

MAZDA MOTOR CORPORATION

FY2005 RESULTS AND FY2006 PROJECTIONS

April 28, 2006

OUTLINE

- ◆ **Overview**
- ◆ **FY2005 Results**
- ◆ **FY2006 Projections**
- ◆ **Close**

OVERVIEW

FY2005 HIGHLIGHTS

- ◆ **Record Operating Profit, up 49% to ¥123.4 billion**
- ◆ **Wholesales up 4% and Revenues up 8%**
- ◆ **Introduction of New Mazda5, MX-5/Roadster, MPV and New Pick-up BT-50**
- ◆ **Dividend Increase by ¥2 to ¥5 a Share**



FY2006 OUTLOOK

- ◆ **Continue Progress and Foundation Building under Mazda Momentum**
- ◆ **Introduction of New CX-7, CX-9, Tribute, Mazdaspeed3 and Freshened Mazda3/Axela**
- ◆ **Wholesales Up 5% and Revenues Up 6%**
- ◆ **Operating Profit of ¥135 Billion**

MAZDA MOMENTUM KEY MEASURES

- ◆ **Strengthen Key Markets**
- ◆ **Reinforce Research & Development**
- ◆ **Enhance Global Efficiencies and Synergies**
- ◆ **Leverage Human Resources**

MAZDA MOMENTUM FY2006 OBJECTIVES

	<u>Projection</u>	<u>Objective</u>	<u>Change</u>
 Operating Profit			
- Billion Yen	135.0	100.0	35%
 Net Debt/Equity Ratio			
- Percent	< 60%	< 100%	40 pts
 Wholesales			
- Consolidated (000)	1,210	1,250	(3)%

FY2005 RESULTS

FY2005 FINANCIAL METRICS

(Billion yen)

	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>	
			<u>Amount</u>	<u>Pct.</u>
Operating Profit	123.4	82.9	40.5	49 %
Ordinary Profit	101.5	73.1	28.4	39 %
Profit Before Tax	117.5	73.8	43.7	59 %
Net Income	66.7	45.8	20.9	46 %
Operating ROS	4.2%	3.1%	1.1 Pts	-
EPS (Yen/Share)	51.5	37.6	13.9	37 %

CASH FLOW & NET DEBT

(Billion yen)

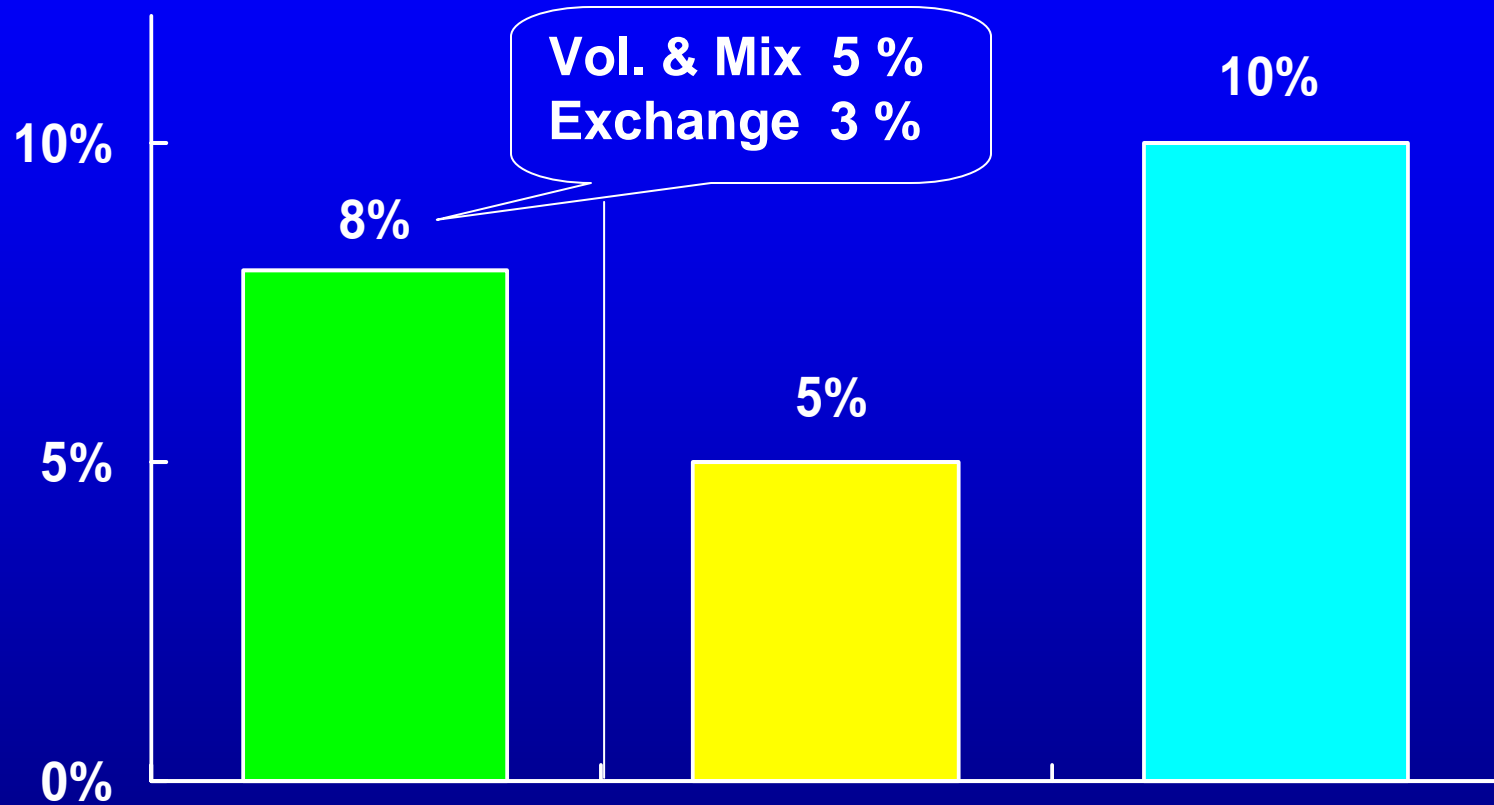
	<u>FY2005</u>	<u>FY2004</u>	<u>B/(W) Prior Year End</u>
Free Cash Flow	33.6	35.9	-
Net Debt	246.8	313.5	66.7
Net Debt-to-Equity	62%	117%	55 Pts
Capital Spending	72.1	67.9	-
Dividend (Yen/Share)	5	3	2

KEY DATA

	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>
<u>WHOLESALES (000)</u>			
Consolidated	1,149	1,104	4 %
<u>REVENUE (¥Bils.)</u>	2,919.8	2,695.6	8 %
<u>EXCHANGE RATES</u>			
Yen / U.S. Dollar	113	108	¥ 5
Yen / Euro	138	135	¥ 3

REVENUE CHANGES BY DESTINATION

FY2005 Compared With FY2004



(Billion yen)	Total	Domestic	Overseas
FY05	2,919.8	887.7	2,032.1
FY04	2,695.6	845.6	1,850.0

JAPAN

	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>
Retail Volume (000)	287	286	0 %
Market Share	4.9 %	4.9 %	0.0 Pts

New Premacy, Roadster and MPV



UNITED STATES

	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>
Retail Volume (000)	262	264	(1) %
Market Share	1.5 %	1.6 %	(0.1) Pts

Higher Car Sales Offset by Lower Truck Sales



EUROPE

	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>
Retail Volume (000)	282	273	3 %
Market Share	1.5 %	1.5 %	0.0 Pts

Sales Momentum Continues



CHINA

	<u>FY2005</u>	<u>FY2004</u>	<u>Change</u>
Retail Volume (000)	130	96	36 %
Market Share	2.1 %	1.8 %	0.3 Pts

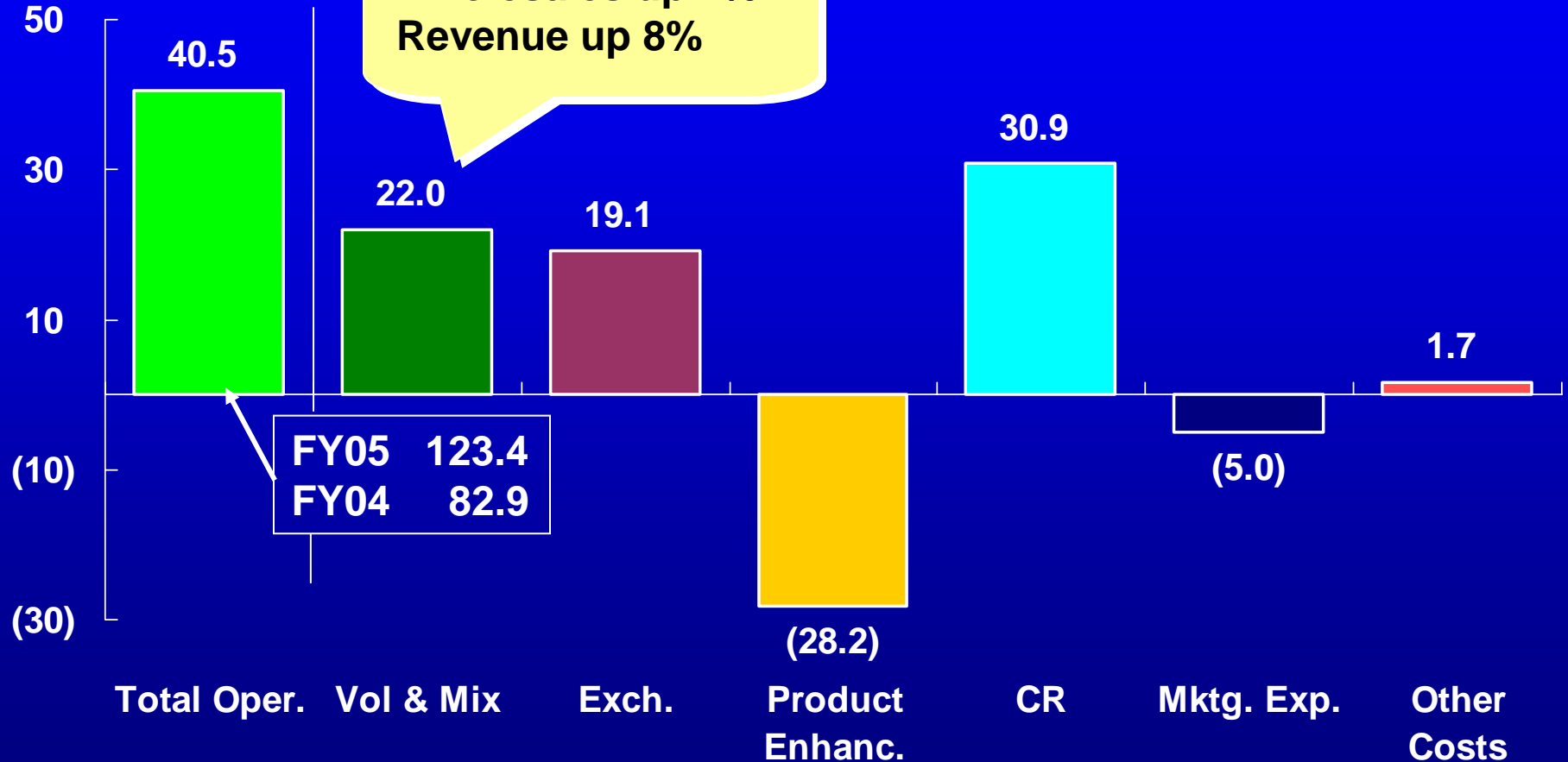
Strong Sales Growth Continues



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

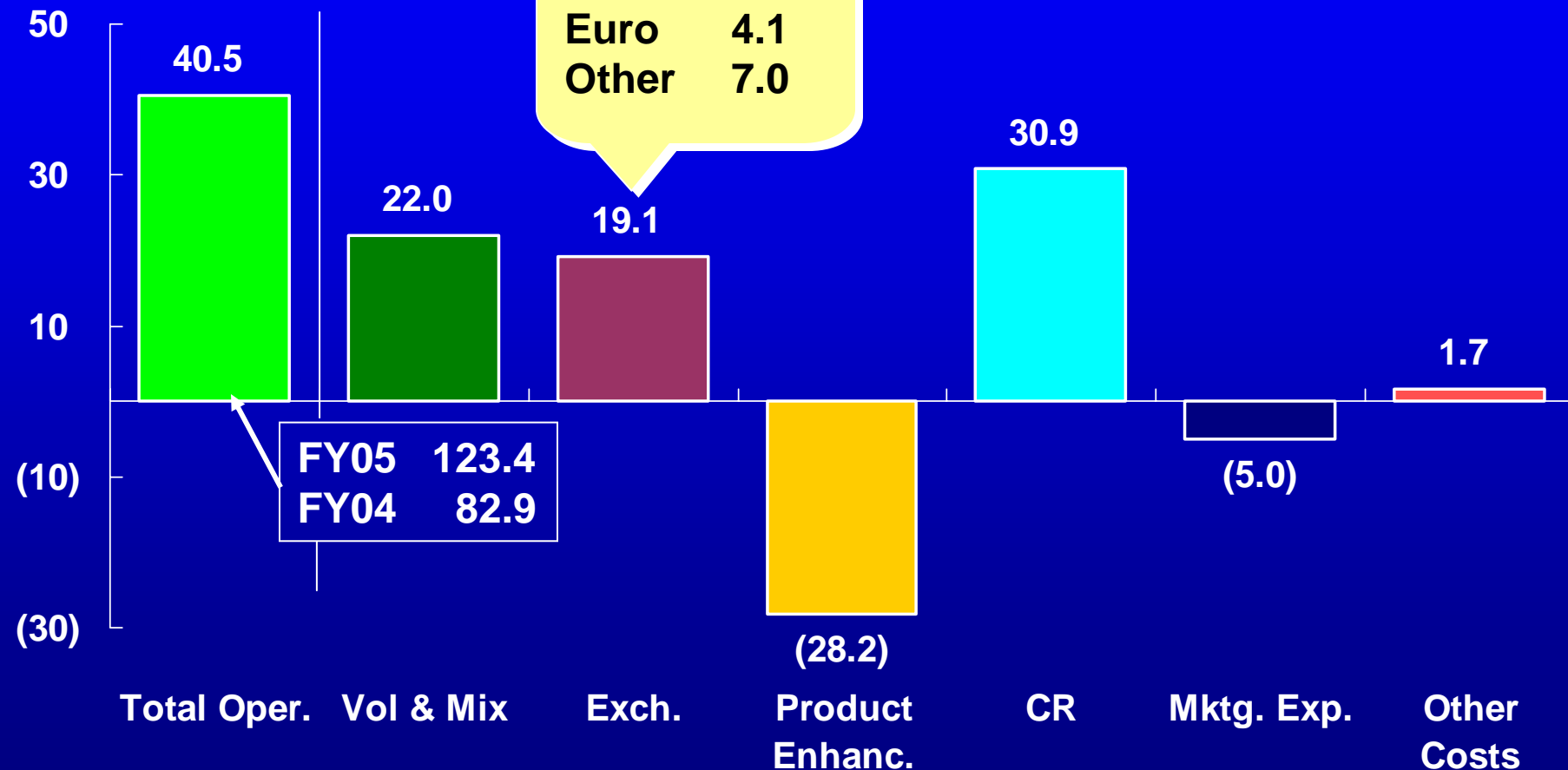
Billion yen



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

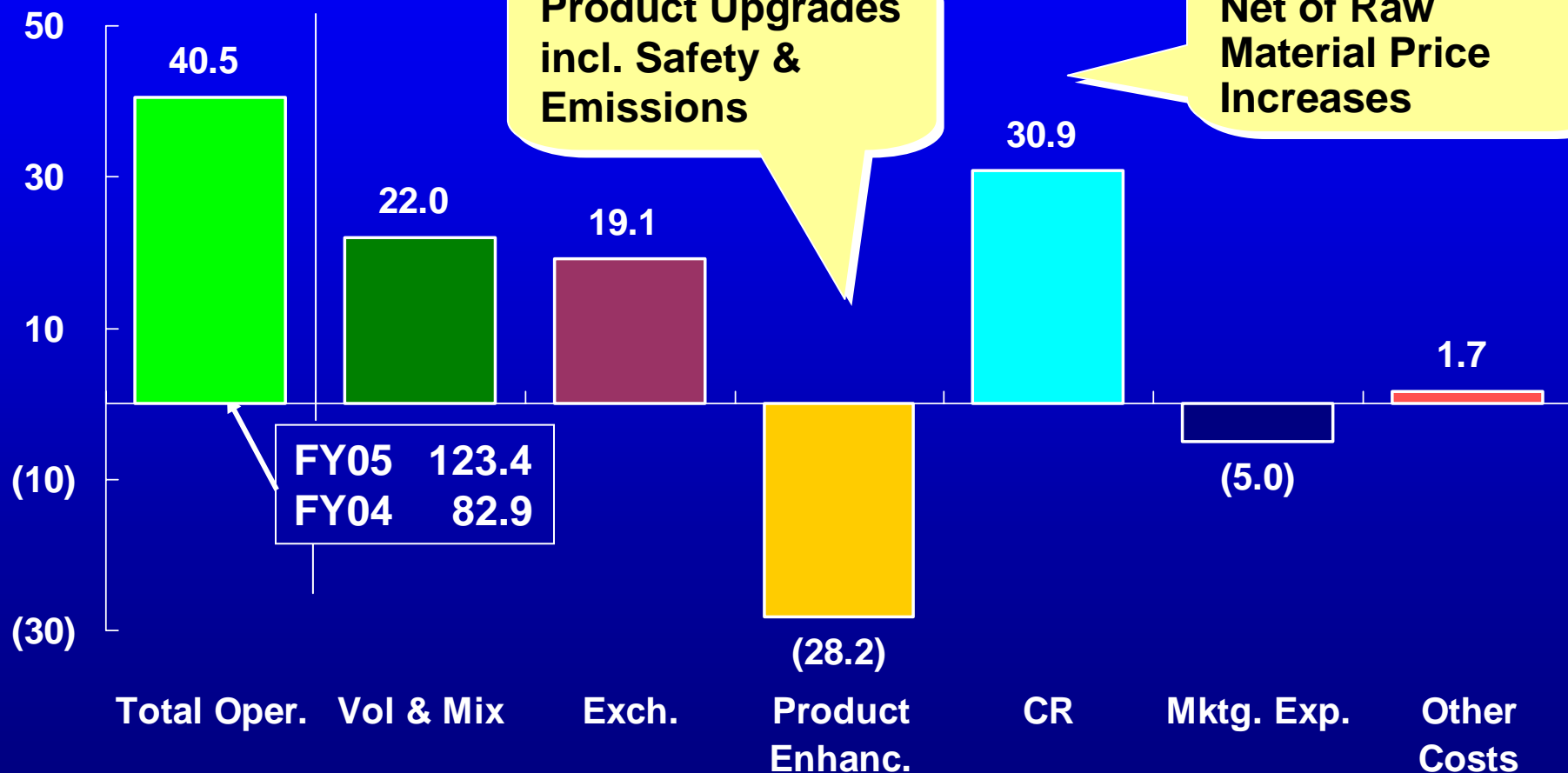
Billion yen



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

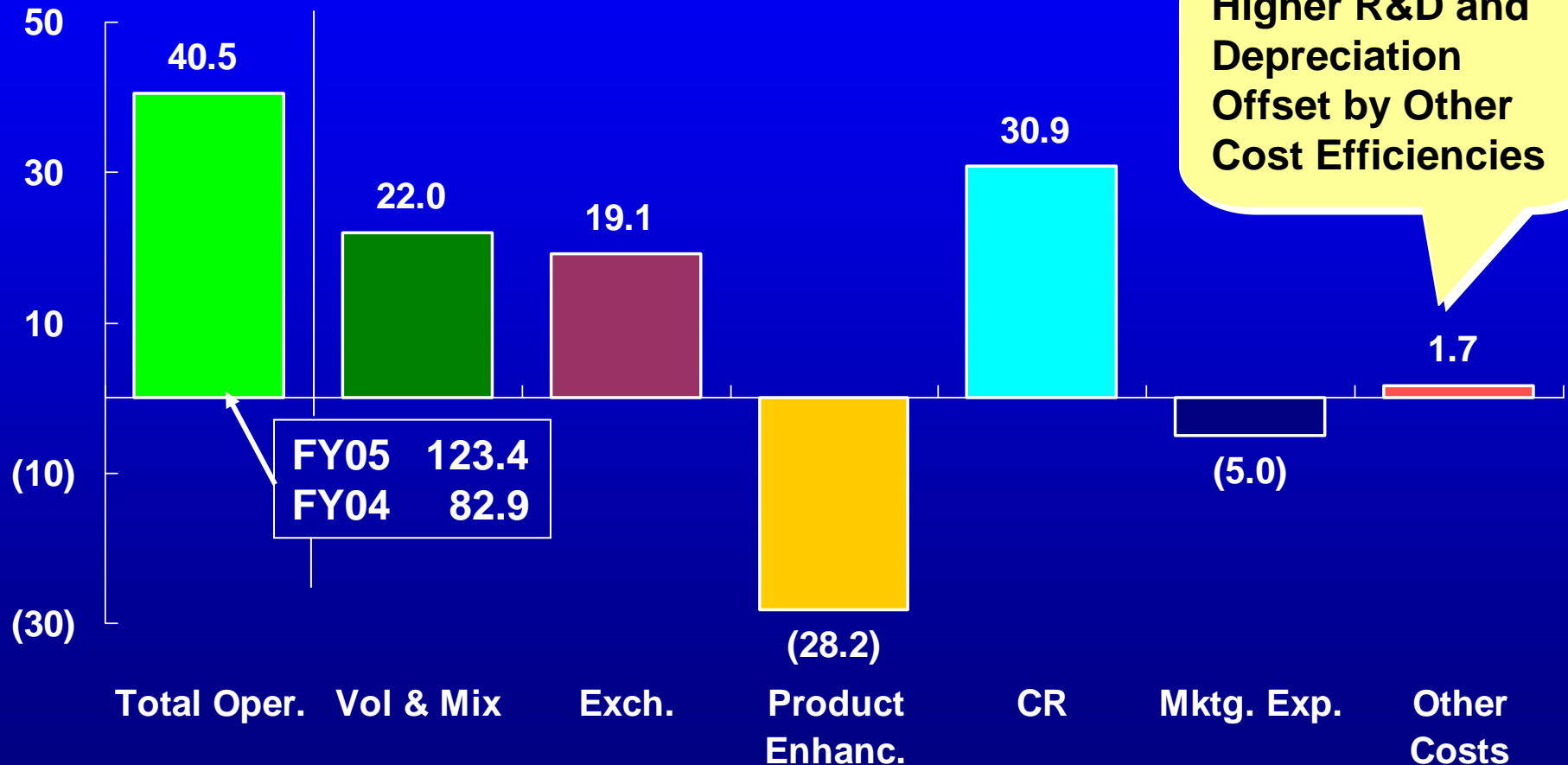
Billion yen



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

Billion yen



FY2006 PROJECTIONS

FY2006 FINANCIAL METRICS

(Billion yen)

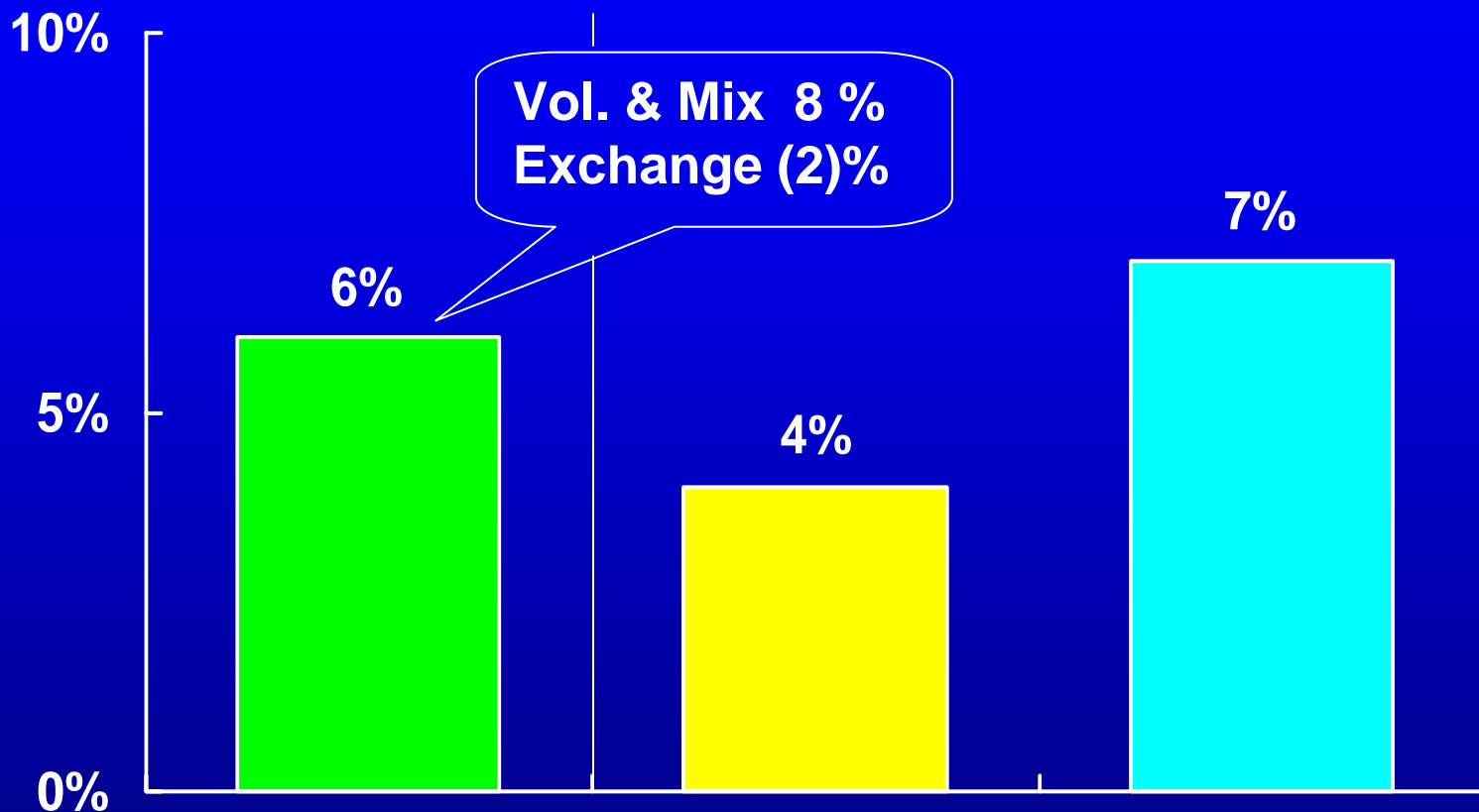
	<u>FY2006</u>	<u>FY2005</u>	<u>Change</u>	
			<u>Amount</u>	<u>Pct.</u>
Operating Profit	135.0	123.4	11.6	9 %
Ordinary Profit	130.0	101.5	28.5	28 %
Profit Before Tax	120.0	117.5	2.5	2 %
Net Income	75.0	66.7	8.3	12 %
Operating ROS	4.4%	4.2%	0.2 Pts	-
EPS (Yen/Share)	53.6	51.5	2.1	4 %

KEY ASSUMPTIONS

	<u>FY2006</u>	<u>FY2005</u>	<u>Change</u>
<u>WHOLESALES (000)</u>			
Consolidated	1,210	1,149	5 %
<u>REVENUE (¥Bils.)</u>	3,100.0	2,919.8	6 %
<u>EXCHANGE RATES</u>			
Yen / U.S. Dollar	110	113	¥ (3)
Yen / Euro	135	138	¥ (3)

REVENUE CHANGES BY DESTINATION

FY2006 Compared With FY2005



(Billion yen)

FY06

Total

3,100.0

Domestic

920.0

Overseas

2,180.0

FY05

2,919.8

887.7

2,032.1

JAPAN

	<u>FY2006</u>	<u>FY2005</u>	<u>Change</u>
Retail Volume (000)	287	287	0 %
Market Share	4.9 %	4.9 %	0.0 Pts

New MPV and CX-7



UNITED STATES

	<u>FY2006</u>	<u>FY2005</u>	<u>Change</u>
Retail Volume (000)	290	262	11 %
Market Share	1.7 %	1.5 %	0.2 Pts

Introduction of New Crossover SUVs



EUROPE

	<u>FY2006</u>	<u>FY2005</u>	<u>Change</u>
Retail Volume (000)	300	282	6 %
Market Share	1.6 %	1.5 %	0.1 Pts

Continue Momentum with New Diesel Models



CHINA

	<u>FY2006</u>	<u>FY2005</u>	<u>Change</u>
Retail Volume (000)	150	130	15 %
Market Share	2.2 %	2.1 %	0.1 Pts

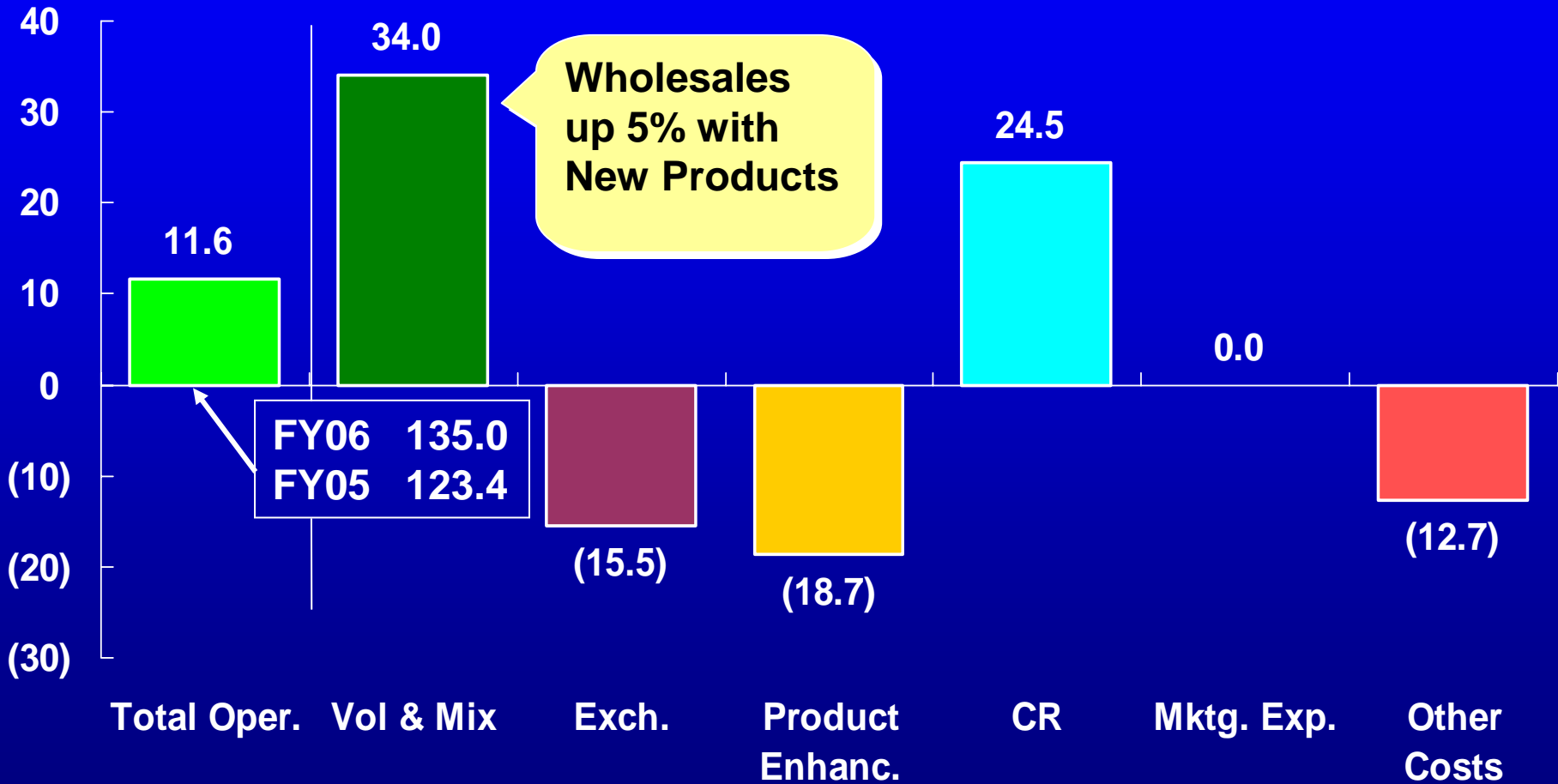
Further Sales Growth Projected



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

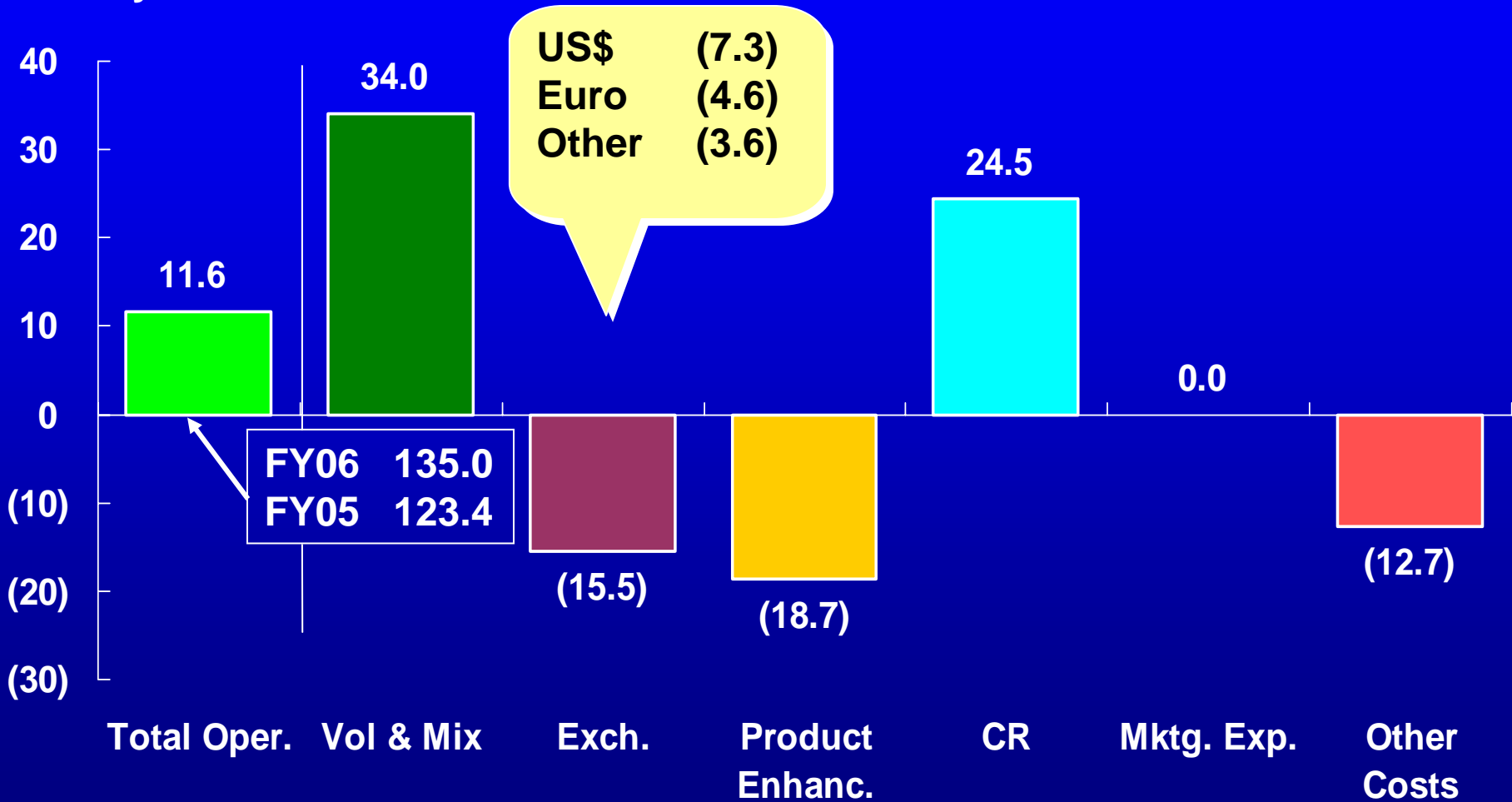
Billion yen



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

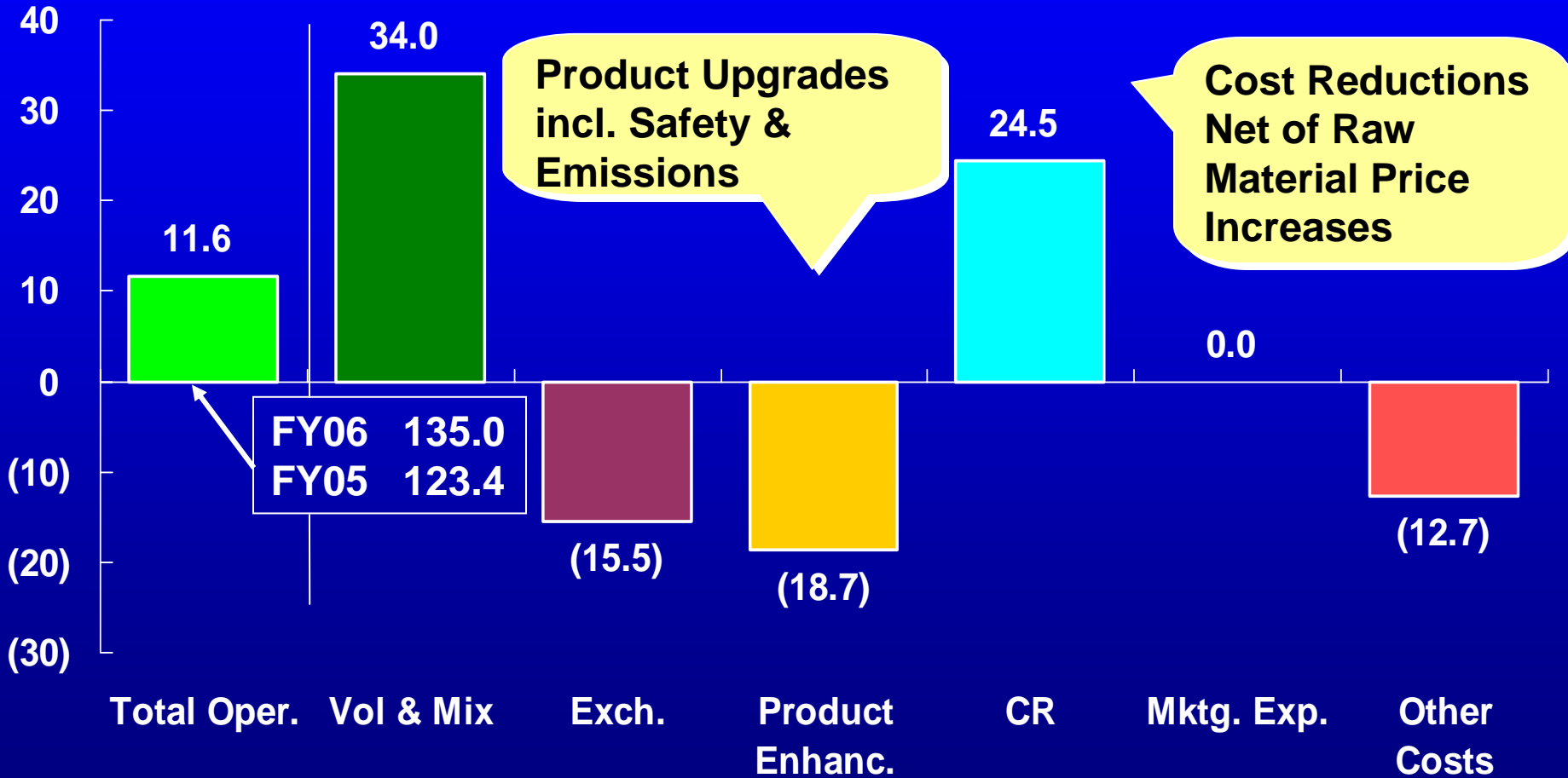
Billion yen



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

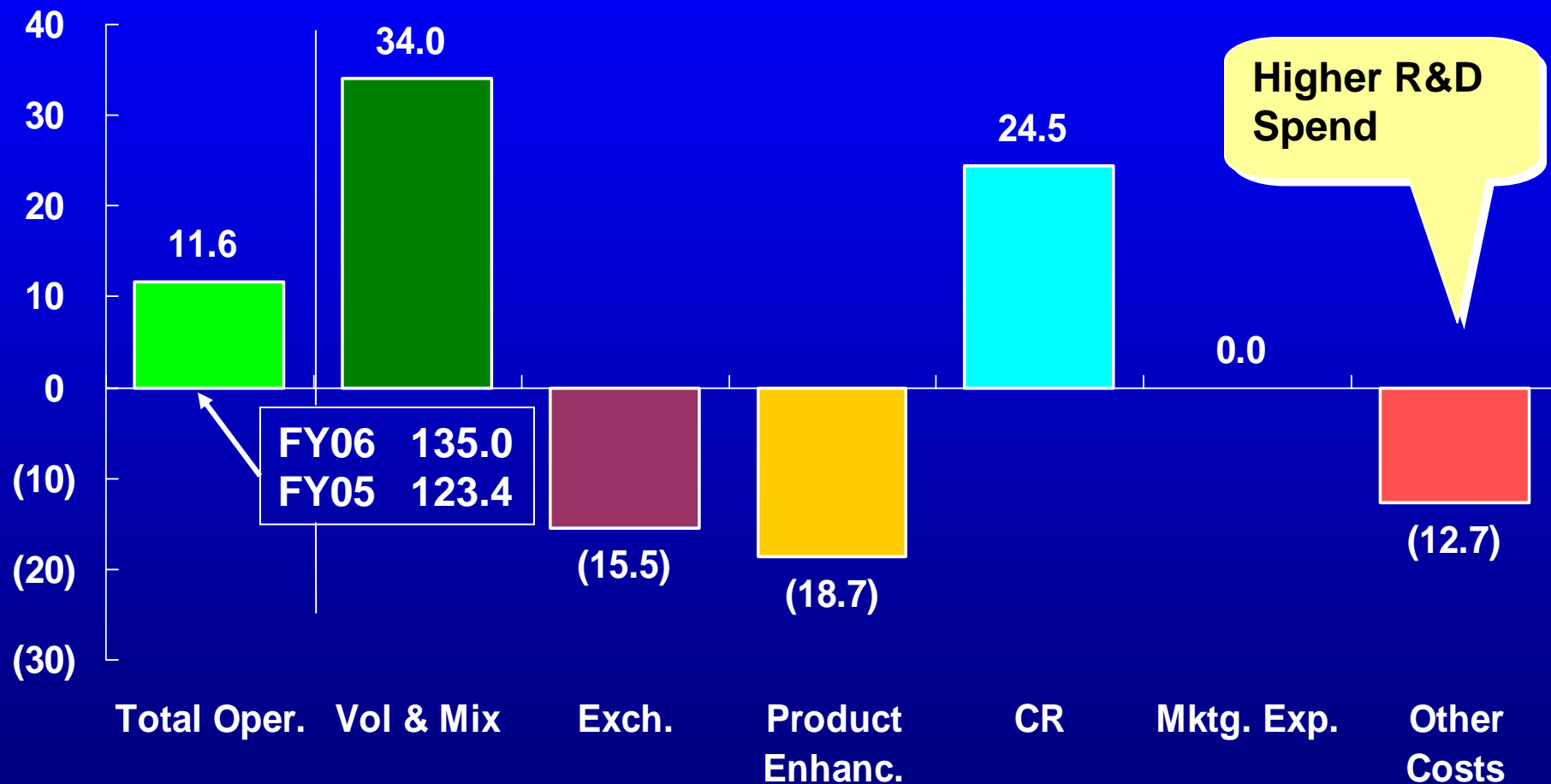
Billion yen



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

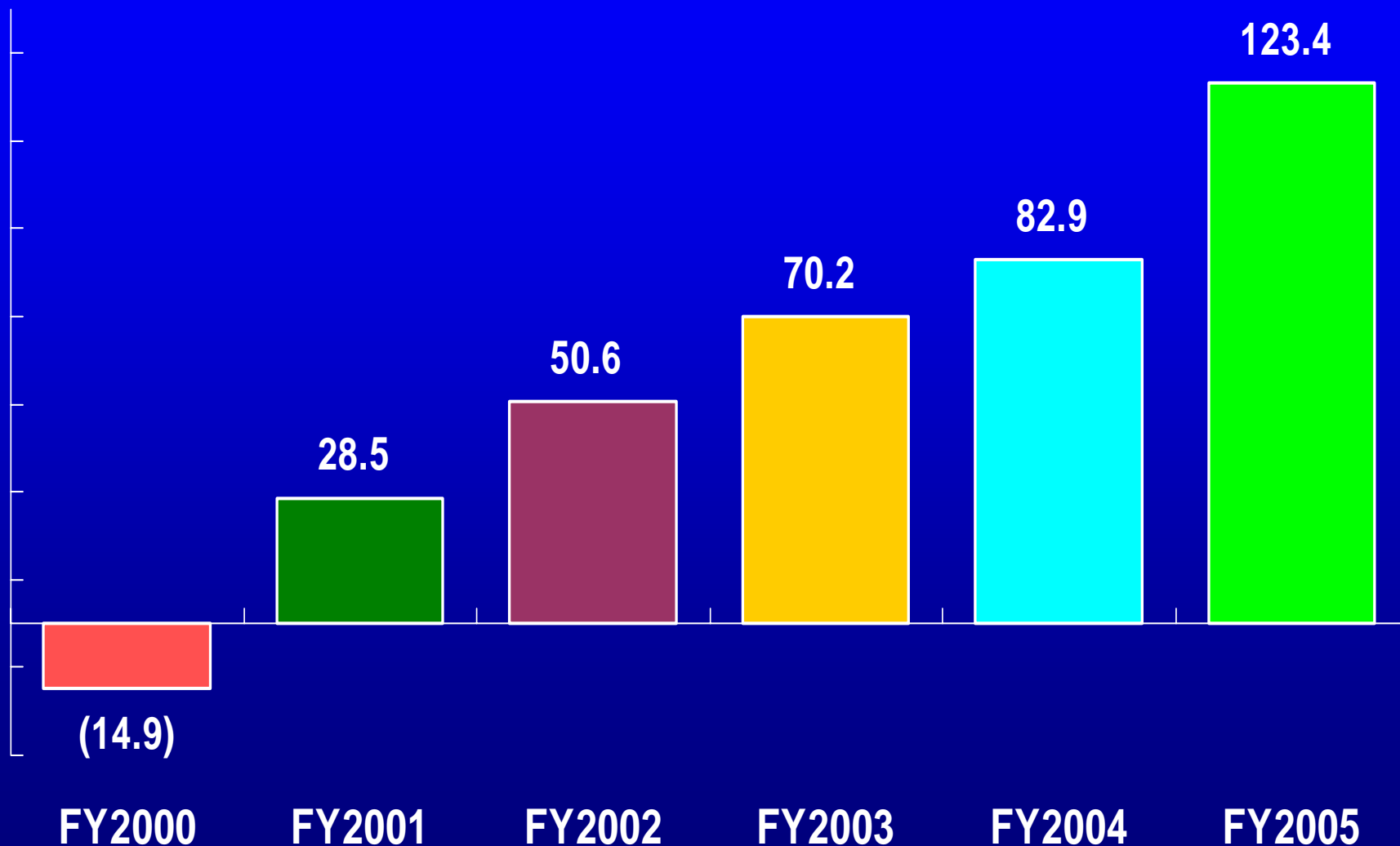
Billion yen



CLOSE

OPERATING PROFIT HISTORY

Billion yen



CHALLENGES IN FY2006

- ◆ **Continue Progress and Foundation Building under Mazda Momentum**
 - Further Strengthen the Mazda Brand
 - North American Operations
 - Investment in the Future
- ◆ **Next Mid Term Plan Development**

CX-9





mazda

DISCLAIMER

The projections for FY 2006 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.