



FISCAL YEAR ENDING MARCH 2011 FIRST HALF FINANCIAL RESULTS



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**Mazda Motor Corporation
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PRESENTATION OUTLINE

- **Highlights**
- **Fiscal Year Ending March 2011
First Half Results**
- **Fiscal Year Ending March 2011
Full Year Forecast**
- **In Summary**





HIGHLIGHTS

FY ENDING MARCH 2011 FIRST HALF HIGHLIGHTS

- Revenue was ¥1,157.7 billion, up 17% year-over-year, and operating profit was ¥12.2 billion. Net income was also positive at ¥5.5 billion
- Exceeded the April forecast for revenue and all profit categories
- Free cash flow was positive at ¥23.8 billion
- Global sales volume was 659,000 units, up 82,000 units or 14% year-over-year, exceeding the April forecast
- Strong sales of the main models including Mazda2/Demio, Mazda3, Mazda6 and CX-7 led the sales growth and contributed to share improvement in major countries including Japan, the United States, China and Australia
- Strong start for the New Premacy launched in Japan in July
- AAT-produced Mazda2 has been well received and is contributing to further sales growth in ASEAN countries, etc.
- Transferred the production of Mazda3 to the Nanjing plant in China, building a structure to support strong sales
- Ongoing improvements and further enhancement to brand value in our major markets

FY ENDING MARCH 2011 FULL YEAR FORECAST HIGHLIGHTS

- Revenue of ¥2,300 billion, up 6% year-over-year, an operating profit of ¥25 billion and a net income of ¥6 billion are projected
- Gains in volume and mix and cost improvements in all areas are implemented to minimize the deterioration of over ¥40 billion resulting from the yen's appreciation against the major currencies
- Project to achieve positive free cash flow as planned
- Global sales volume is forecast to total 1.32 million units, up 127,000 units or 11% year-over year. This is an upward revision of 50,000 units from the April forecast
- Launch the New Mazda5 globally in the second half following on from Japan, to contribute to further sales growth
- Transfer the Mazda2 production for Australia from AAT to Japan, to deal with further sales increase in ASEAN countries, etc.
- Announced our next-generation technologies, SKYACTIV
- Despite the tough external environment, implement actions for the future, reinforce initiatives for the turnaround and go on the offensive



FISCAL YEAR ENDING MARCH 2011 FIRST HALF RESULTS

FY ENDING MARCH 2011 FINANCIAL METRICS

(Billion yen)	First Half Total		Change	
	FY Ending March 2011	FY Ending March 2010	from Prior Year	from April Forecast
Revenue	1,157.7	990.3	167.4	27.7
Operating profit	12.2	(22.1)	34.3	2.2
Ordinary profit	20.8	(29.6)	50.4	12.8
Profit before tax	16.9	(31.6)	48.5	13.9
Net income	5.5	(20.8)	26.3	4.5
Operating ROS	1.1	(2.2) %	3.3	0.2 Pts
EPS (Yen/Share)	3.1	(15.9)	19.0	2.6

CASH FLOW AND NET DEBT

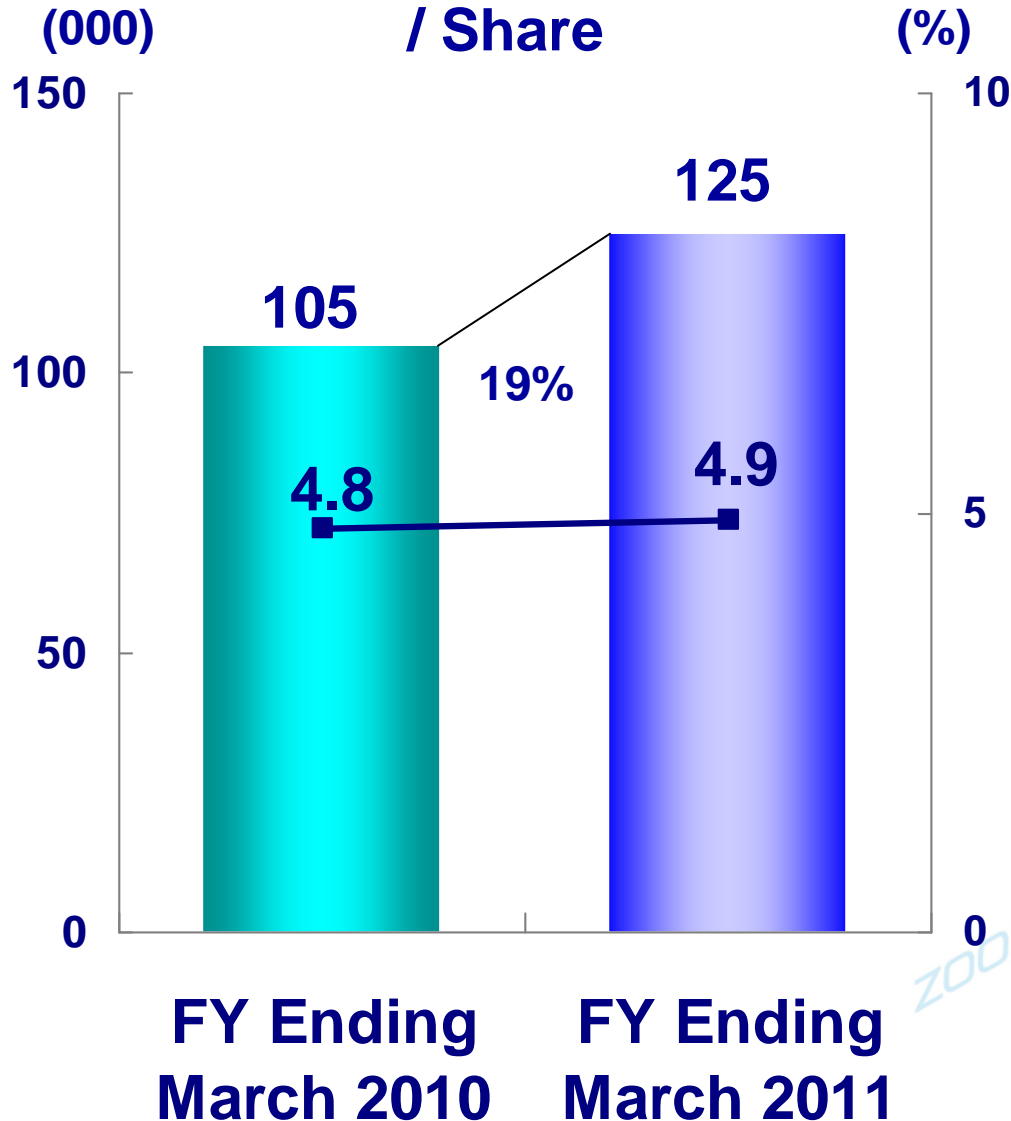
(Billion yen)	<u>First Half Total</u>		<u>FY Ending</u>	<u>Improvement / (Deterioration)</u>	
	<u>FY Ending</u>	<u>FY Ending</u>	<u>March 2010</u>	<u>from</u>	<u>from Prior</u>
	<u>March 2011</u>	<u>March 2010</u>	<u>Full Year</u>	<u>Prior Year</u>	<u>FY End</u>
Free Cash Flow	23.8	10.2	67.4	-	-
Net Debt	(359.1)	(521.6)	(375.8)	162.5	16.7
Net Debt-to-equity Ratio	72 %	129 %	74 %	57 Pts	2 Pts

KEY DATA

	First Half Total		Change	
	FY Ending March 2011	FY Ending March 2010	from Prior Year	from April Forecast volumes
Global sales volume (000)				
Japan	125	105	19 %	(1)
North America	177	158	12	(4)
USA	119	106	12	(5)
Europe	108	123	(13)	(10)
China	112	85	31	4
Other Markets	137	106	31	12
Total	659	577	14 %	1
Exchange rate				
US\$ / Yen	89	96	(7)	(1)
€/ Yen	114	133	(19)	(11)

JAPAN

First Half Sales Volume / Share

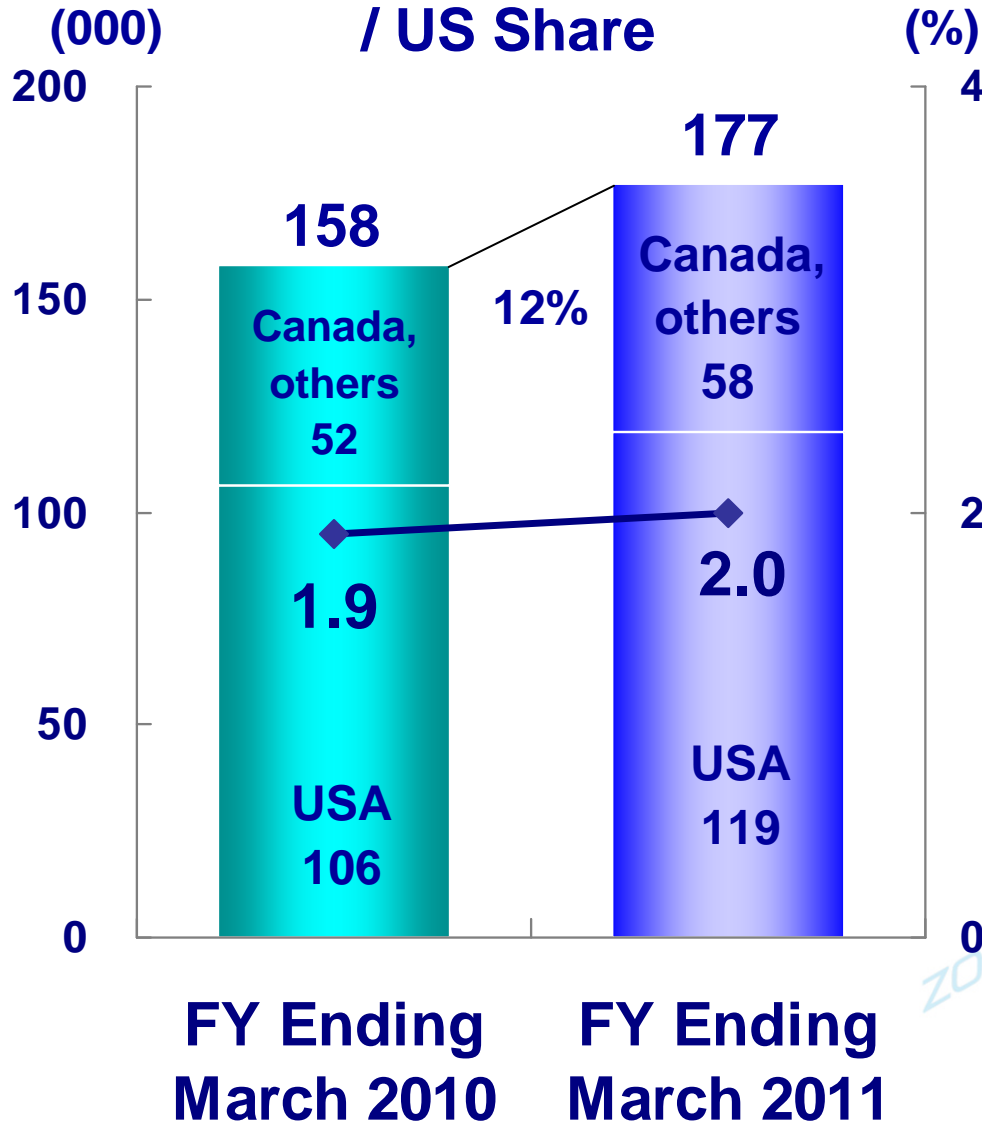


New Premacy

- ➔ Achieved 125,000 units sales, up 19% from the prior year due to government subsidy effect as well as strong sales of Demio and New Premacy
- ➔ The New Premacy is off to a good start with order take in the first month after launch achieving four times more units than planned
- ➔ Share rose 0.1 point to 4.9%

NORTH AMERICA

First Half Sales Volume / US Share

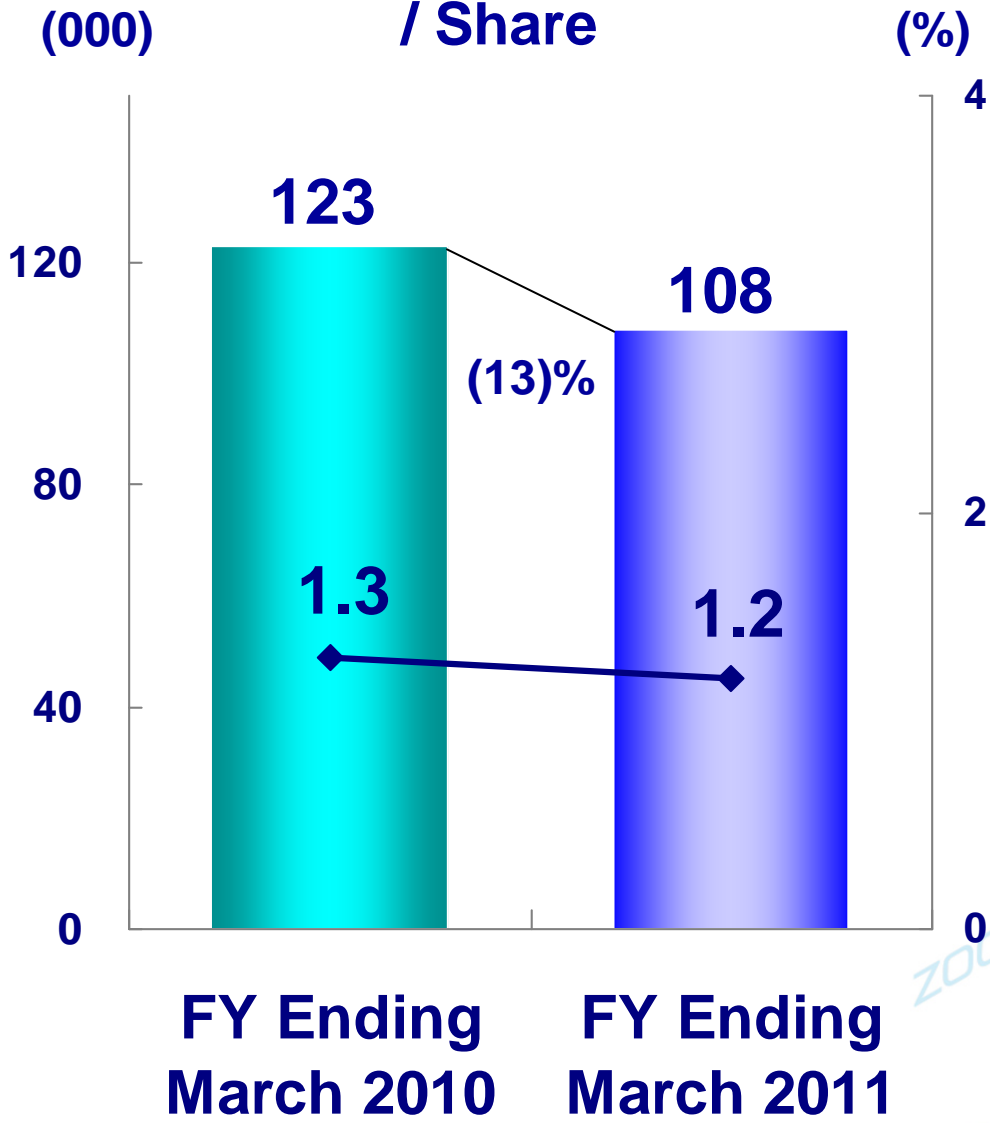


Mazda2

- Sales increased by 12% from the prior year to 177,000 units thanks to brisk sales of Mazda3, CX-7 and CX-9
- Continued policy of brand value enhancement and held down fleet mix and incentives. Residual values of Mazda3, Mazda6 and CX-9 in the US are in the segment top level
- Launched Mazda2 in the US and Canada in August
- Share in the US grew 0.1 point from the prior year to 2.0%, the highest share for the first half. Achieved record high sales volume and share in Mexico

EUROPE

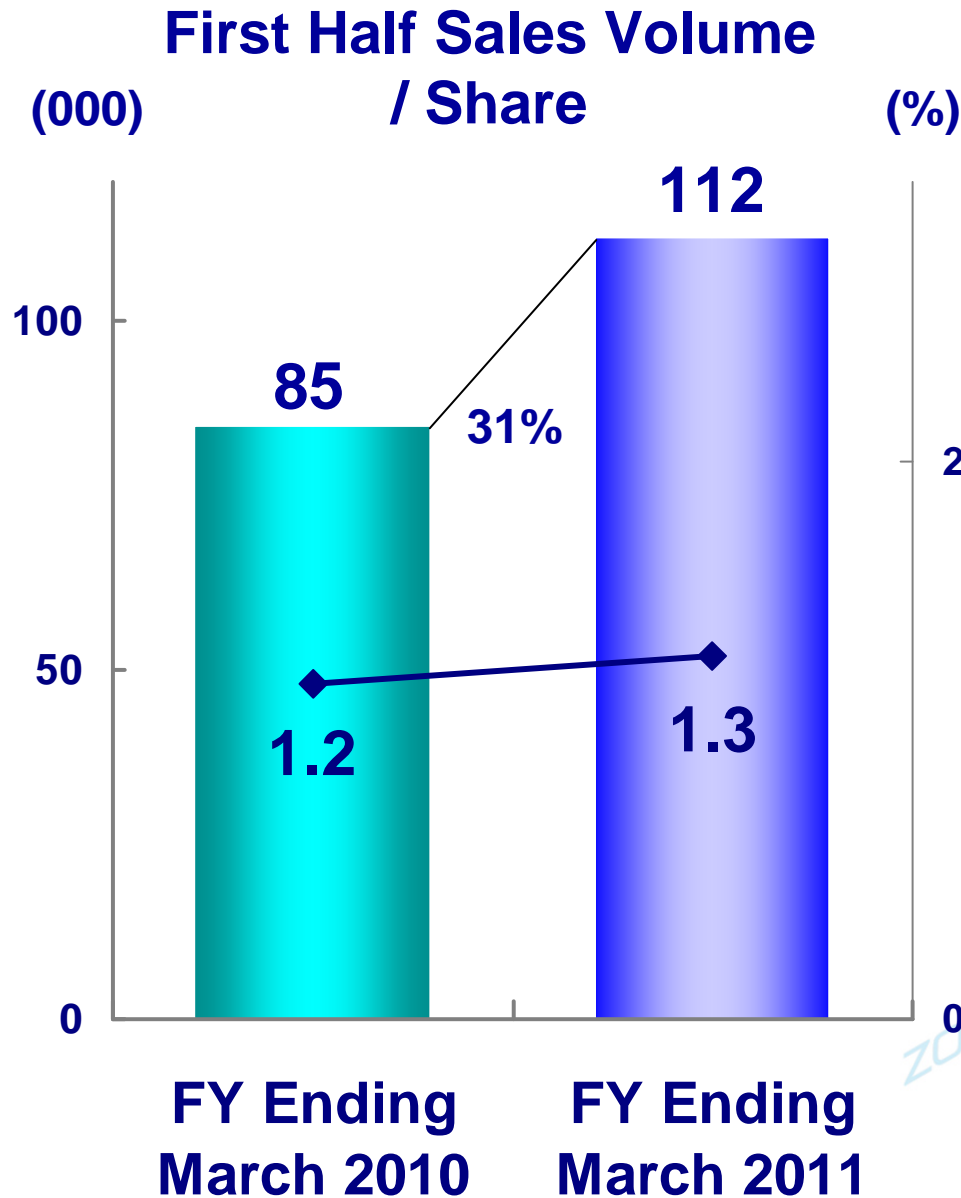
First Half Sales Volume / Share



Mazda CX-7

- Due to total industry decline, sales decreased 13% from the prior year to 108,000 units
- Continued to improve brand value by holding down incentives and keeping focus on retail sales (decreasing fleet mix)
- Increased year-over-year sales in Russia in the second quarter due to demand recovery in addition to strengthened product lineup

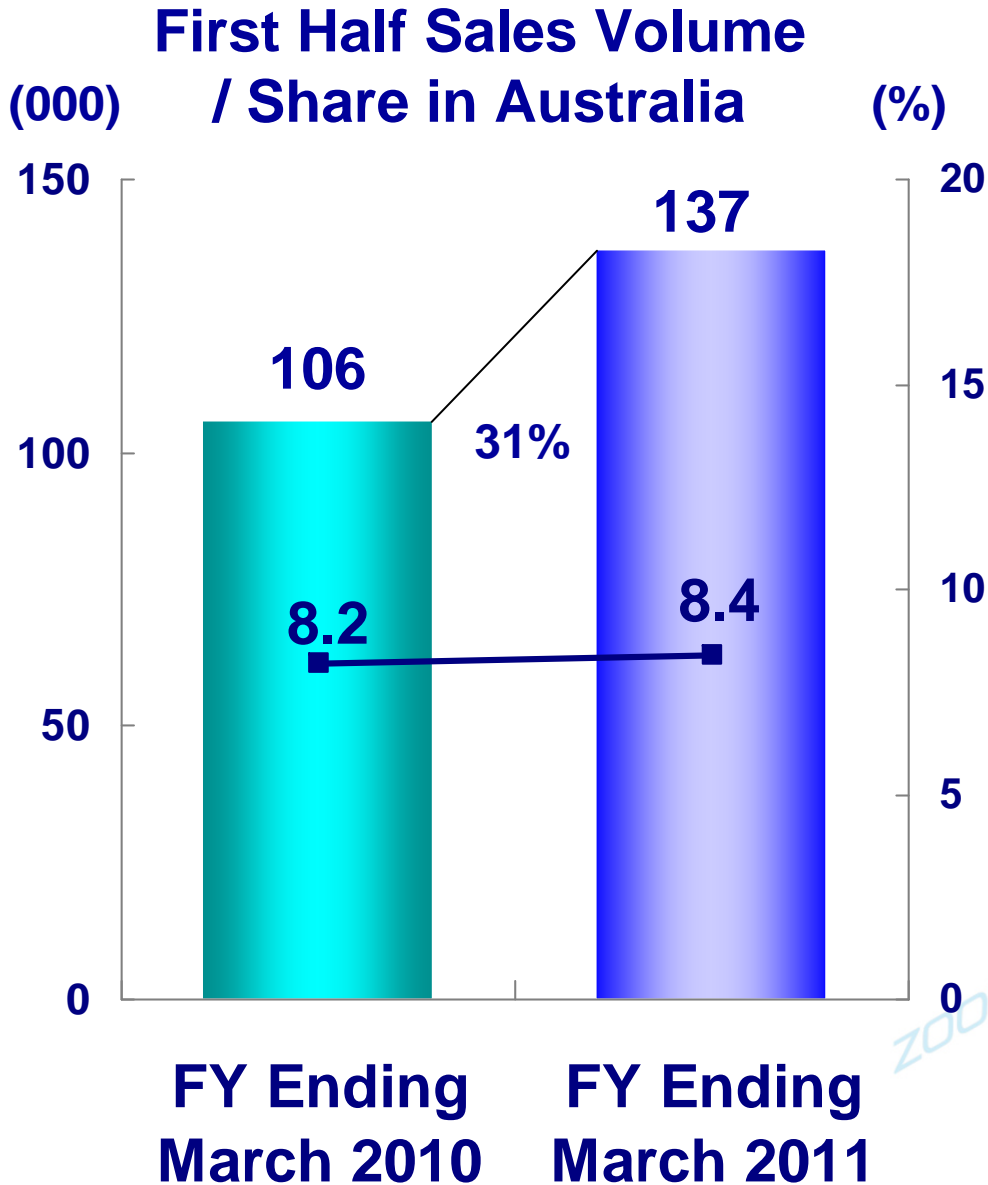
CHINA



Mazda3

- Achieved the highest first half sales of 112,000 units, 31% up from the prior year thanks to strong sales of Mazda6 and other main models
- Transferred the production of Mazda3 from Chongqing to Nanjing to meet higher demand
- Sales network enhancement continues on track to expand the number of outlets to 300 by end 2010
- Share increased 0.1 point from the prior year to 1.3%

OTHER MARKETS



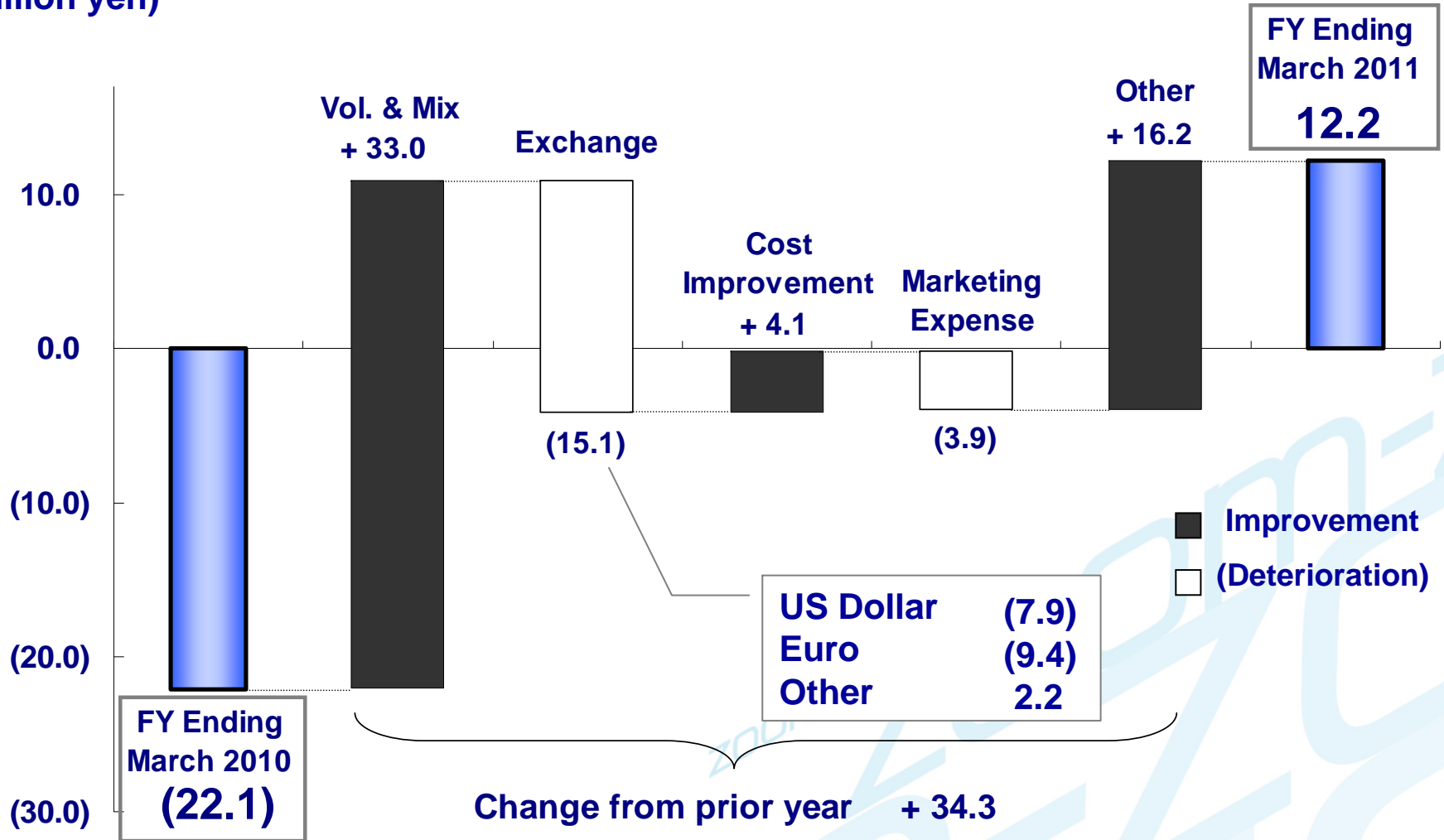
AAT-produced Mazda2 sedan

- Sales volume increased 31% to 137,000 units
- Achieved record high sales volume and share in Australia
- Successful introduction of AAT-produced Mazda2 substantially contributed to strong sales performance in ASEAN countries, etc.
- Share in Thailand, New Zealand, Indonesia and Malaysia achieved the highest level for the first half

OPERATING PROFIT CHANGE

FY Ending March 2011 1st Half Compared with
FY Ending March 2010 1st Half

(Billion yen)





FISCAL YEAR ENDING MARCH 2011 FULL YEAR FORECAST

FY ENDING MARCH 2011 FINANCIAL METRICS

(Billion yen)	Full Year		Change	
	<u>FY Ending March 2011</u>	<u>FY Ending March 2010</u>	<u>from Prior Year</u>	<u>from April Forecast</u>
Revenue	2,300.0	2,163.9	136.1	30.0
Operating profit	25.0	9.5	15.5	(5.0)
Ordinary profit	36.0	4.6	31.4	7.0
Profit before tax	27.0	(7.3)	34.3	6.0
Net income	6.0	(6.5)	12.5	1.0
Operating ROS	1.1	0.4 %	0.7	(0.2) pts
EPS (Yen/Share)	3.4	(4.3)	7.7	0.6

KEY DATA

	Full Year		Change	
	FY Ending March 2011	FY Ending March 2010	from Prior Year	from April Forecast volumes
Global sales volume (000)				
Japan	215	221	(3) %	5
North America	358	307	17	0
USA	246	210	17	(4)
Europe	218	239	(9)	(8)
China	252	196	29	22
Other Markets	277	230	20	31
Total	1,320	1,193	11 %	50
Exchange rate				
US\$ / Yen	85	93	(8)	(5)
€/ Yen	114	131	(17)	(11)

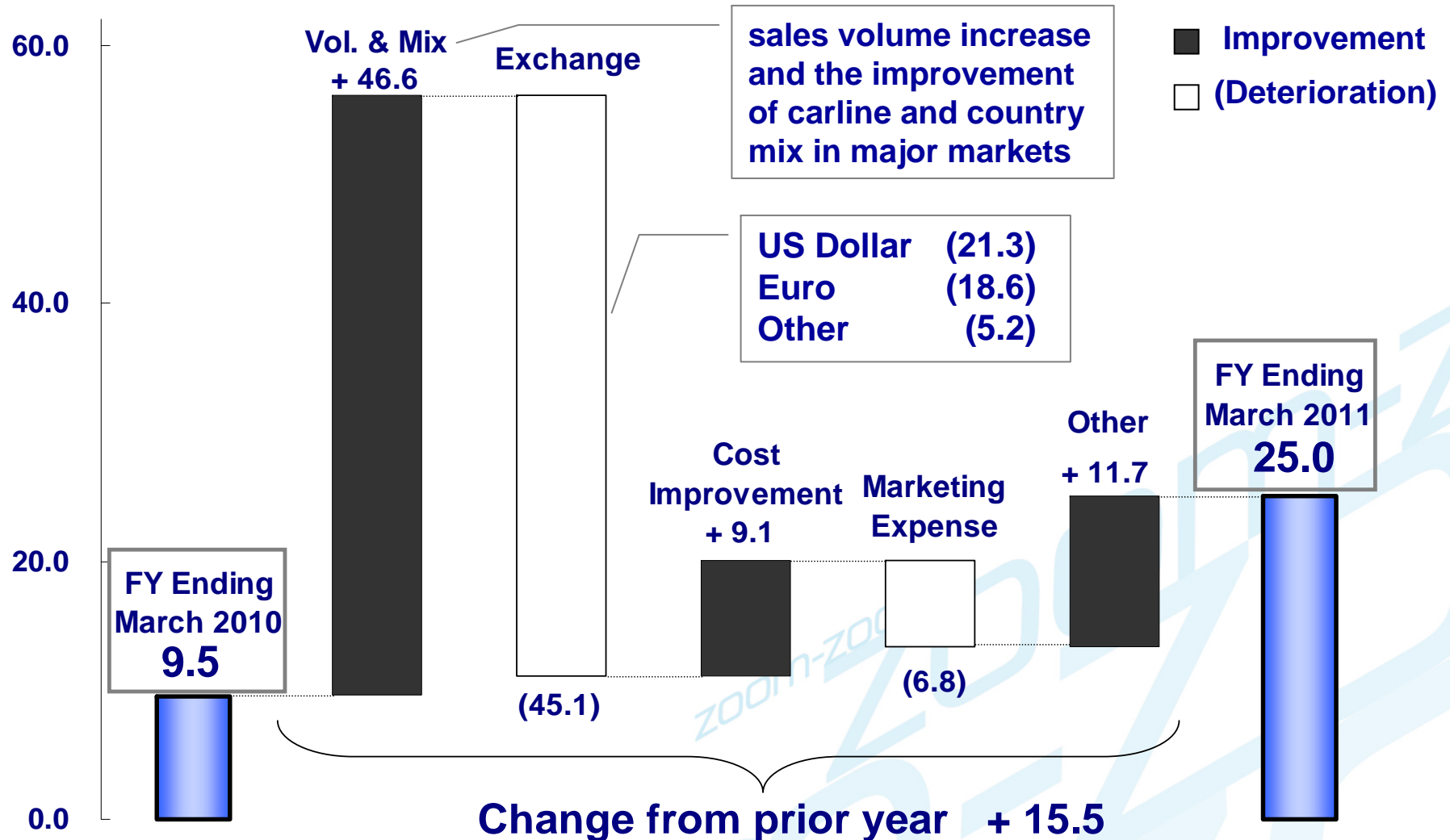
MARKET SUMMARY

- **Mazda has designated the fiscal year ending March 2011 as the year of “resuming the offensive”, with enhanced sales actions for individual markets**
- **Continue our policy of enhancing brand value, and start “Tsunagari innovation” on a global basis**
- **Actions by market:**
 - **Japan: Implement marketing actions to support sales after the end of subsidies**
 - **North America: With Mazda2 and the launch of New Mazda5 expand the range of customers. Expand sales by leveraging residual value improvements**
 - **Europe: Deploy resources in prioritized countries, and expand sales in Russia, where demand is starting to recover, in addition to the introduction of New Mazda5**
 - **China: Increase sales by expanding the sales network, strongly selling current models and introducing new models**
 - **Other Markets: Further strengthen sales of Mazda2 in Australia and ASEAN markets, etc.**

OPERATING PROFIT CHANGE

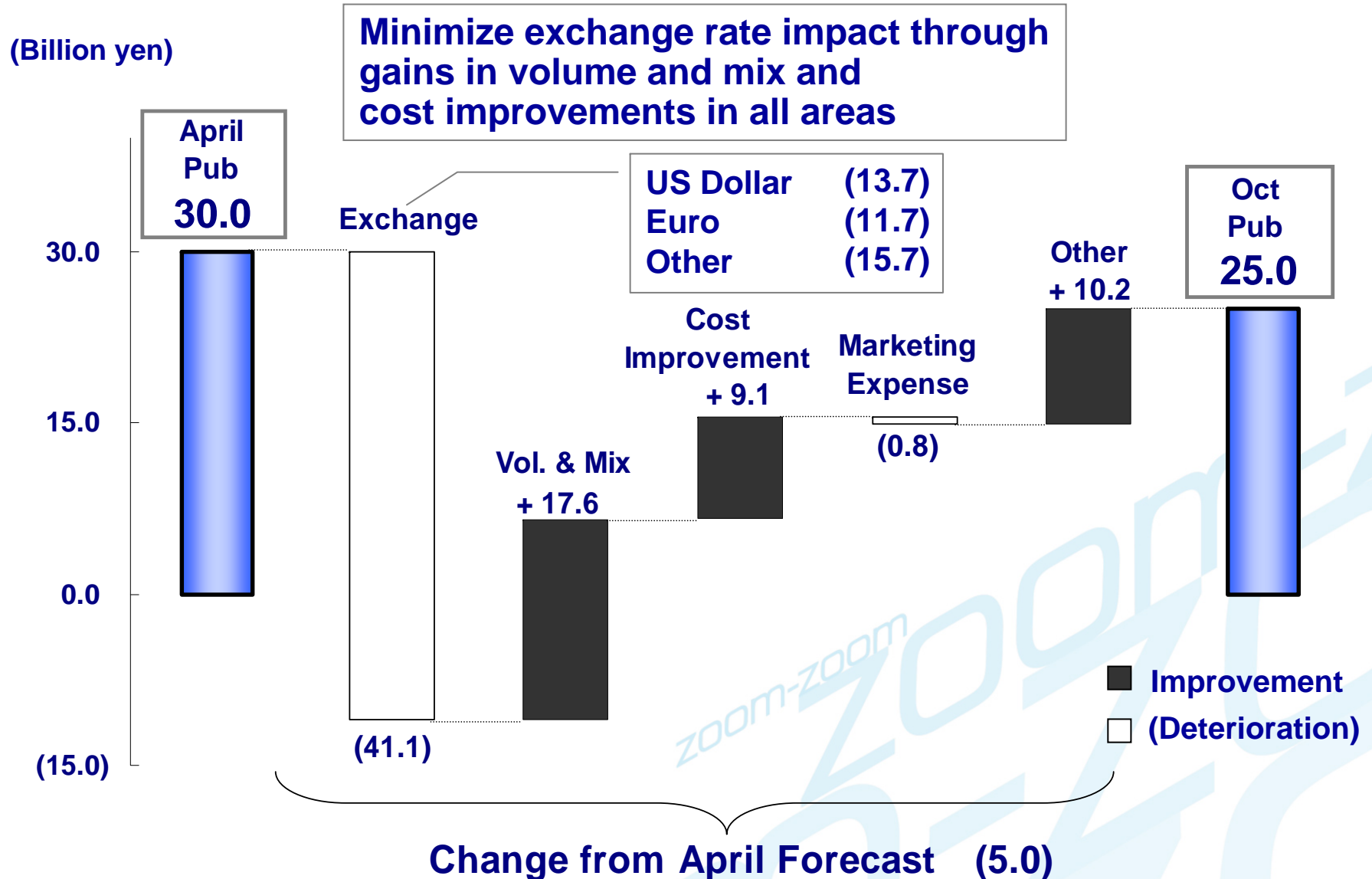
FY Ending March 2011 Full Year Compared with FY Ending March 2010 Full Year

(Billion yen)



OPERATING PROFIT CHANGE

FY Ending March 2011 Full Year Compared with April Forecast



IN SUMMARY

- In the first half, exceeded the April forecast for revenue and all profit categories
- Sales were led by strong performance by main models including Mazda2/Demio, Mazda3, Mazda6 and CX-7, contributing to share improvements in major markets
- For the full year, gains in volume and mix and cost improvements in all areas will help to minimize the over ¥40 billion deterioration from the appreciation of the yen against all currencies.
Operating profit is forecast at ¥25 billion
- Global sales volume is forecast at 1.32 million units, up 11% year-over-year. This is an upward revision of 50,000 units compared with the April forecast
- Continue brand value enhancement initiatives
- Completed transfer of Mazda3 production in China.
Studying further expansion of supply capacity to deal with increasing demand
- Initiatives in emerging countries are also on track, including the successful launch of the AAT-produced Mazda2
- Announced our next-generation technologies, SKYACTIV
- Demio with “SKYACTIV-G”, to be introduced in the first half of next year, will achieve fuel economy of 30km/L (10/15 mode)

IN SUMMARY

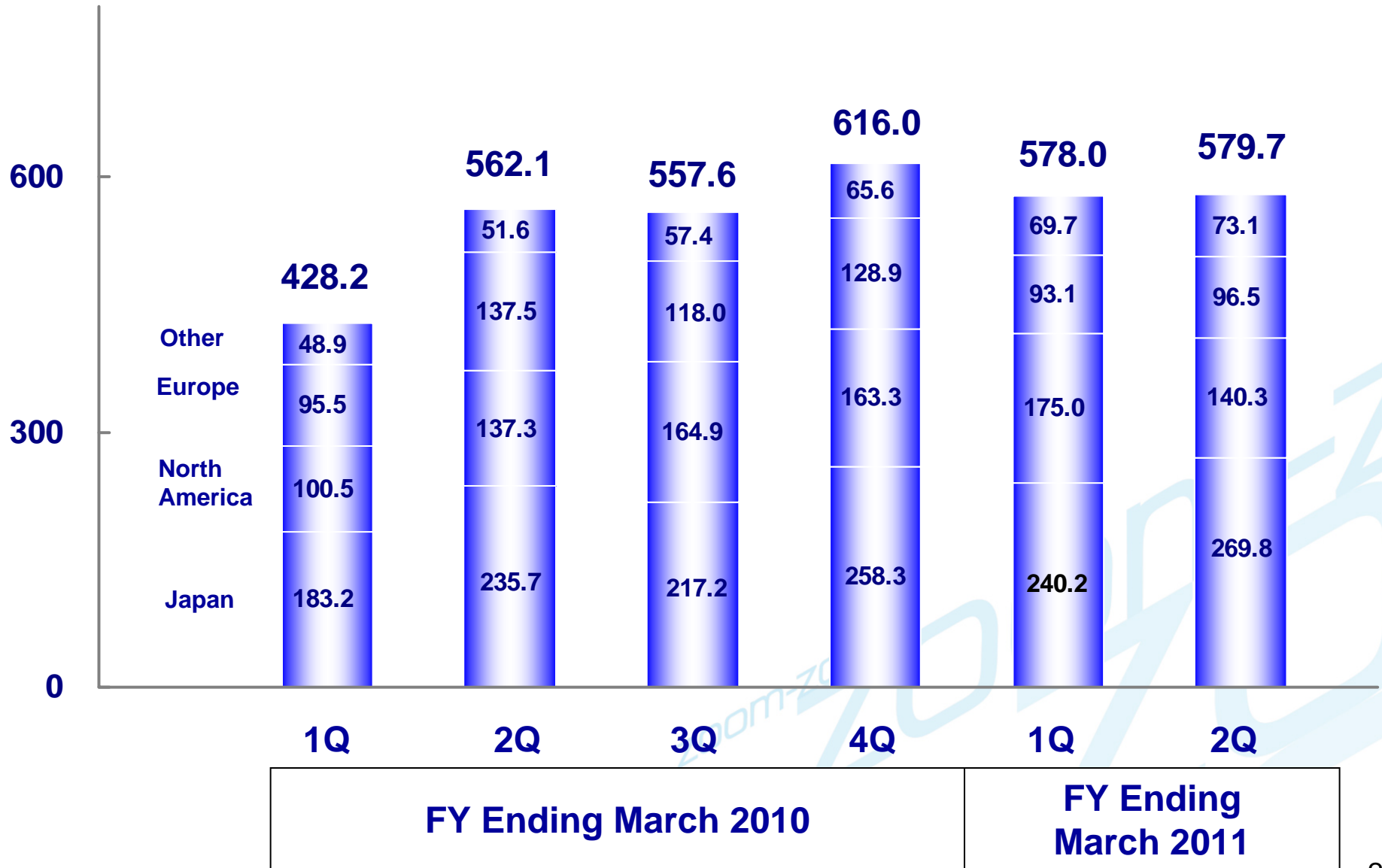
- **In this fiscal year, gains in volume and mix and cost improvements in all areas are implemented to minimize the over ¥40 billion deterioration from the appreciation of the yen against all currencies.**
- **Steady progress of the Framework for Medium- and Long-Term Initiatives**
 - **Implement “Tsunagari Innovation”, sales action focused on enhancing brand loyalty, on a global basis**
 - **Improve cost structure through Monotsukuri Innovation based on Integrated Planning and Flexible Production Concept**
 - **Successive launches of next-generation products powered by “SKYACTIV-G”, that achieves the world's highest compression ratio, and other next-generation technologies**
 - **Initiatives in emerging countries are on track, such as maximum utilization of AAT and expansion of sales network in ASEAN markets, etc., and expansion and enhancement of production and sales network in China**
- **Despite the tough external environment, implement actions for the future, reinforce initiatives for the turnaround and go on the offensive**



APPENDIX

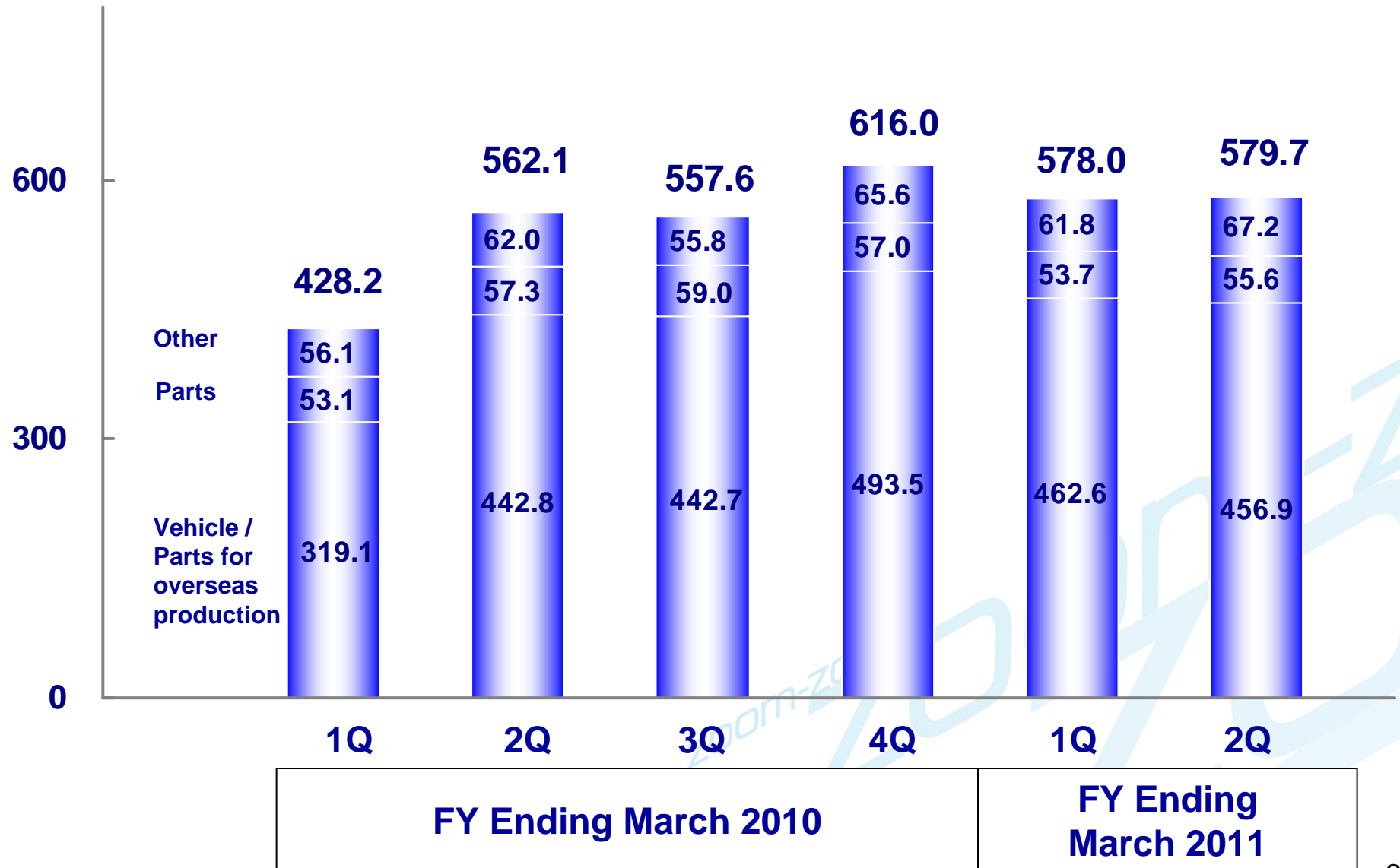
REVENUE BY GEOGRAPHIC AREA

(Billion yen)



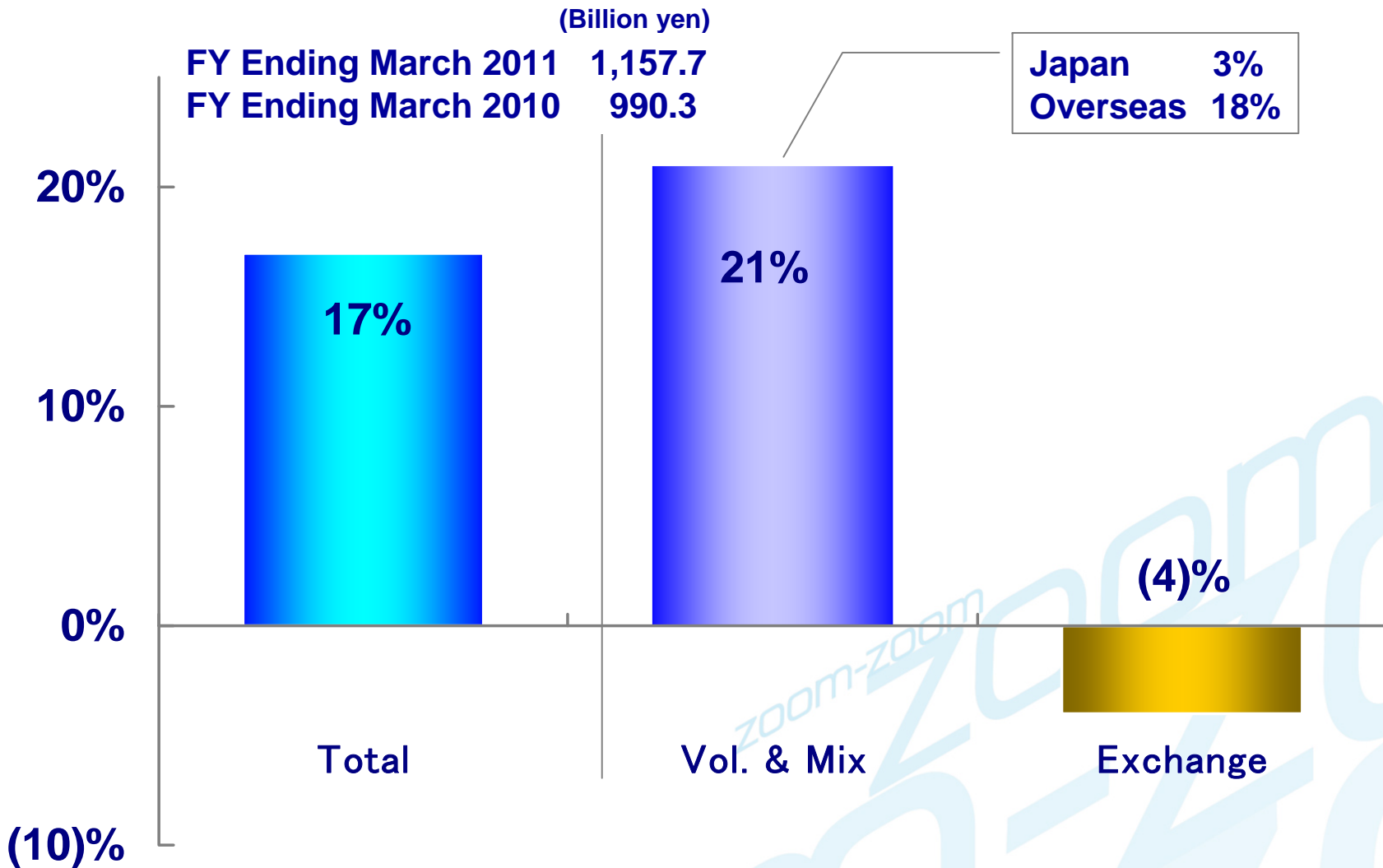
REVENUE BY PRODUCT

(Billion yen)



REVENUE CHANGE

FY Ending March 2011 1st Half Compared with FY Ending March 2010 1st Half

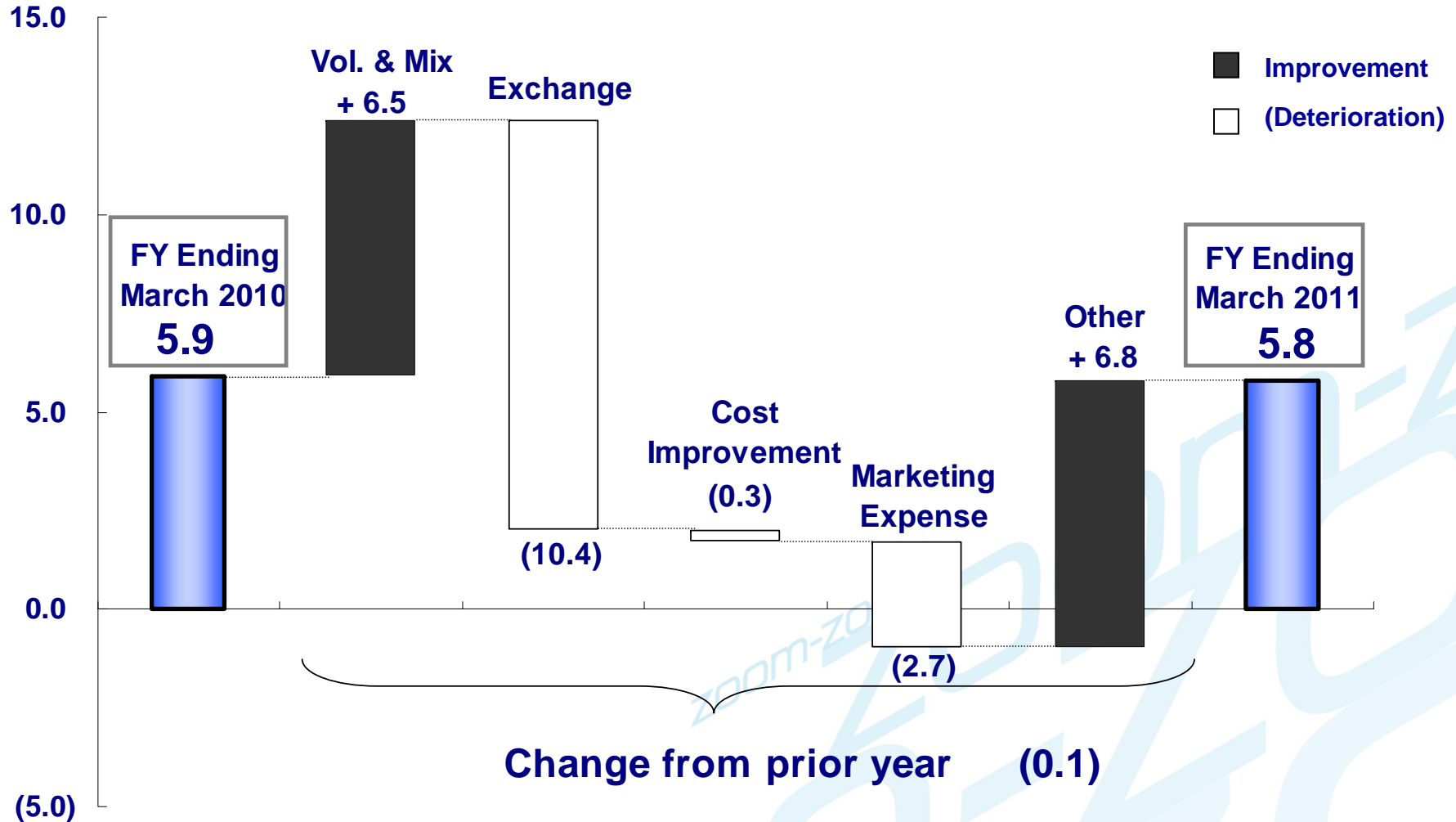


OPERATING PROFIT CHANGE

FY Ending March 2011 2nd Quarter Compared with

(Billion yen)

FY Ending March 2010 2nd Quarter



KEY DATA

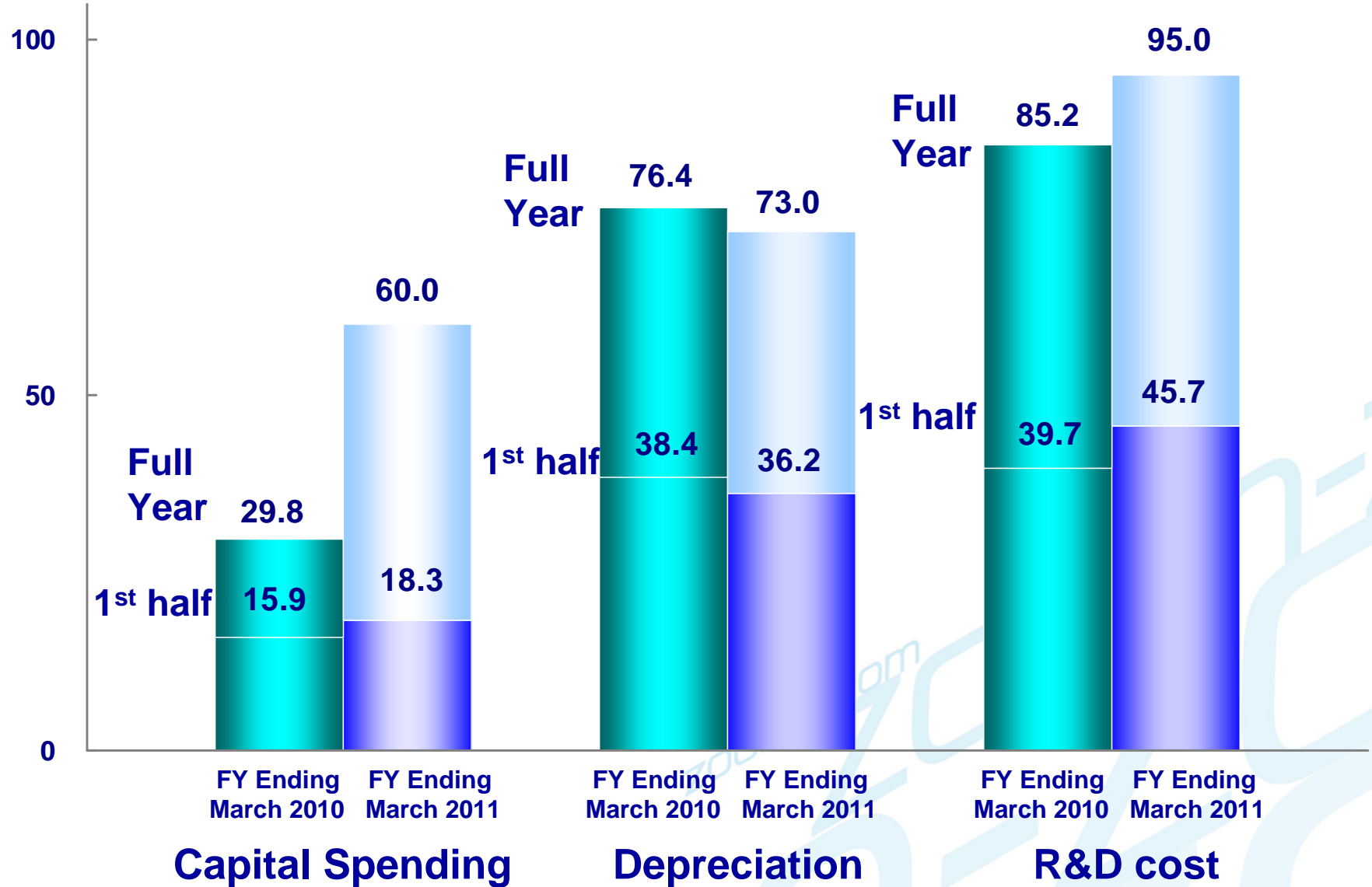
	Second Quarter		Change	
	FY Ending March 2011	FY Ending March 2010	Amount	YOY (%)
Global sales volume (000)				
Japan	73	64	9	14 %
North America	87	84	3	4
Europe	54	64	(10)	(17)
China	59	44	15	34
Other Markets	69	58	11	22
Total	342	314	28	9 %
Consolidated wholesales (000)				
Japan	71	63	8	15 %
North America	87	73	14	19
Europe	46	66	(20)	(30)
China	6	3	3	126
Other Markets	72	45	27	56
Total	282	250	32	13 %
Exchange rate				
US\$ / Yen	86	94	(8)	
€/ Yen	111	134	(23)	

KEY DATA

	FY Ending March 2011			Change			from April
				from Prior Year			Forecast
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year	Full year
Global sales volume (000)							
Japan	125	90	215	20	(26)	(6)	5
North America	177	181	358	19	32	51	0
Europe	108	110	218	(15)	(6)	(21)	(8)
China	112	140	252	27	29	56	22
Other Markets	137	140	277	31	16	47	31
Total	659	661	1,320	82	45	127	50
Consolidated wholesales (000)							
Japan	125	91	216	20	(23)	(3)	5
North America	181	202	383	55	24	79	19
Europe	90	112	202	(19)	(6)	(25)	(18)
China	12	10	22	7	0	7	2
Other Markets	142	137	279	56	25	81	39
Total	550	552	1,102	119	20	139	47
Exchange rate							
US\$ / Yen	89	82	85	(7)	(8)	(8)	(5)
€/ Yen	114	115	114	(19)	(14)	(17)	(11)

KEY DATA

(Billion yen)



DISCLAIMER

The projections and future strategies shown in this presentation are based on various uncertainties including without limitation the conditions of the world economy in the future, the trend of the automotive industry and the risk of exchange-rate fluctuations.

So, please be aware that Mazda's actual performance may differ substantially from the projections.

If you are interested in investing in Mazda, you are requested to make a final investment decision at your own risk, taking the foregoing into consideration.

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