

MAZDA MOTOR CORPORATION

FY2005 RESULTS AND FY2006 PROJECTIONS

April 28, 2006

1 *FY2005 Results & FY2006 Projections*



OUTLINE

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

2 *FY2005 Results & FY2006 Projections*



OVERVIEW

3 FY2005 Results & FY2006 Projections



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**

4 FY2005 Results & FY2006 Projections



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**

5 FY2005 Results & FY2006 Projections



MAZDA MOMENTUM KEY MEASURES

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

6 FY2005 Results & FY2006 Projections



MAZDA MOMENTUM FY2006 OBJECTIVES

| | Projection | Objective | Change |
|---|-----------------|------------------|---------------|
| ➤ 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)% |

7 FY2005 Results & FY2006 Projections



FY2005 RESULTS

8 FY2005 Results & FY2006 Projections



FY2005 FINANCIAL METRICS

| (Billion yen) | FY2005 | FY2004 | Change | |
|-------------------|--------|--------|---------|------|
| | | | Amount | Pct. |
| 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 % |

9 FY2005 Results & FY2006 Projections



CASH FLOW & NET DEBT

| (Billion yen) | FY2005 | FY2004 | B/(W) Prior |
|----------------------|--------|--------|-------------|
| | | | Year End |
| 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 |

10 FY2005 Results & FY2006 Projections



KEY DATA

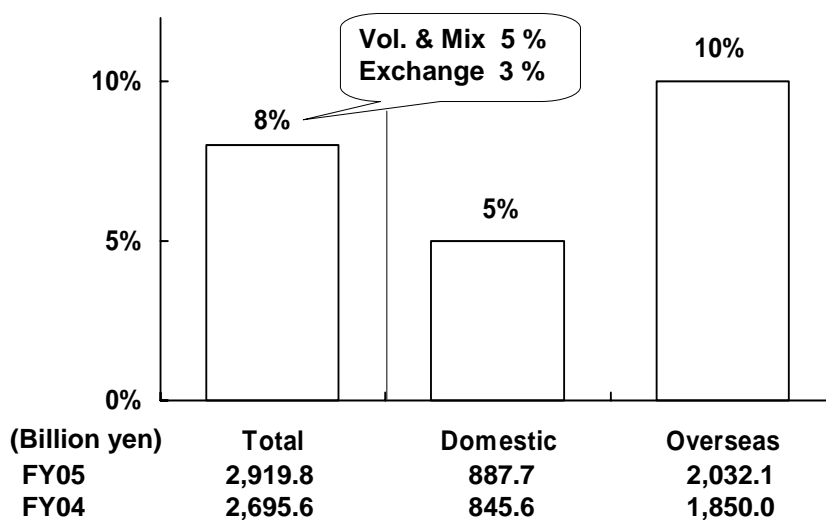
| | <u>FY2005</u> | <u>FY2004</u> | <u>Change</u> |
|--------------------------------|---------------|---------------|---------------|
| <u>WHOLESALES (000)</u> | | | |
| Consolidated | 1,149 | 1,104 | 4 % |
| <u>REVENUE (¥Bils.)</u> | | | |
| | 2,919.8 | 2,695.6 | 8 % |
| <u>EXCHANGE RATES</u> | | |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

11 FY2005 Results & FY2006 Projections



REVENUE CHANGES BY DESTINATION

FY2005 Compared With FY2004



12 FY2005 Results & FY2006 Projections



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



13 FY2005 Results & FY2006 Projections



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



14 FY2005 Results & FY2006 Projections



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



15 FY2005 Results & FY2006 Projections



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

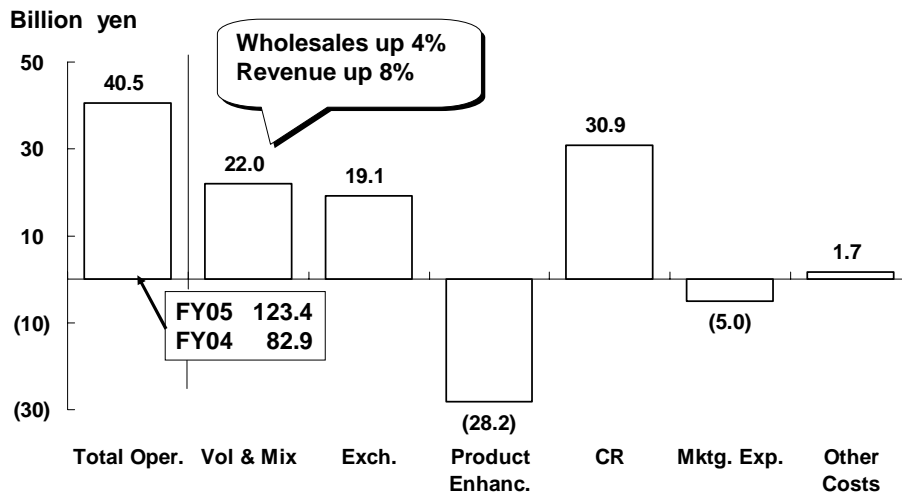


16 FY2005 Results & FY2006 Projections



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

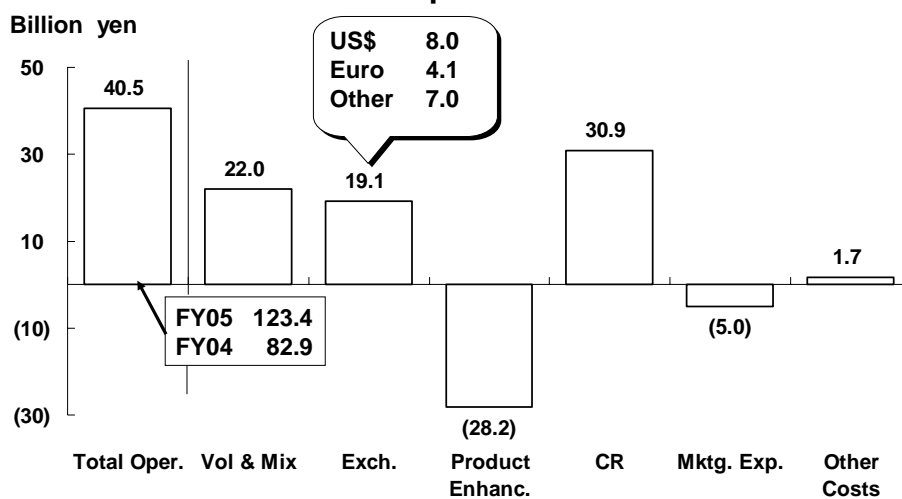


17 FY2005 Results & FY2006 Projections



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

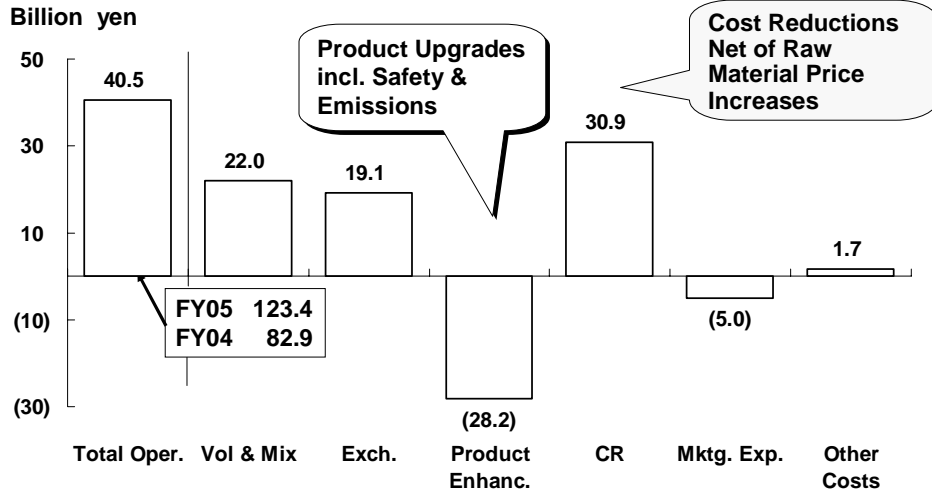


18 FY2005 Results & FY2006 Projections



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

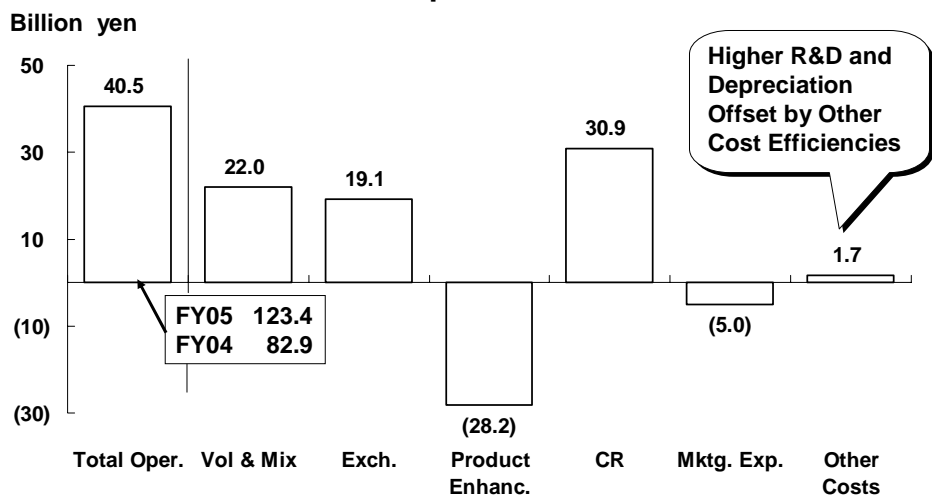


19 FY2005 Results & FY2006 Projections



OPERATING PROFIT CHANGES

FY2005 Compared with FY2004



20 FY2005 Results & FY2006 Projections



FY2006 PROJECTIONS

21 FY2005 Results & FY2006 Projections



FY2006 FINANCIAL METRICS

| (Billion yen) | FY2006 | FY2005 | Change | |
|-------------------|--------|--------|---------|------|
| | | | Amount | Pct. |
| 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 % |

22 FY2005 Results & FY2006 Projections



KEY ASSUMPTIONS

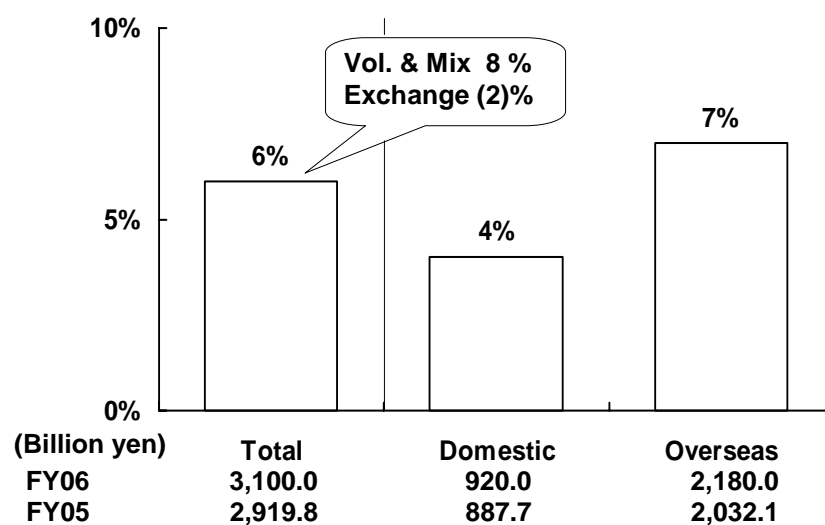
| | <u>FY2006</u> | <u>FY2005</u> | <u>Change</u> |
|--------------------------------|---------------|---------------|---------------|
| <u>WHOLESALES (000)</u> | | | |
| Consolidated | 1,210 | 1,149 | 5 % |
| <u>REVENUE (¥Bils.)</u> | | | |
| | 3,100.0 | 2,919.8 | 6 % |
| <u>EXCHANGE RATES</u> | | |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

23 FY2005 Results & FY2006 Projections



REVENUE CHANGES BY DESTINATION

FY2006 Compared With FY2005



24 FY2005 Results & FY2006 Projections



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



25 FY2005 Results & FY2006 Projections



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



26 FY2005 Results & FY2006 Projections



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



27 FY2005 Results & FY2006 Projections



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



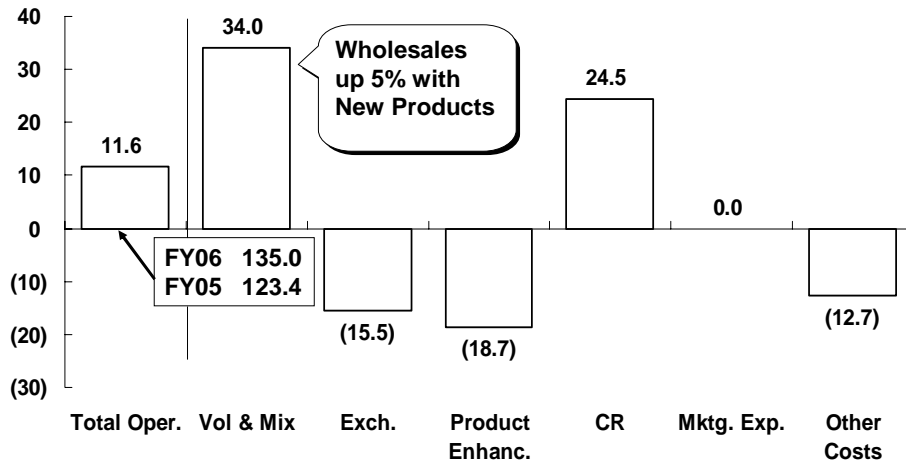
28 FY2005 Results & FY2006 Projections



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

Billion yen



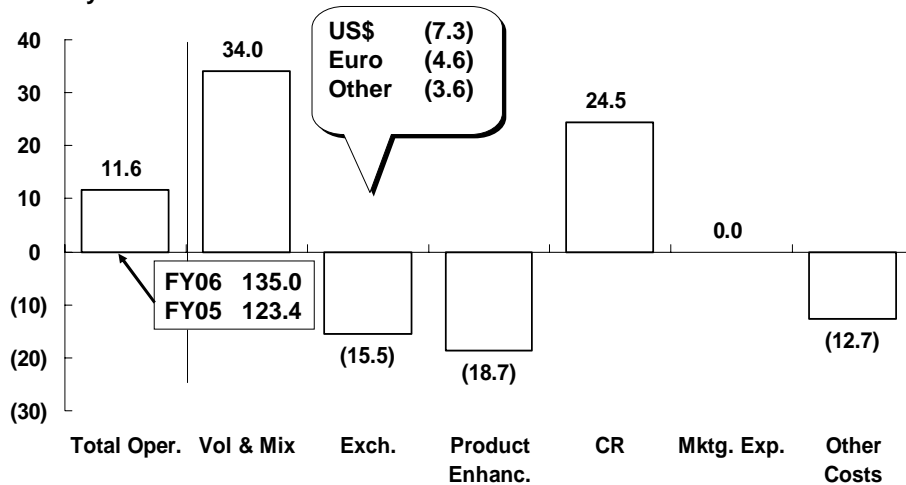
29 FY2005 Results & FY2006 Projections



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

Billion yen



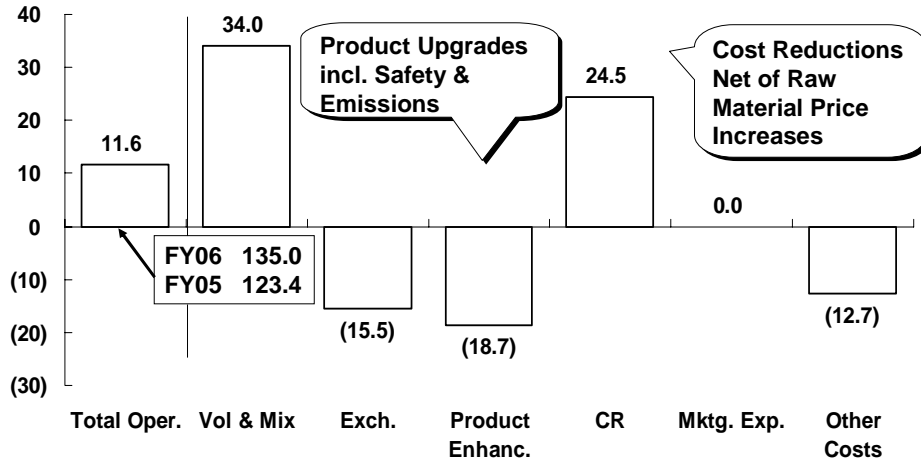
30 FY2005 Results & FY2006 Projections



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

Billion yen



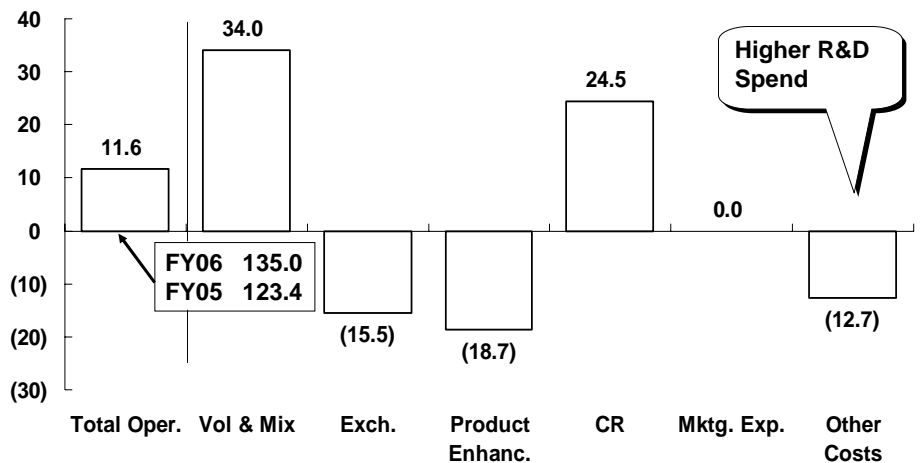
31 FY2005 Results & FY2006 Projections



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

Billion yen



32 FY2005 Results & FY2006 Projections



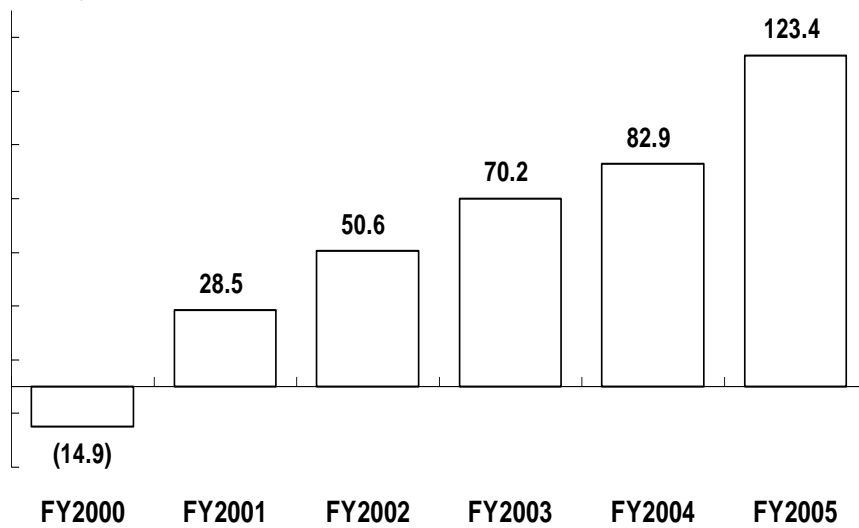
CLOSE

33 FY2005 Results & FY2006 Projections



OPERATING PROFIT HISTORY

Billion yen



34 FY2005 Results & FY2006 Projections



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**

35 FY2005 Results & FY2006 Projections



CX-9



36 FY2005 Results & FY2006 Projections





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.