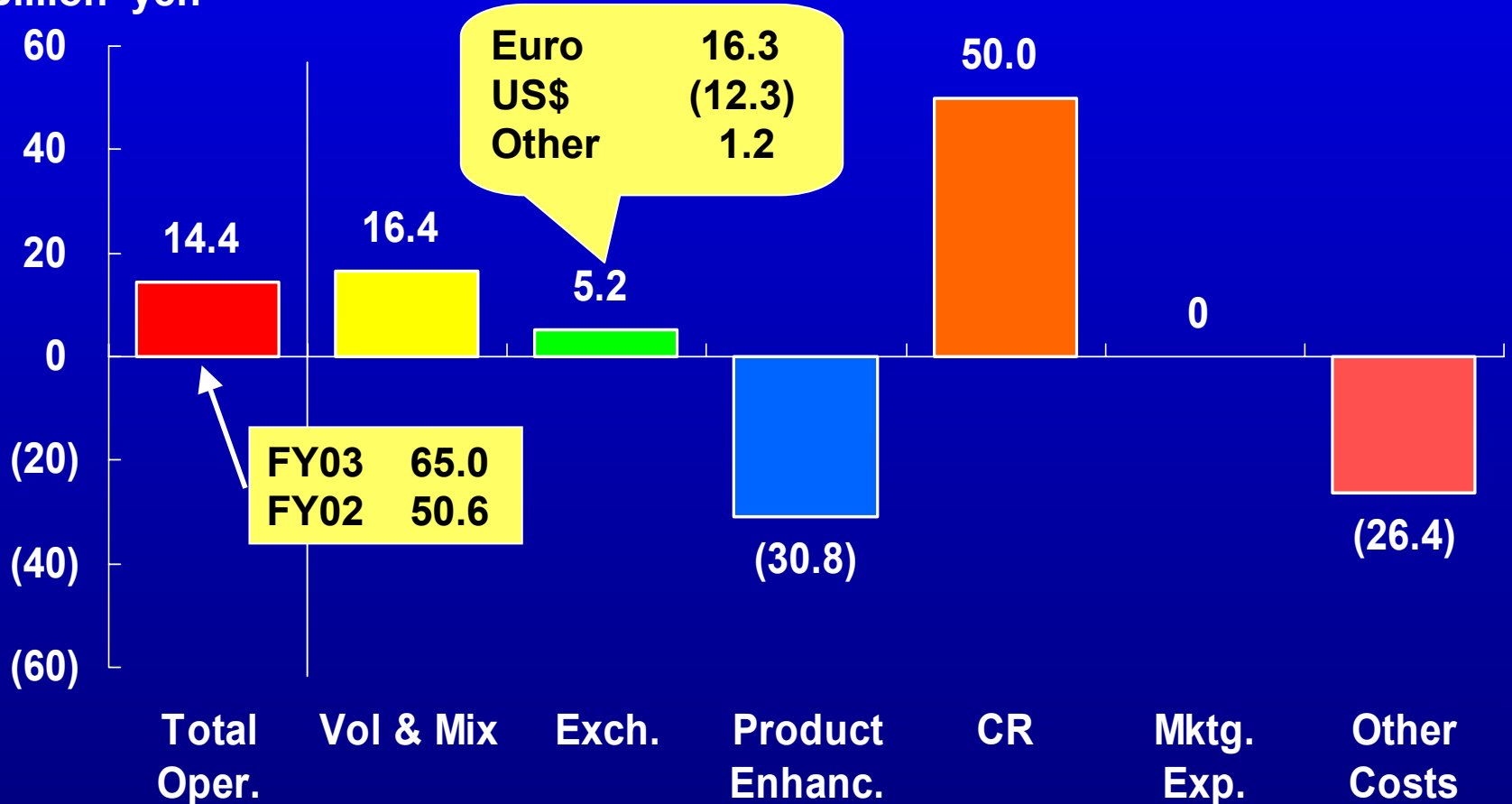
FY2003 Full Year Compared with FY2002 Full Year



# OPERATING PROFIT CHANGES

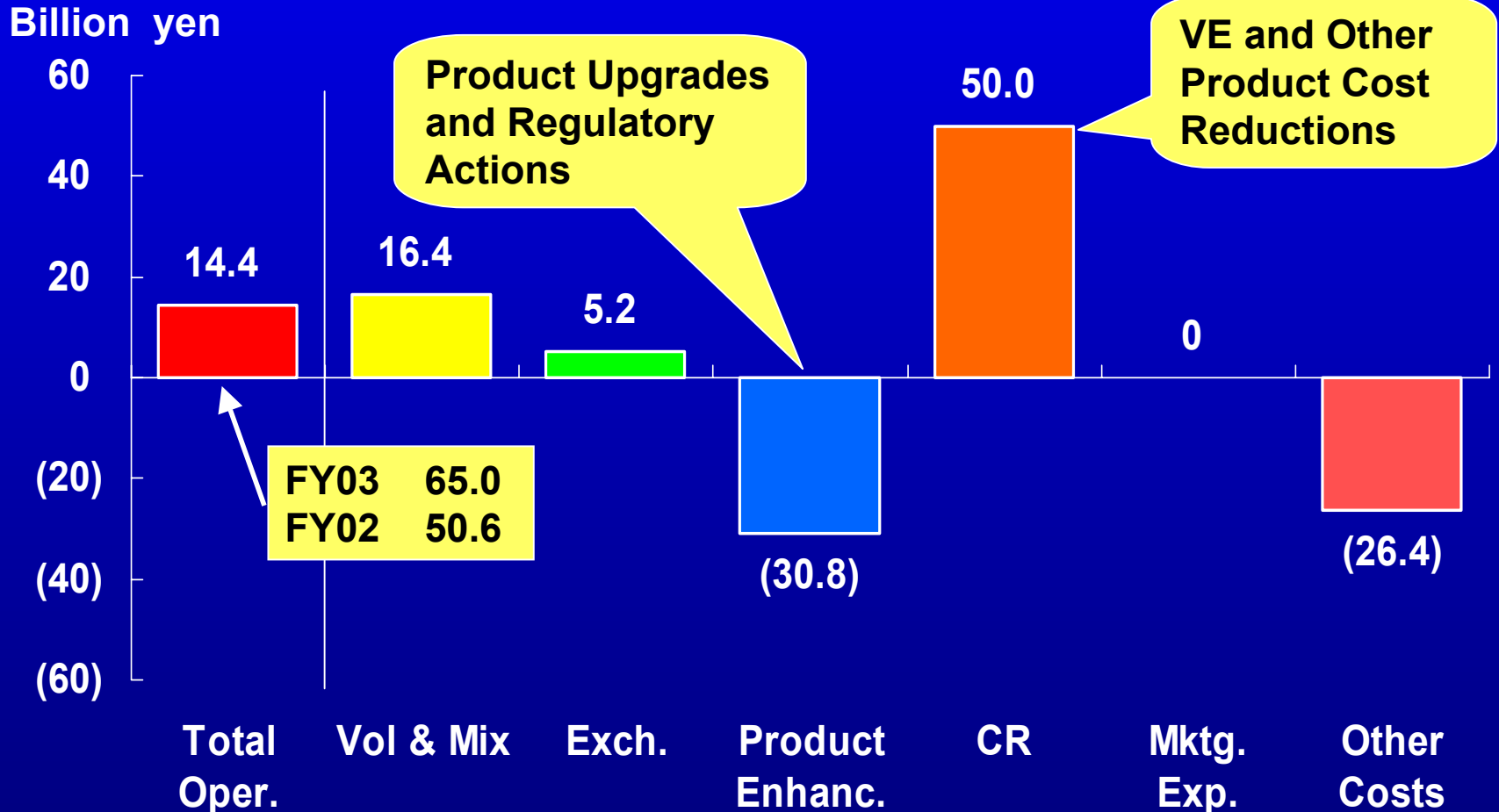
FY2003 Full Year Compared with FY2002 Full Year

Billion yen



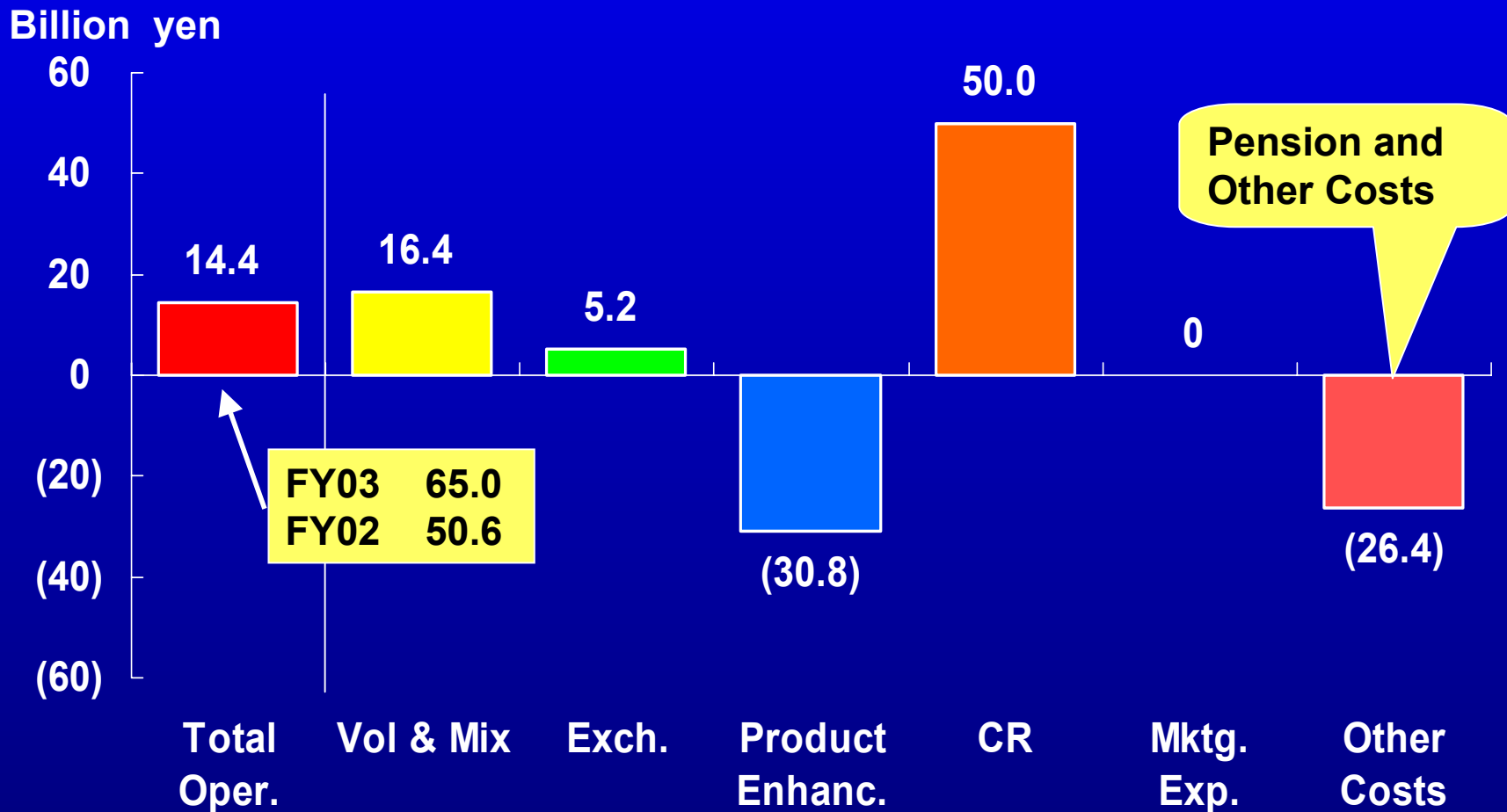
# OPERATING PROFIT CHANGES

FY2003 Full Year Compared with FY2002 Full Year



# OPERATING PROFIT CHANGES

FY2003 Full Year Compared with FY2002 Full Year



# ***WRAP-UP***



# FULL YEAR SUMMARY

- ◆ Launches of Mazda2, RX-8 and Mazda3/Axela
- ◆ Further Revenue and Volume Growth
- ◆ Operating Profit at 10-Year High
- ◆ Positive Cash Flow

# KEY PRIORITIES

- ◆ **United States**
- ◆ **China**
- ◆ **Cost Reduction**
- ◆ **Product Development**



**mazda**

# ATTACHMENTS

# GEOGRAPHIC OPERATING PROFIT

(Billion yen)	1st Half		Change
	FY2003	FY2002	
Japan	34.5	16.3	18.2
North America	(8.5)	(7.2)	(1.3)
Europe	5.3	2.8	2.5
Rest of World	2.6	1.8	0.8
<b>Total *</b>	<b>28.4</b>	<b>14.6</b>	<b>13.8</b>

\* Includes Intersegment Adjustments

# NON-OPERATING & EXTRAORDINARY INCOME

	<u>First Half</u>		<u>Full Year</u>	
(Billion yen)	<u>FY2003</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2002</u>
<b>Non-Operating Income/(Loss)</b>	<b>(9.4)</b>	<b>(5.5)</b>	<b>(8.0)</b>	<b>(9.9)</b>
<b>Extraordinary Income/(Loss)</b>	<b>(3.6)</b>	<b>(2.0)</b>	<b>(8.0)</b>	<b>(12.6)</b>

# UNCONS. FINANCIAL METRICS

(Billion yen)	First Half		Full Year	
	FY2003	FY2002	FY2003	FY2002
Revenue	796.2	736.8	1,660.0	1,537.6
Operating Profit	23.4	8.5	14.0	29.0
Ordinary Profit	16.8	7.4	14.0	24.5
PBT	12.5	4.8	5.0	(43.3)
Net Income	9.0	3.9	4.0	(50.2)
Memo:				
Wholesales (000)	422	439	897	872



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