

MAZDA MOTOR CORPORATION

FY2005 FIRST HALF RESULTS FULL YEAR PROJECTIONS

November 2, 2005

1 *FY2005 First Half Results & Full Year Projections*



PRESENTATION OUTLINE

- **Overview**
- **FY2005 First Half Results**
- **FY2005 Full Year Projections**
- **European Operations**
- **Close**

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OVERVIEW

3 *FY2005 First Half Results & Full Year Projections*



FY2005 FIRST HALF HIGHLIGHTS

- ➔ **Operating Profit Up 12% to ¥48.8 Billion**
- ➔ **Wholesales up 5%**
- ➔ **Introduction of New Mazda5 and MX-5/Roadster**
- ➔ **Net Income Up 66% to ¥31.1 Billion**

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FY2005 FULL YEAR OUTLOOK

- **Continue Sales & Profit Growth Under Mazda Momentum**
- **Launch of New MPV and Mazdaspeed6**
- **Raw Material Price Escalation Remains a Significant Challenge**
- **Operating Profit Up 15% to ¥95 Billion**

FY2005 FIRST HALF RESULTS

FY2005 FIRST HALF FINANCIAL METRICS

(Billion yen)	First Half		Change	
	FY2005	FY2004	Amount	Pct.
Operating Profit	48.8	43.5	5.3	12 %
Ordinary Profit	43.4	36.9	6.5	17 %
Profit Before Tax	63.2	33.5	29.7	88 %
Net Income	31.1	18.7	12.4	66 %
Operating ROS	3.6%	3.3%	0.3 Pts	-
EPS (Yen/Share)	25.1	15.4	9.7	63 %

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FY2005 FIRST HALF EXTRAORDINARY ITEMS

(Billion yen)	FY2005 First Half
Ordinary Profit	43.4
Extraordinary Items	
Pension Fund Return Gain	57.1
Asset-Impairment Loss	(34.7)
Disposal Losses	(2.6)
Net Extraordinary Gain	19.8
Profit Before Tax	63.2

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CASH FLOW & NET DEBT

(Billion yen)	<u>FY2005 First Half</u>	<u>FY2004 Full Year</u>	<u>B/(W) Prior Year End</u>
Cash Flow	12.5	35.9	-
Net Debt	293.4	313.5	20.1
Net Debt-to-Equity	88%	117%	29 Pts
Capital Spending	39.0	67.9	-

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KEY DATA

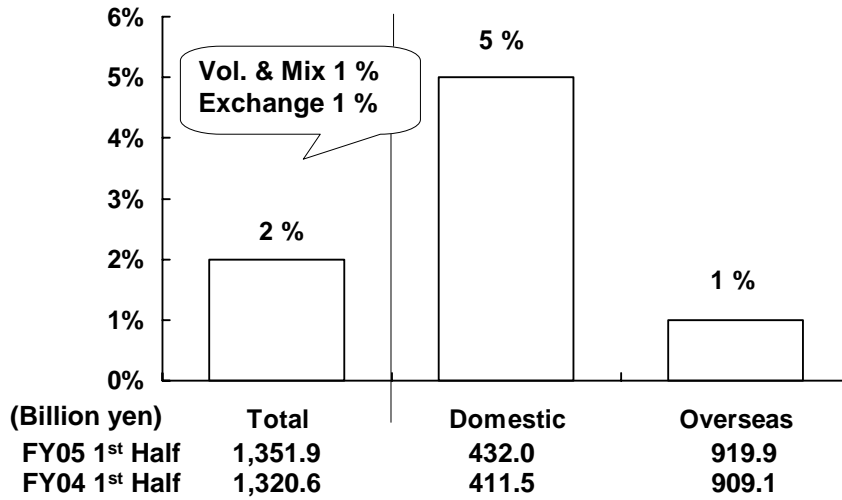
	<u>First Half</u>		
	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>
<u>WHOLESALES (000)</u>			
Consolidated	557	530	5 %
<u>REVENUE (¥Bils)</u>			
	1,351.9	1,320.6	2 %
<u>EXCHANGE RATES</u>			
Yen / U.S. Dollar	110	110	¥ 0
Yen / Euro	136	133	¥ 3

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REVENUE CHANGES BY DESTINATION

FY2005 First Half Compared with FY2004 First Half



11 FY2005 First Half Results & Full Year Projections



JAPAN

	First Half		Change
	FY2005	FY2004	
Retail Volume (000)	141	135	4 %
Market Share	5.0 %	5.0 %	0.0 Pts

New Premacy and New Roadster



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UNITED STATES

	First Half		Change
	FY2005	FY2004	
Retail Volume (000)	138	140	(1) %
Market Share	1.5 %	1.6 %	(0.1) Pts

New Mazda5 and New MX-5 Miata



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EUROPE

	First Half		Change
	FY2005	FY2004	
Retail Volume (000)	138	143	(3) %
Market Share	1.5 %	1.6 %	(0.1) Pts

Successful Introduction of Mazda5



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CHINA

	First Half		Change
	FY2005	FY2004	
Retail Volume (000)	67	44	52 %
Market Share	2.3 %	1.8 %	0.5 Pts

Continued Sales Growth

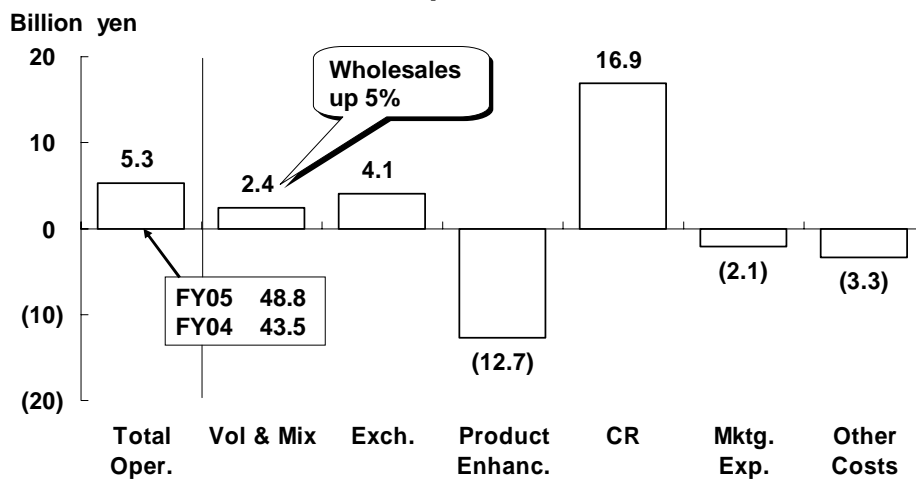


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OPERATING PROFIT CHANGES

FY2005 First Half Compared with FY2004 First Half

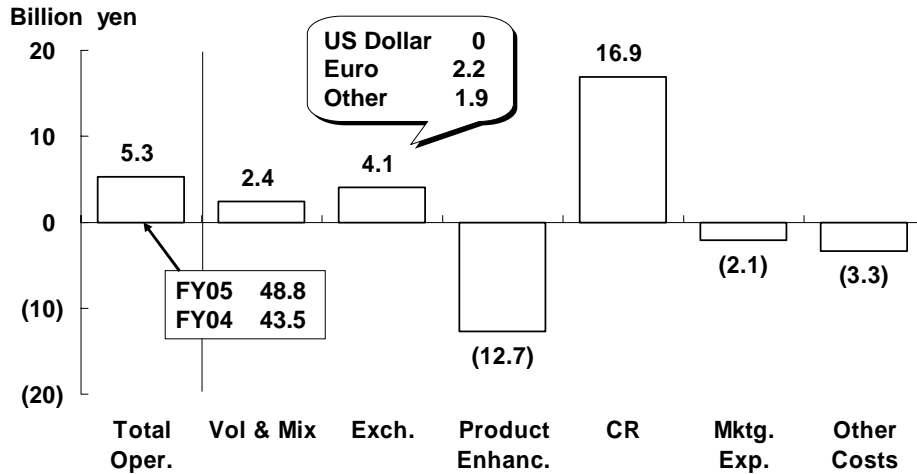


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OPERATING PROFIT CHANGES

FY2005 First Half Compared with FY2004 First Half

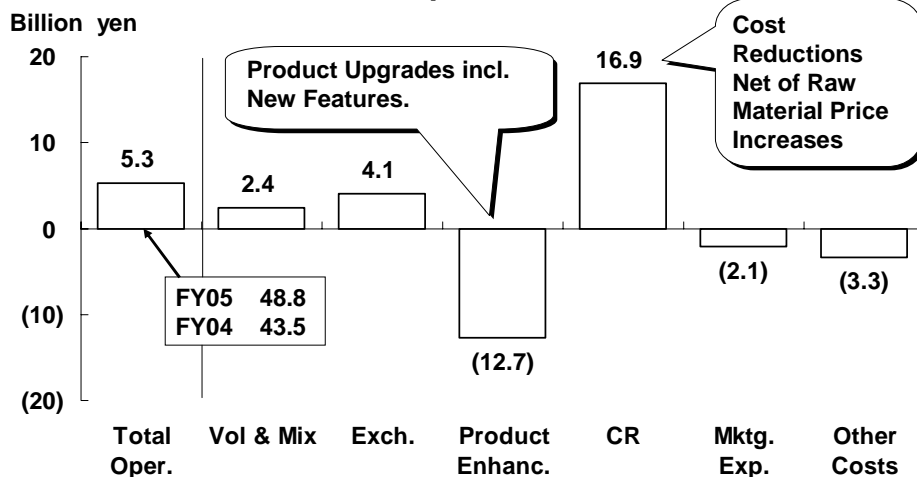


17 FY2005 First Half Results & Full Year Projections



OPERATING PROFIT CHANGES

FY2005 First Half Compared with FY2004 First Half

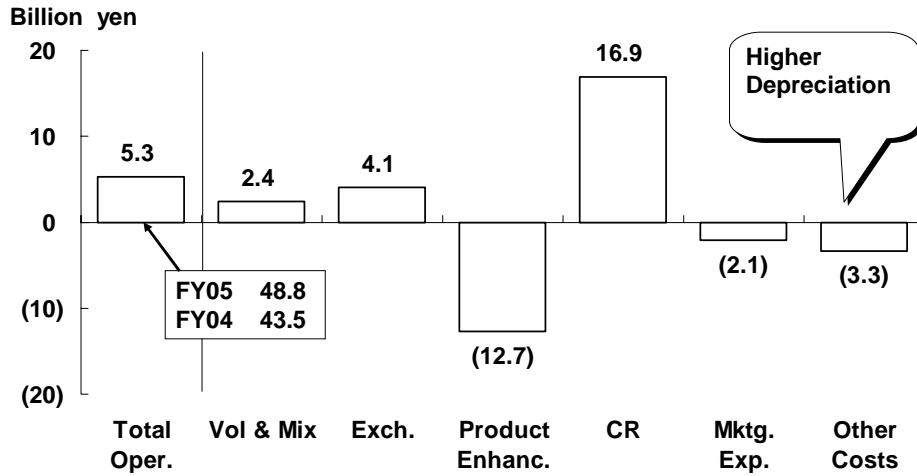


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OPERATING PROFIT CHANGES

FY2005 First Half Compared with FY2004 First Half



19 FY2005 First Half Results & Full Year Projections



FY2005 FULL YEAR PROJECTIONS

20 FY2005 First Half Results & Full Year Projections



FINANCIAL METRICS

(Billion yen)	Full Year		Change	
	FY2005	FY2004	Amount	Pct.
Operating Profit	95.0	82.9	12.1	15 %
Ordinary Profit	85.0	73.1	11.9	16 %
Profit Before Tax	96.0	73.8	22.2	30 %
Net Income	55.0	45.8	9.2	20 %
Operating ROS	3.4%	3.1%	0.3 Pts	-
EPS (Yen/Share)	41.7	37.6	4.1	11 %

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KEY ASSUMPTION

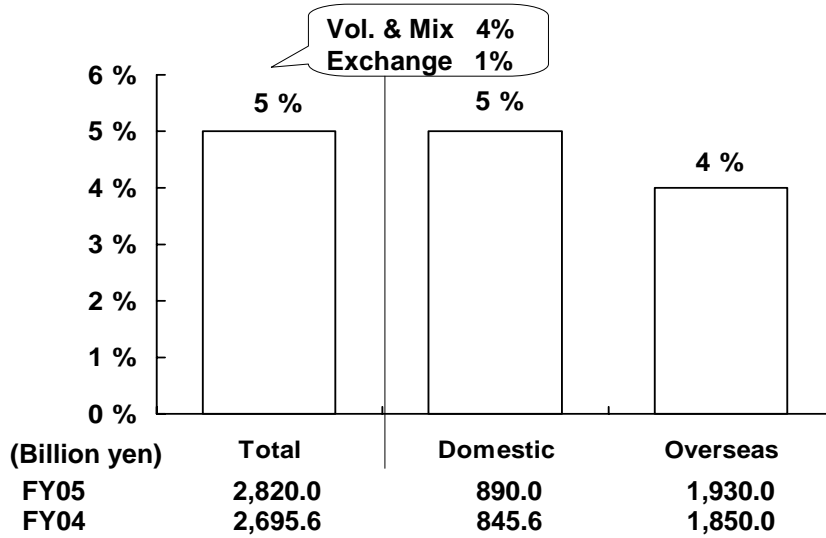
	Full Year		Change
	FY2005	FY2004	
<u>WHOLESALES (000)</u>			
Consolidated	1,170	1,104	6 %
<u>REVENUE (¥Bils)</u>			
	2,820.0	2,695.6	5 %
<u>EXCHANGE RATES</u>			
Yen / U.S. Dollar	109	108	¥ 1
Yen / Euro	135	135	¥ 0

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REVENUE CHANGES BY DESTINATION

FY2005 Compared with FY2004



23 FY2005 First Half Results & Full Year Projections



JAPAN

	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>
Retail Volume (000)	293	286	2 %
Market Share	4.9 %	4.9 %	0.0 Pts

New Premacy, New Roadster and New MPV



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UNITED STATES

	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>
Retail Volume (000)	268	264	2 %
Market Share	1.6 %	1.6 %	0.0 Pts

New Mazda5, New MX-5 Miata and Mazdaspeed6



25 FY2005 First Half Results & Full Year Projections



EUROPE

	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>
Retail Volume (000)	290	273	6 %
Market Share	1.6 %	1.5 %	0.1 Pts

New Mazda5 and New MX-5



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CHINA

	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>
Retail Volume (000)	125	96	30 %
Market Share	2.1 %	1.9 %	0.2 Pts

Build Mazda Brand

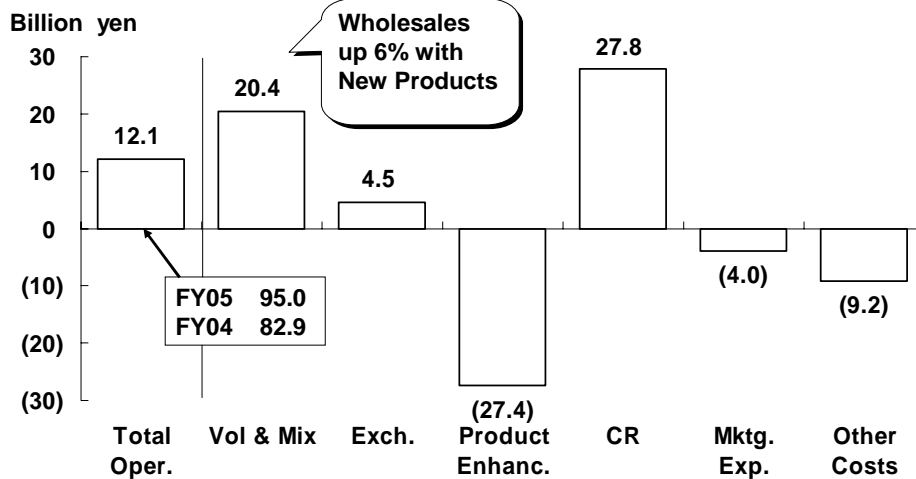


27 FY2005 First Half Results & Full Year Projections



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

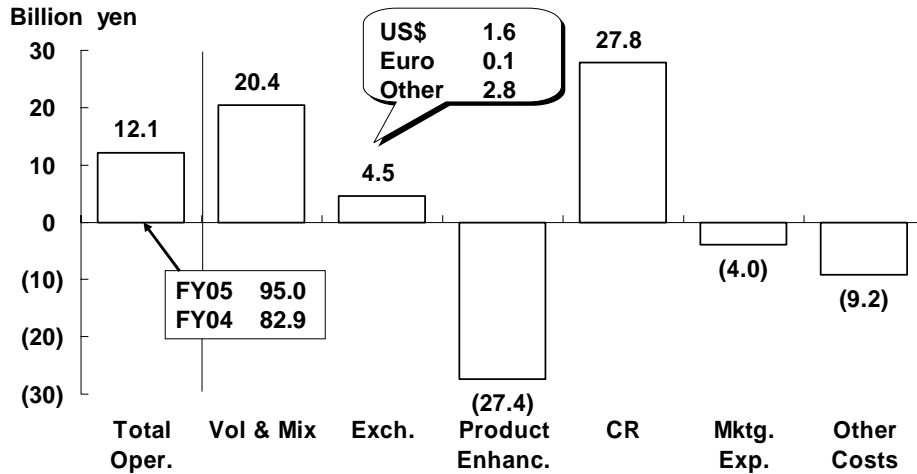


28 FY2005 First Half Results & Full Year Projections



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

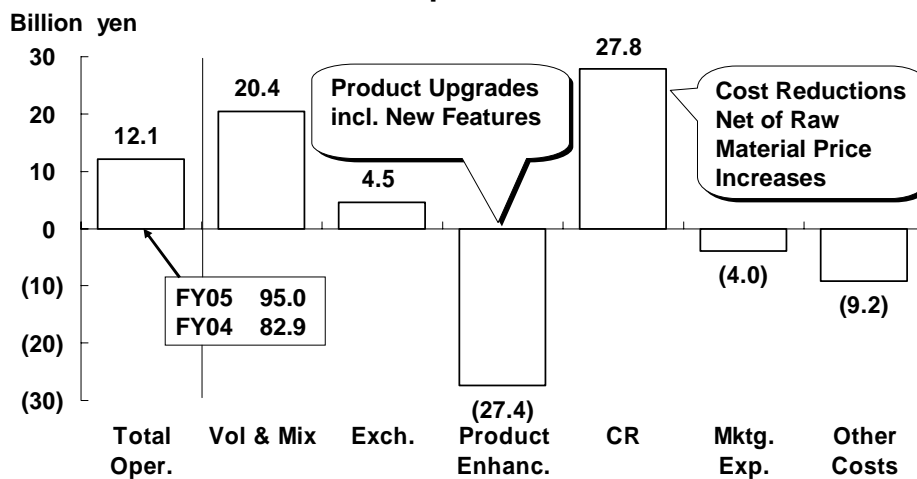


29 FY2005 First Half Results & Full Year Projections



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

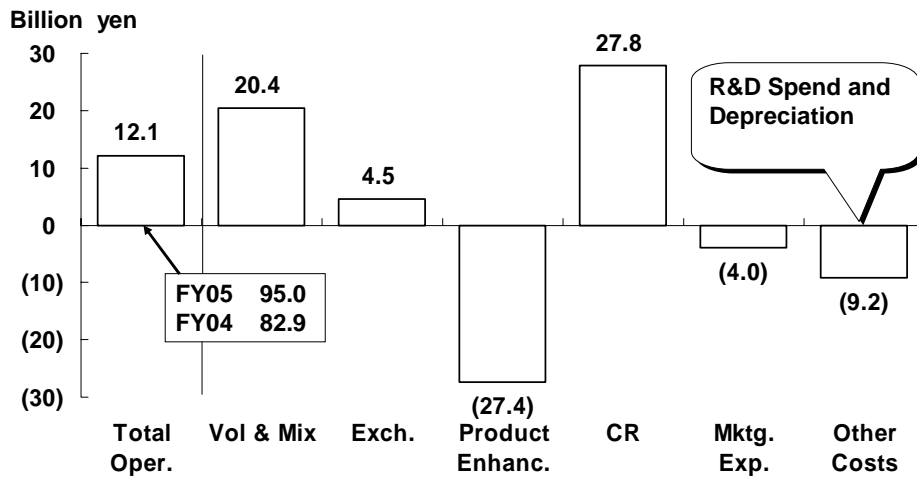


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OPERATING PROFIT CHANGES

FY2005 Compared with FY2004



31 FY2005 First Half Results & Full Year Projections



EUROPEAN OPERATIONS

32 FY2005 First Half Results & Full Year Projections



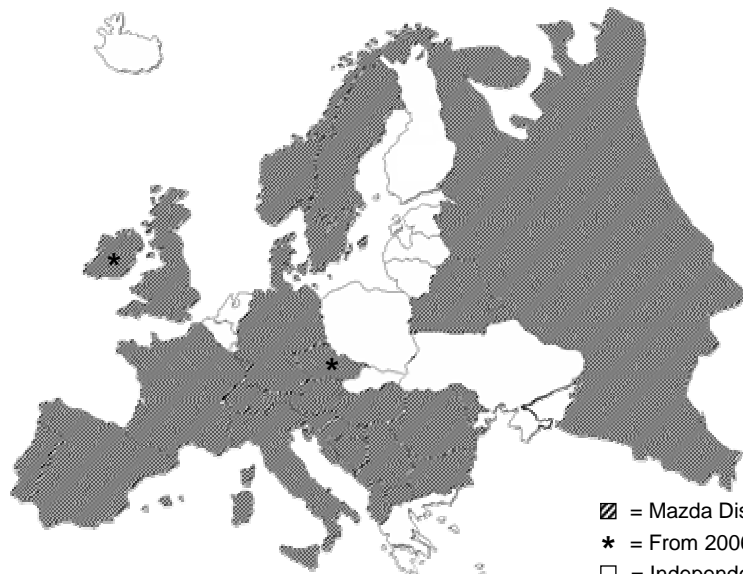
SUSTAINED MOMENTUM

- Continuing Improvements in Distribution
- Successful New Products
- Brand Momentum
- Continuing Focus On Profitable Growth

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DISTRIBUTION



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SUCCESSFUL NEW PRODUCTS

Mazda MX-5

“Mazda unveils the successor to its legendary Roadster...and it’s a corker.” – Financial Mail (UK)

“It might be hard to improve perfection but Mazda has done it better than anyone else” – Daily Telegraph (UK)

Mazda5

“Two sliding doors and an innovative interior concept make this family van a real trendsetter” – Freie Fahrt (Austria)

“The Mazda5 is consistently designed from inside to the outside and hides its strokes of genius in a unobtrusive body.” – Autostimme (Germany)

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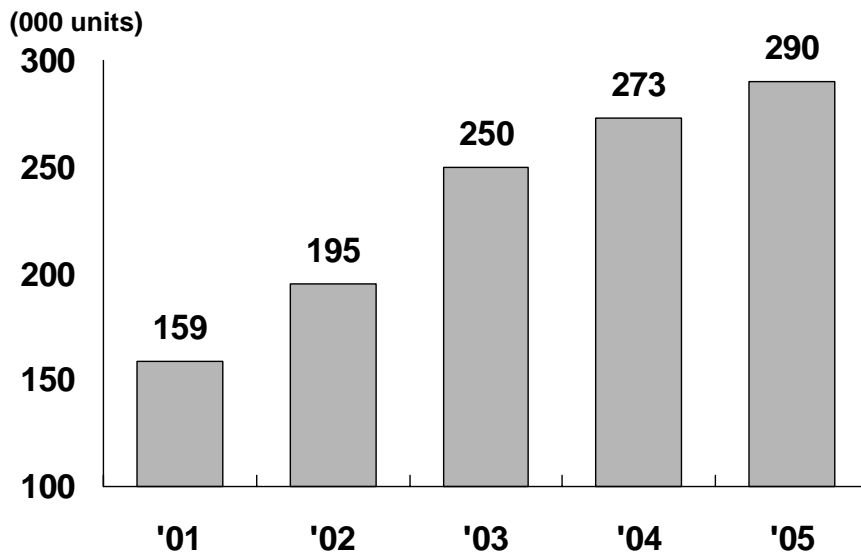
BRAND MOMENTUM



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RETAIL SALES



37 FY2005 First Half Results & Full Year Projections



SECOND HALF VOLUME OPPORTUNITIES

- ➔ **Introduction of New MX-5 and Mazda6 MPS**
- ➔ **New Mazda5 and Mazda6 Diesel Models**
- ➔ **Market Expansion in Russia**

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CONTINUING PROFITABLE GROWTH

- **Continued Focus On Profitable Retail Sales Growth**
- **Country and Model Mix Opportunities**
- **Strong Residual Values**
- **Strong Brand Momentum**

CLOSE

IN SUM

- **First Half Operating Profit Up 12%**
- **Raw Material Price Escalation Remains a Significant Challenge**
- **Full Year Operating Profit Up 15% to ¥95.0 Billion**
- **Continue Progress and Foundation Building Under Mazda Momentum**



mazda

DISCLAIMER

The projections for FY 2005 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. Please note that neither Mazda nor any third party providing information shall be responsible for any damage you may suffer due to investment in Mazda based on the information shown in this presentation.