

MAZDA MOTOR CORPORATION

FY2006 FIRST HALF RESULTS AND FULL YEAR PROJECTIONS

November 2, 2006

PRESENTATION OUTLINE

- ◆ **Overview**
- ◆ **FY2006 First Half Results**
- ◆ **FY2006 Full Year Projections**
- ◆ **Close**

OVERVIEW

FY2006 FIRST HALF HIGHLIGHTS

- ◆ **Operating Profit Up 43% to ¥69.8 Billion**
- ◆ **Revenues Up 13%**
- ◆ **Growth Led by North America with CX-7**
- ◆ **Net Income was ¥27.2 Billion, Up 18% Excluding the Impact of Transfer of Pension Fund Liabilities and Impairment Losses in Last Year**

FY2006 FULL YEAR OUTLOOK

- ◆ **Revise Full Year Profit Projections Upward**
- ◆ **Operating Profit Up 20% to ¥148 Billion**
- ◆ **Continue Product-led Growth with CX-7 and CX-9**
- ◆ **Substantial Improvements in Volume and Mix**
- ◆ **Continue Progress and Foundation Building under Mazda Momentum**

FY2006 FIRST HALF RESULTS

FY2006 FIRST HALF FINANCIAL METRICS

(Billion yen)	First Half		Change	
	<u>FY2006</u>	<u>FY2005</u>	<u>Amount</u>	<u>Pct.</u>
Revenue	1,521.4	1,351.9	169.5	13 %
Operating Profit	69.8	48.8	21.0	43 %
Ordinary Profit	56.6	43.4	13.2	31 %
Profit Before Tax	52.4	63.2	(10.8)	(17) %
Net Income	27.2	31.1	(3.9)	(12) %
Memo: Net Income*	27.2	23.0	4.2	18 %
Operating ROS	4.6%	3.6%	1.0 Pts	-
EPS (Yen/Share)	19.4	25.1	(5.7)	(23) %

*Excluding Gains from Pension Fund Return and Impairment Losses Last Year

CASH FLOW & NET DEBT

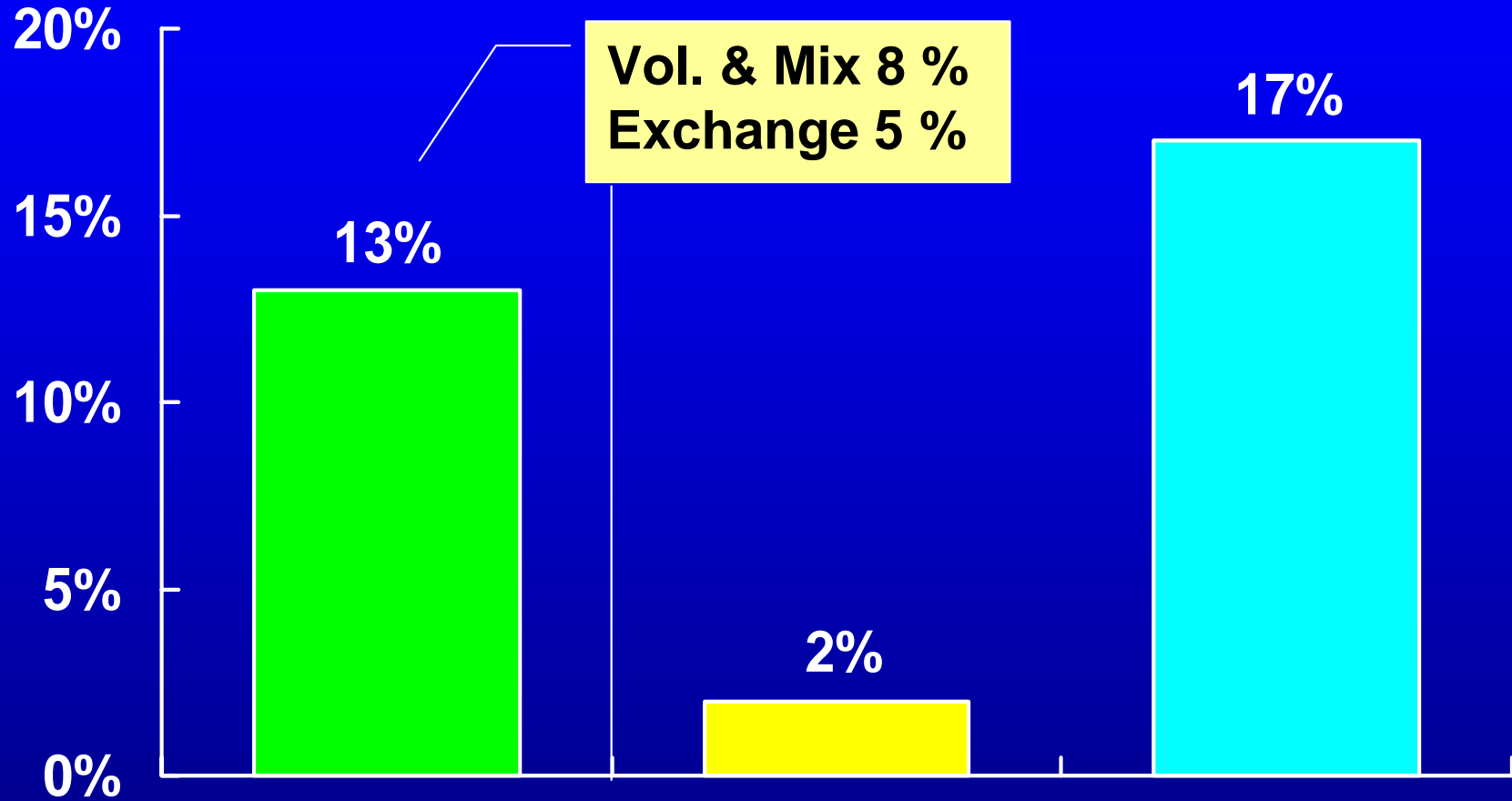
(Billion yen)	<u>FY2006 First Half</u>	<u>FY2005 Full Year</u>	<u>B/(W) Prior Year End</u>
Operating C/F	29.9	114.6	-
Investment C/F	(38.1)	(81.0)	-
Total	(8.2)	33.6	-
Net Debt	263.3	246.8	(16.5)
Net Debt-to-Equity	63%	62%	(1) Pts
Capital Spending	32.4	72.1	-

KEY DATA

	First Half		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
<i>WHOLESALES (000)</i>			
Consolidated	560	557	1 %
<i>EXCHANGE RATES</i>			
Yen / U.S. Dollar	115	110	¥ 5
Yen / Euro	146	136	¥ 10

REVENUE CHANGES BY DESTINATION

FY2006 First Half Compared with FY2005 First Half



(Billion yen)

Total

Domestic

Overseas

FY06

1,521.4

441.9

1,079.5

FY05

1,351.9

432.0

919.9

JAPAN

	First Half		Change
	FY2006	FY2005	
Retail Sales Volume (000)	131	141	(7) %
Market Share	4.8 %	5.0 %	(0.2) Pts

Lower Registration Vehicle Demand



UNITED STATES

	First Half		Change
	FY2006	FY2005	
Retail Sales Volume (000)	142	138	3 %
Market Share	1.6 %	1.5 %	0.1 Pts

Contribution of CX-7, Mazda5 and MX-5



EUROPE

	First Half		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
Retail Sales Volume (000)	151	138	10 %
Market Share	1.6 %	1.5 %	0.1 Pts

Retail Sales Volume Up 10%



CHINA

	First Half		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
Retail Sales Volume (000)	62	67	(8) %
Market Share	1.8 %	2.3 %	(0.5) Pts

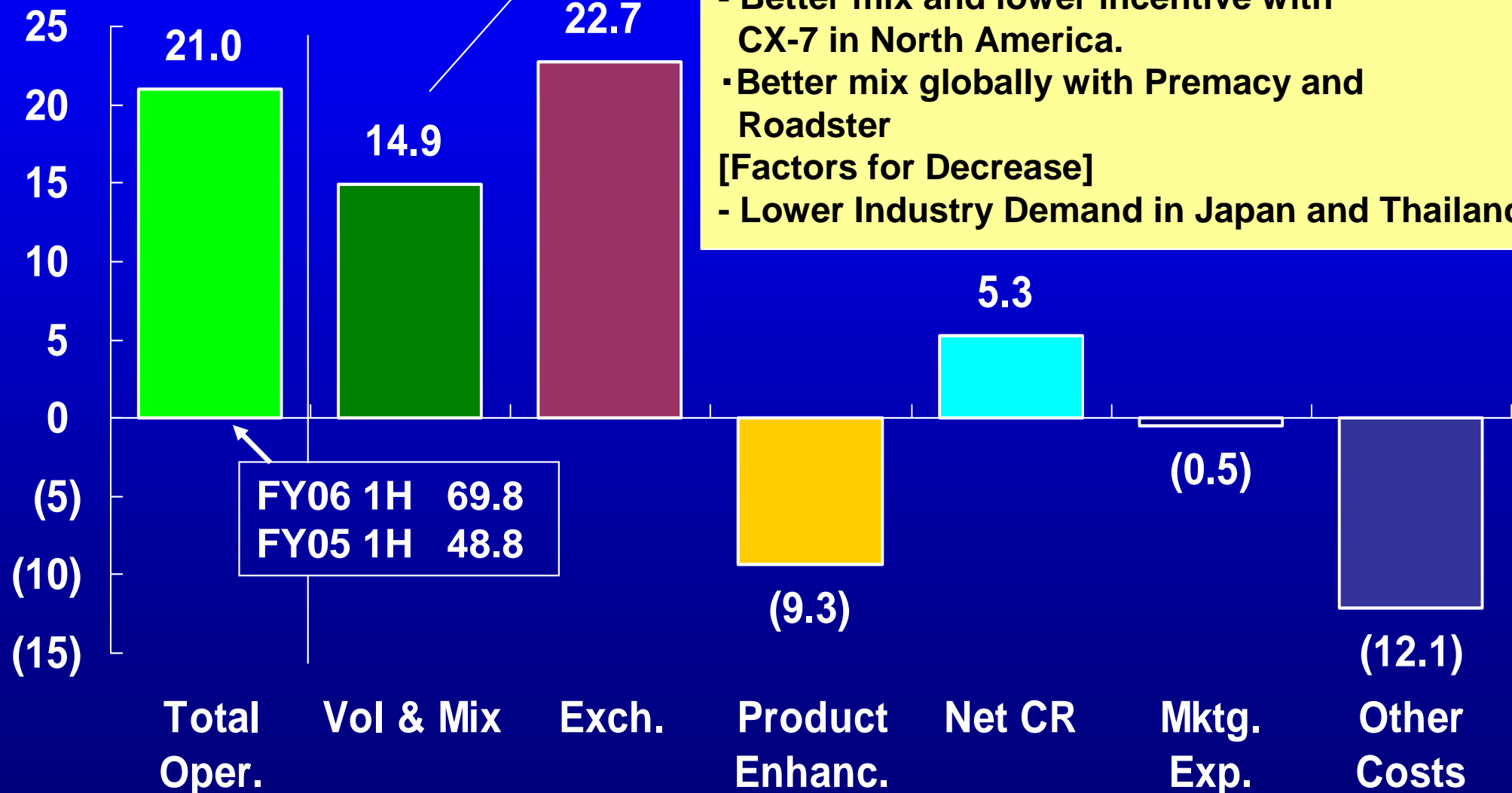
Introduction of Mazda6 5-door HB and Wagon



OPERATING PROFIT CHANGES

FY2006 First Half Compared with FY2005 First Half

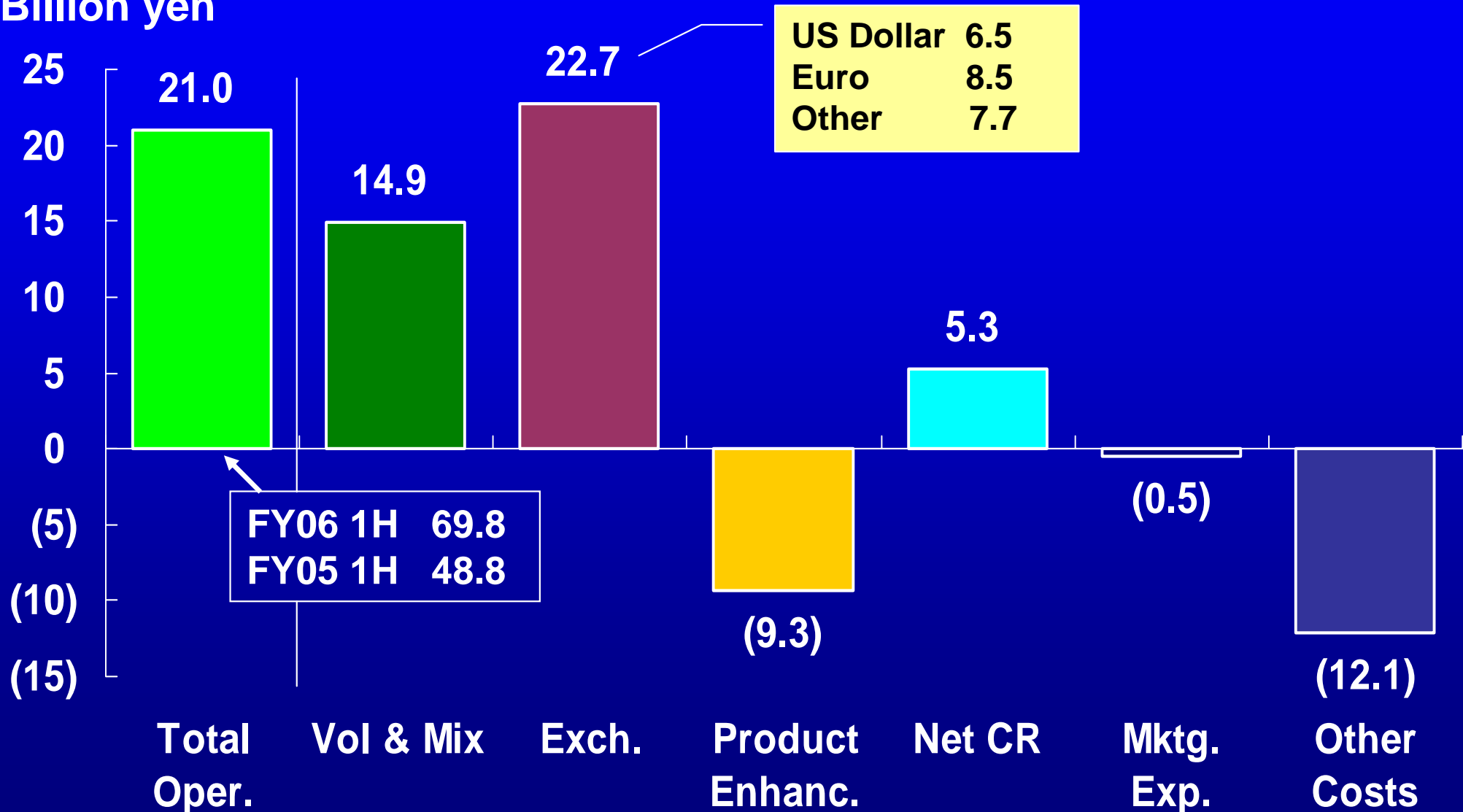
Billion yen



OPERATING PROFIT CHANGES

FY2006 First Half Compared with FY2005 First Half

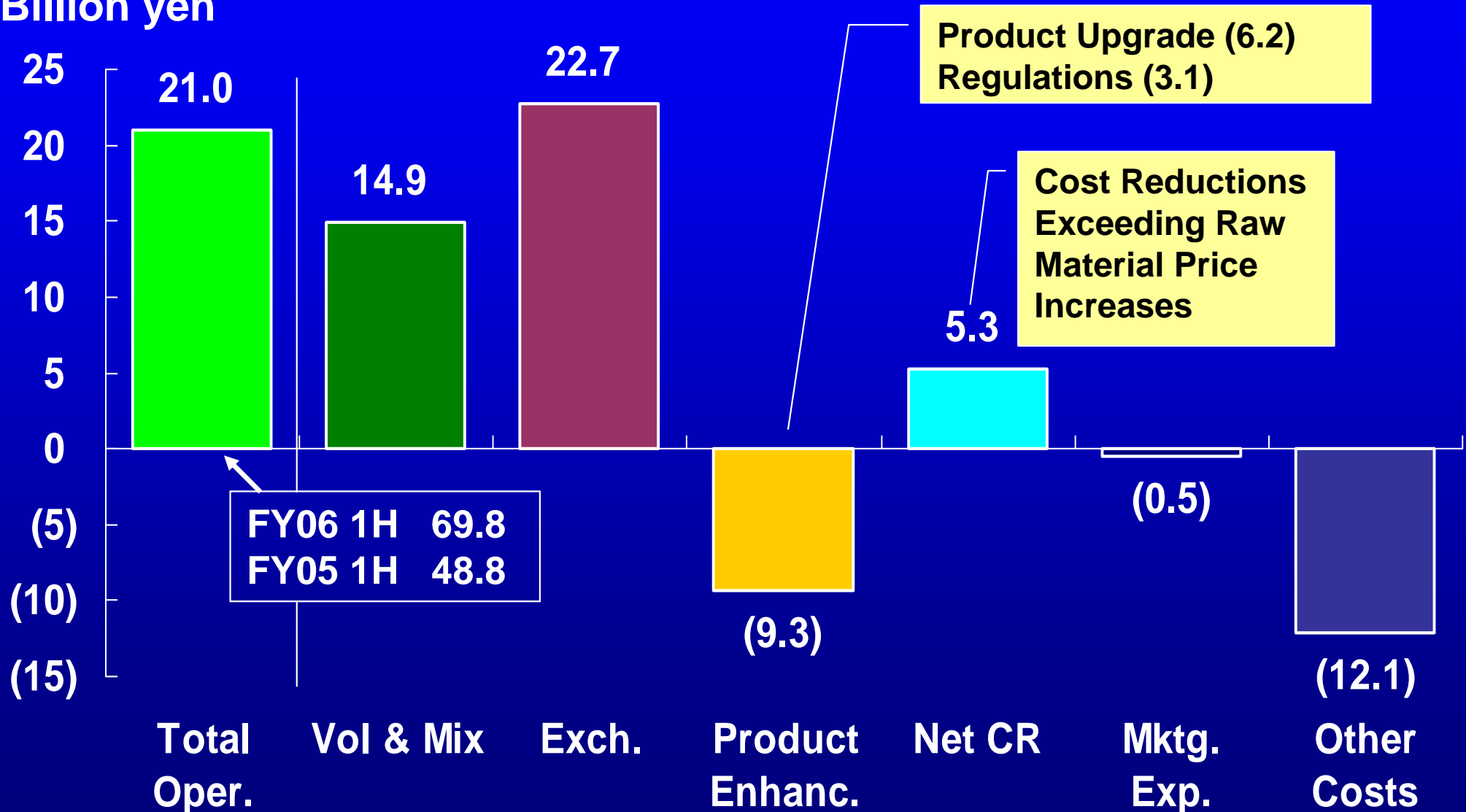
Billion yen



OPERATING PROFIT CHANGES

FY2006 First Half Compared with FY2005 First Half

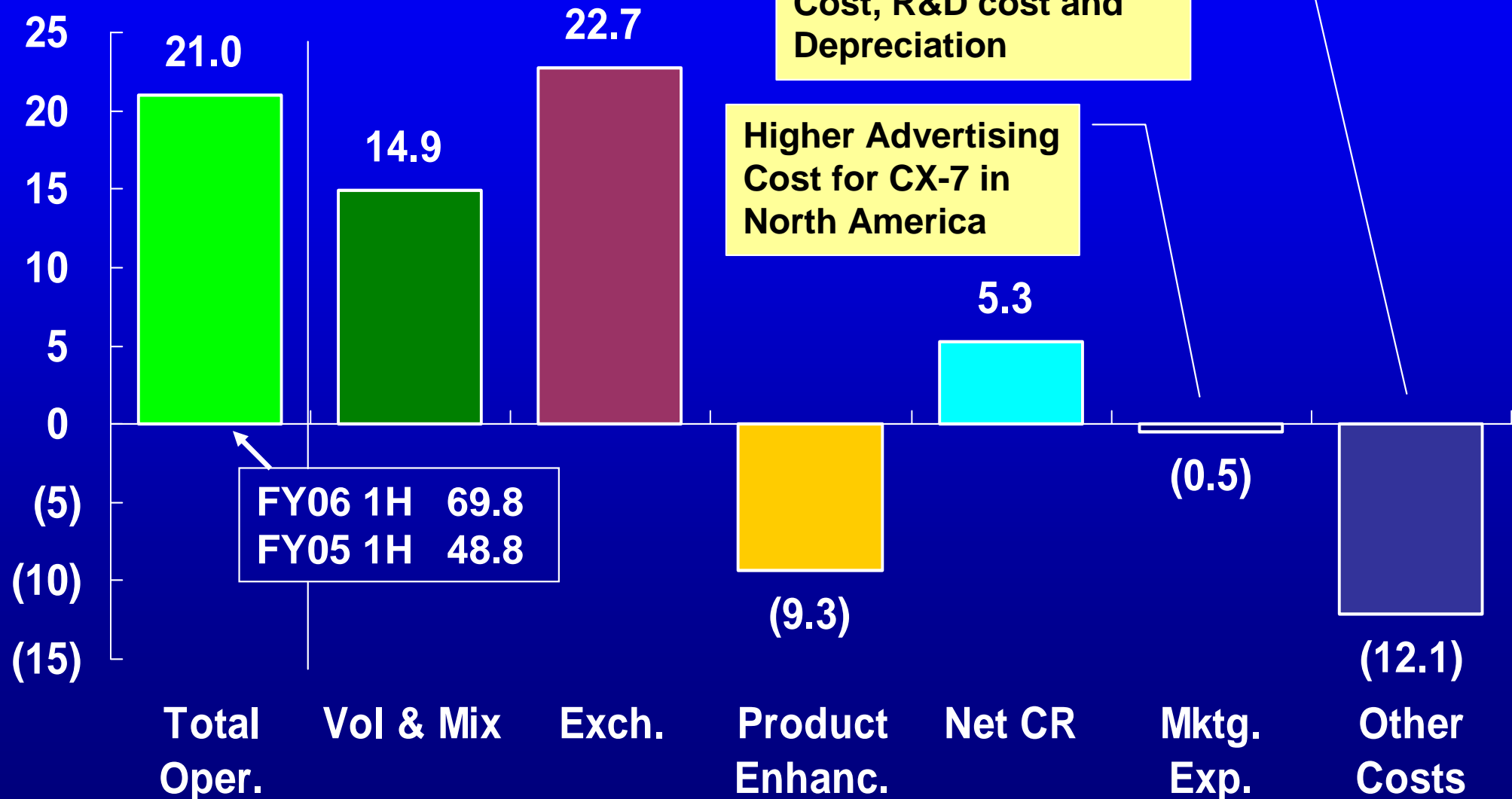
Billion yen



OPERATING PROFIT CHANGES

FY2006 First Half Compared with FY2005 First Half

Billion yen



FY2006 FULL YEAR PROJECTIONS

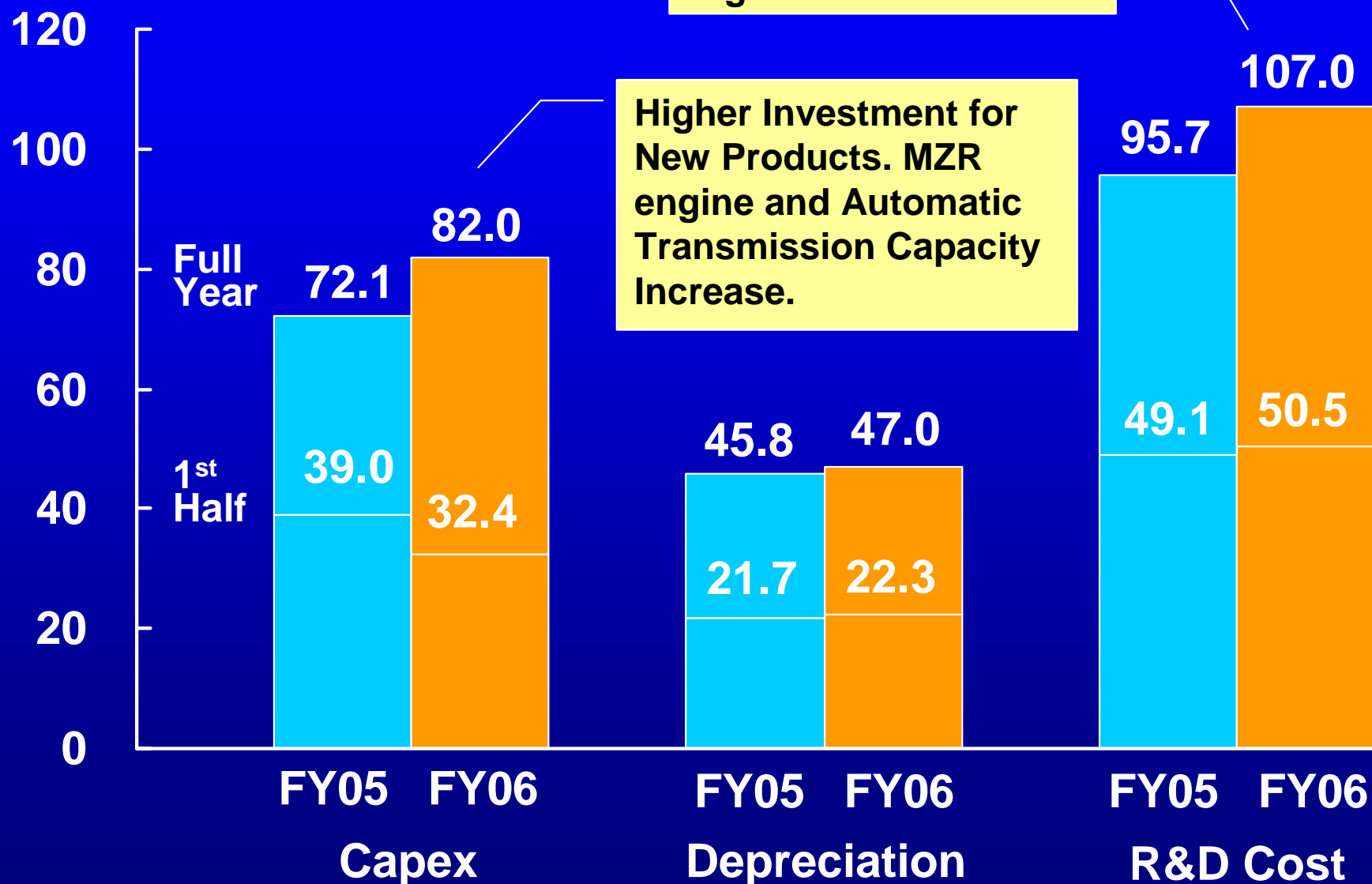
FULL YEAR FINANCIAL METRICS

(Billion yen)	Full Year		Change	
	FY2006	FY2005	Amount	Pct.
Revenue	3,150.0	2,919.8	230.2	8 %
Operating Profit	148.0	123.4	24.6	20 %
Ordinary Profit	140.0	101.5	38.5	38 %
Profit Before Tax	130.0	117.5	12.5	11 %
Net Income	82.0	66.7	15.3	23 %
Memo: Net Income*	82.0	58.4	23.6	41 %
Operating ROS	4.7%	4.2%	0.5 Pts	-
EPS (Yen/Share)	58.5	51.5	7.0	14 %

*Excluding Gains from Pension Fund Return and Impairment Losses Last Year

KEY DATA

(Billion yen)

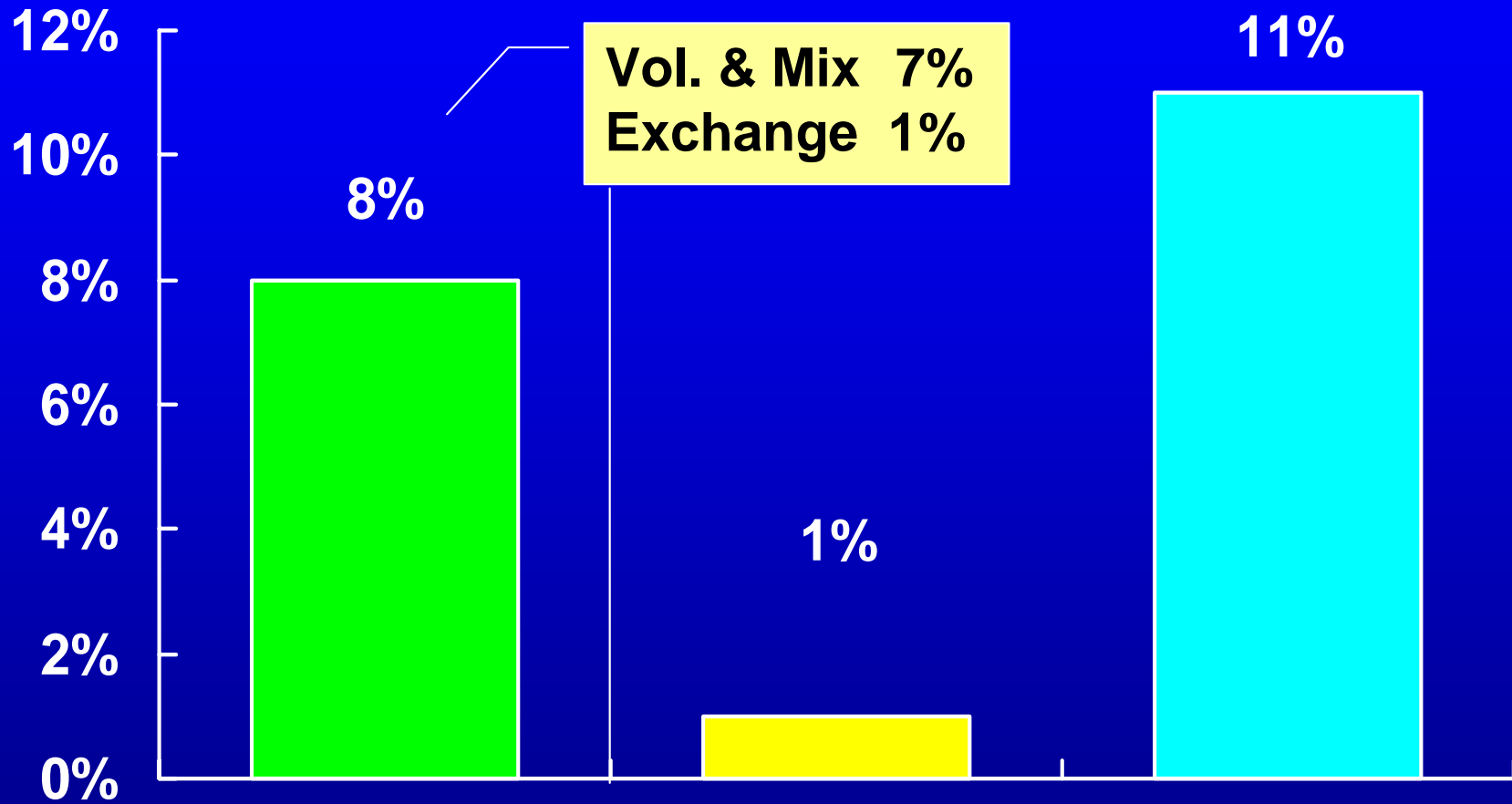


KEY DATA

	Full Year		Change
	FY2006	FY2005	
<i>WHOLESALES (000)</i>			
Consolidated	1,180	1,149	3 %
<i>EXCHANGE RATES</i>			
Yen / U.S. Dollar	113	113	¥ 0
Yen / Euro	143	138	¥ 5

REVENUE CHANGES BY DESTINATION

FY2006 Compared with FY2005



(Billion yen)

Total

Domestic

Overseas

FY06

3,150.0

900.0

2,250.0

FY05

2,919.8

887.7

2,032.1

JAPAN

	Full Year		Change
	FY2006	FY2005	
Retail Sales Volume (000)	270	287	(6) %
Market Share	4.7 %	4.9 %	(0.2) Pts

Introduction of CX-7 at End of This Year



*Photo:
North American Version

UNITED STATES

	Full Year		Change
	FY2006	FY2005	
Retail Sales Volume (000)	290	262	11 %
Market Share	1.8 %	1.5 %	0.3 Pts

Introduction of CX-9 Early 2007



EUROPE

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

Continued Momentum



CHINA

	Full Year		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
Retail Sales Volume (000)	135	130	4 %
Market Share	1.8 %	2.1 %	(0.3) Pts

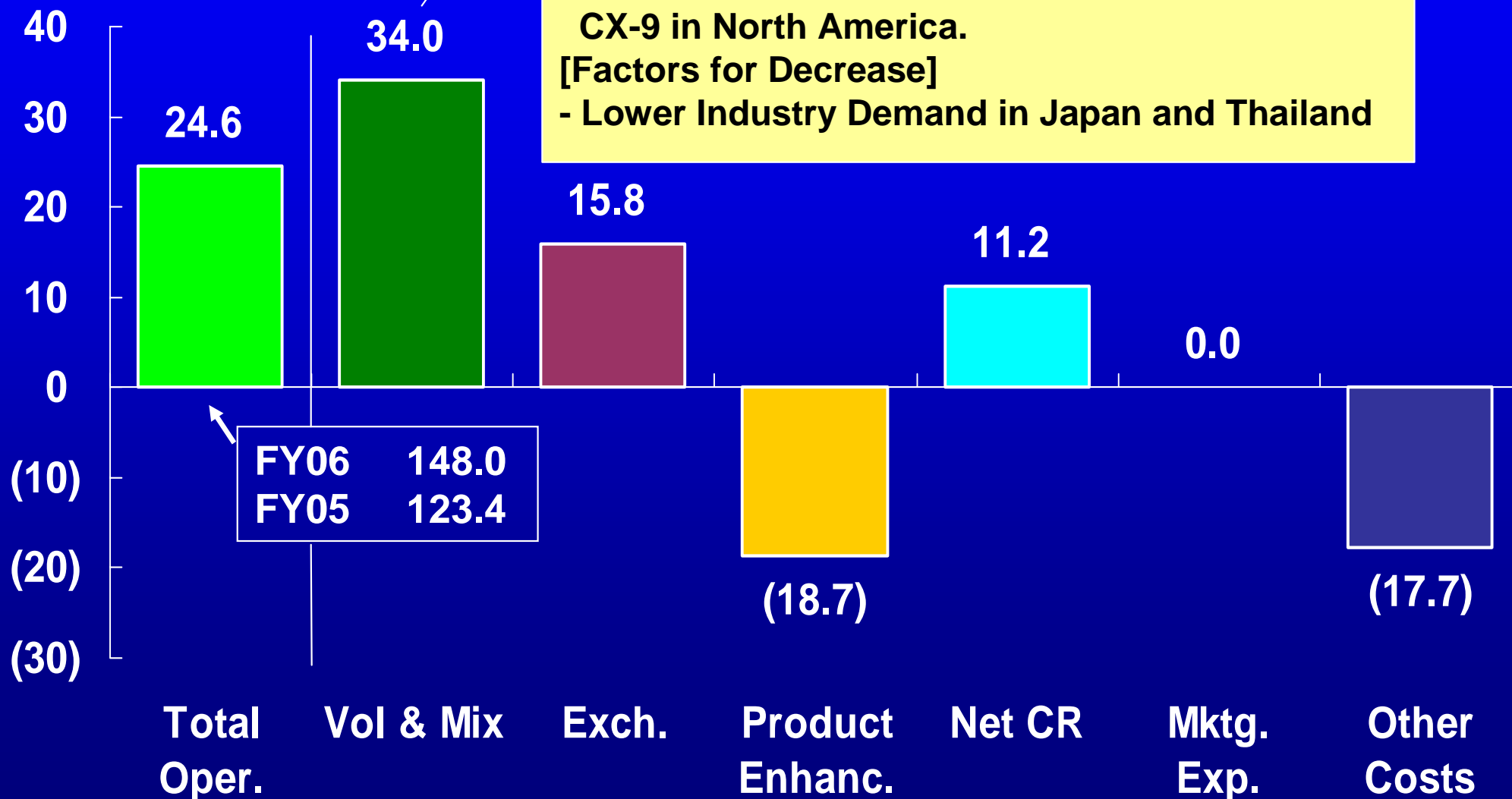
Expand Sales with Full Line-up of Mazda6



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

Billion yen



[Factors for Increase]

- Better mix and lower incentive with CX-7 and CX-9 in North America.

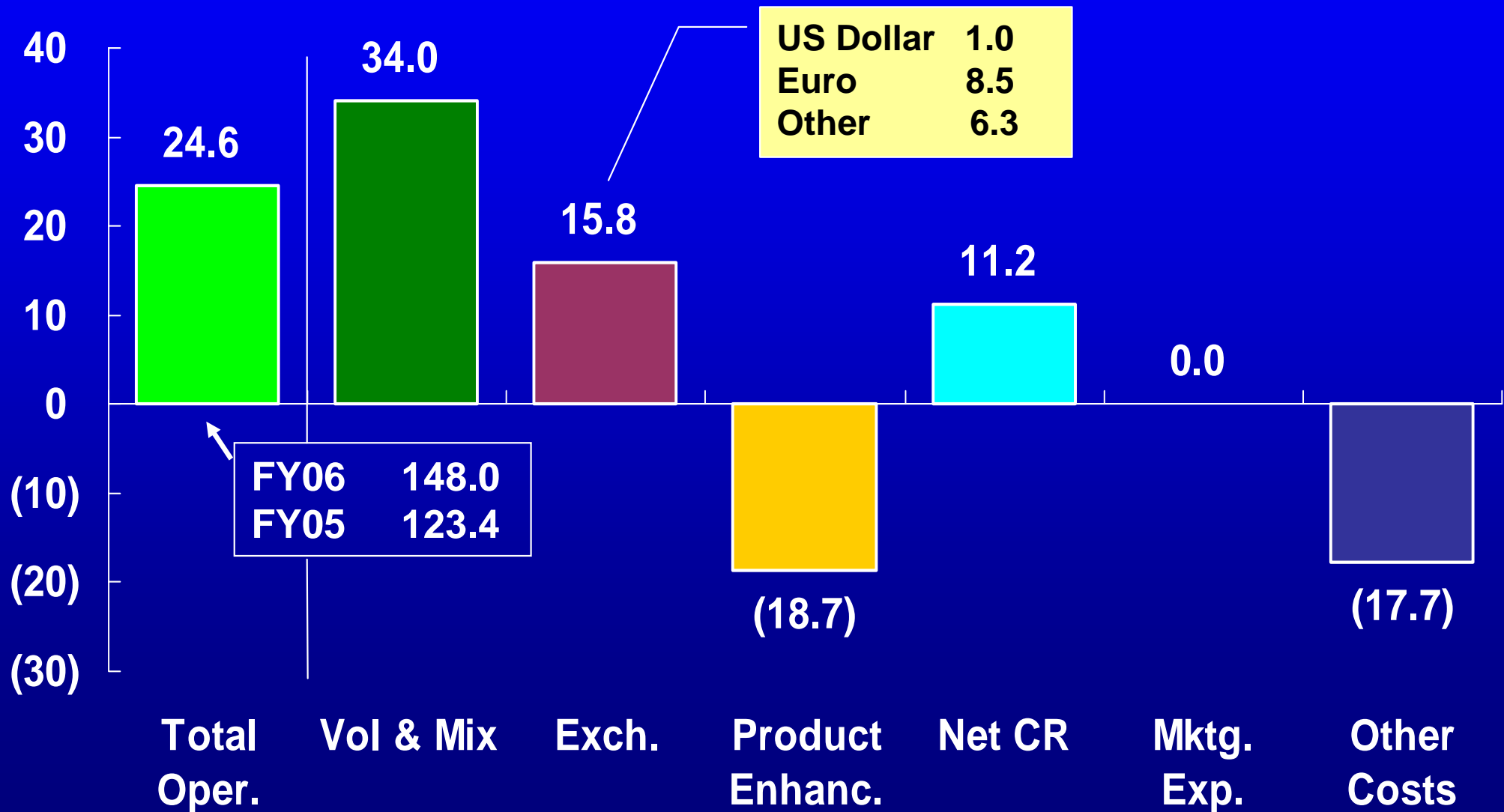
[Factors for Decrease]

- Lower Industry Demand in Japan and Thailand

OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

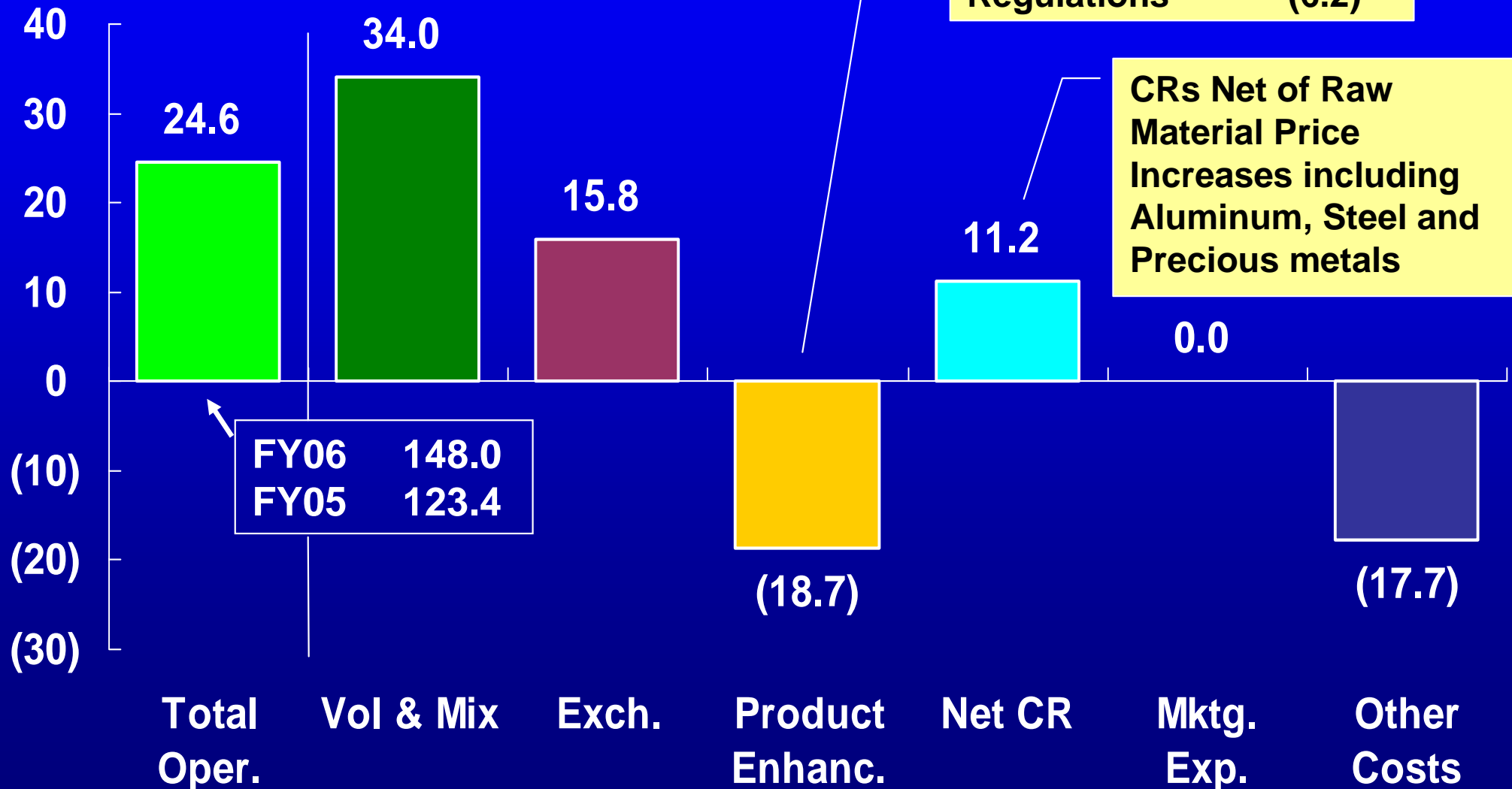
Billion yen



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

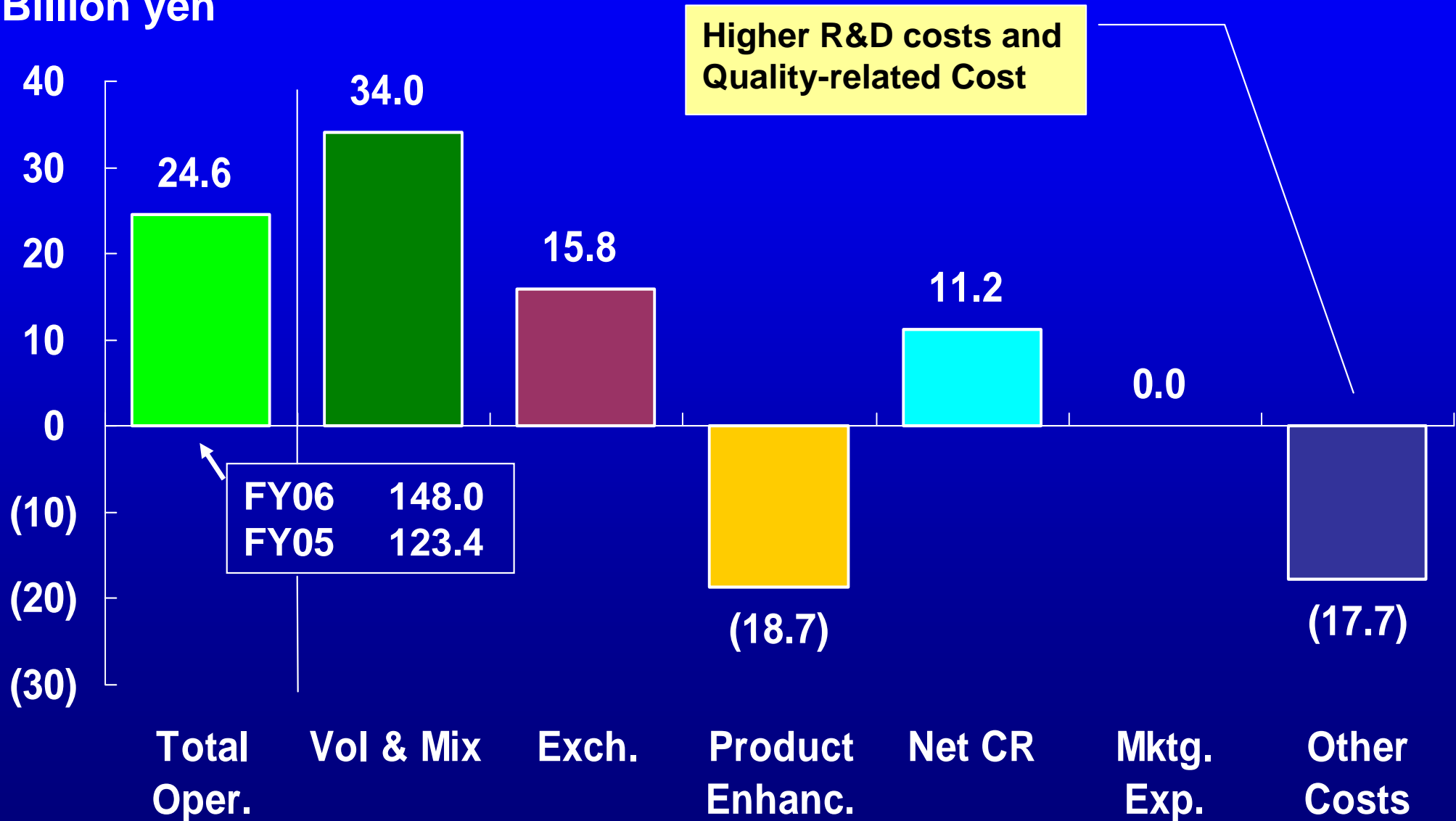
Billion yen



OPERATING PROFIT CHANGES

FY2006 Compared with FY2005

Billion yen



CLOSE

IN SUM

- ◆ **First Half Operating Profit Up 43% to ¥69.8 Billion**
- ◆ **Full Year Operating Profit Revised to ¥148.0 Billion**
- ◆ **Continue Progress and Foundation Building Under Mazda Momentum**
- ◆ **Announcement of Next Mid-term Business Plan by Next Spring**



mazda

DISCLAIMER

The projections for FY2006 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.