

# MAZDA MOTOR CORPORATION

## ***FY2006 THIRD QUARTER RESULTS AND FULL YEAR PROJECTIONS***

**February 8, 2007**

# PRESENTATION OUTLINE

- ◆ **FY2006 Nine Months Results**
- ◆ **FY2006 Full Year Projections**
- ◆ **Close**

# ***FY2006 NINE MONTHS RESULTS***

# FY2006 NINE MONTHS HIGHLIGHTS

- ◆ **Operating Profit up 28% to ¥107.3 Billion**
- ◆ **Revenues up 9%**
- ◆ **Introduced CX-7 in Japan and Australia, Following North America**
- ◆ **Net Income, at ¥42.1 Billion, up 26% excluding Impact of Gain from Pension Fund Return and Asset-Impairment Losses in the Prior Year**

# FY2006 NINE MONTHS FINANCIAL METRICS

(Billion yen)	Nine Months		Change	
	FY2006	FY2005	Amount	Pct.
Revenue	2,289.6	2,093.4	196.2	9 %
Operating Profit	107.3	83.7	23.6	28 %
Ordinary Profit	83.9	68.0	15.9	23 %
Profit Before Tax	76.7	86.9	(10.2)	(12) %
Net Income	42.1	41.3	0.8	2 %
Memo: Net Income*	42.1	33.5	8.6	26 %
Operating ROS	4.7%	4.0%	0.7 Pts	-
EPS (Yen/Share)	30.1	32.5	(2.4)	(8) %

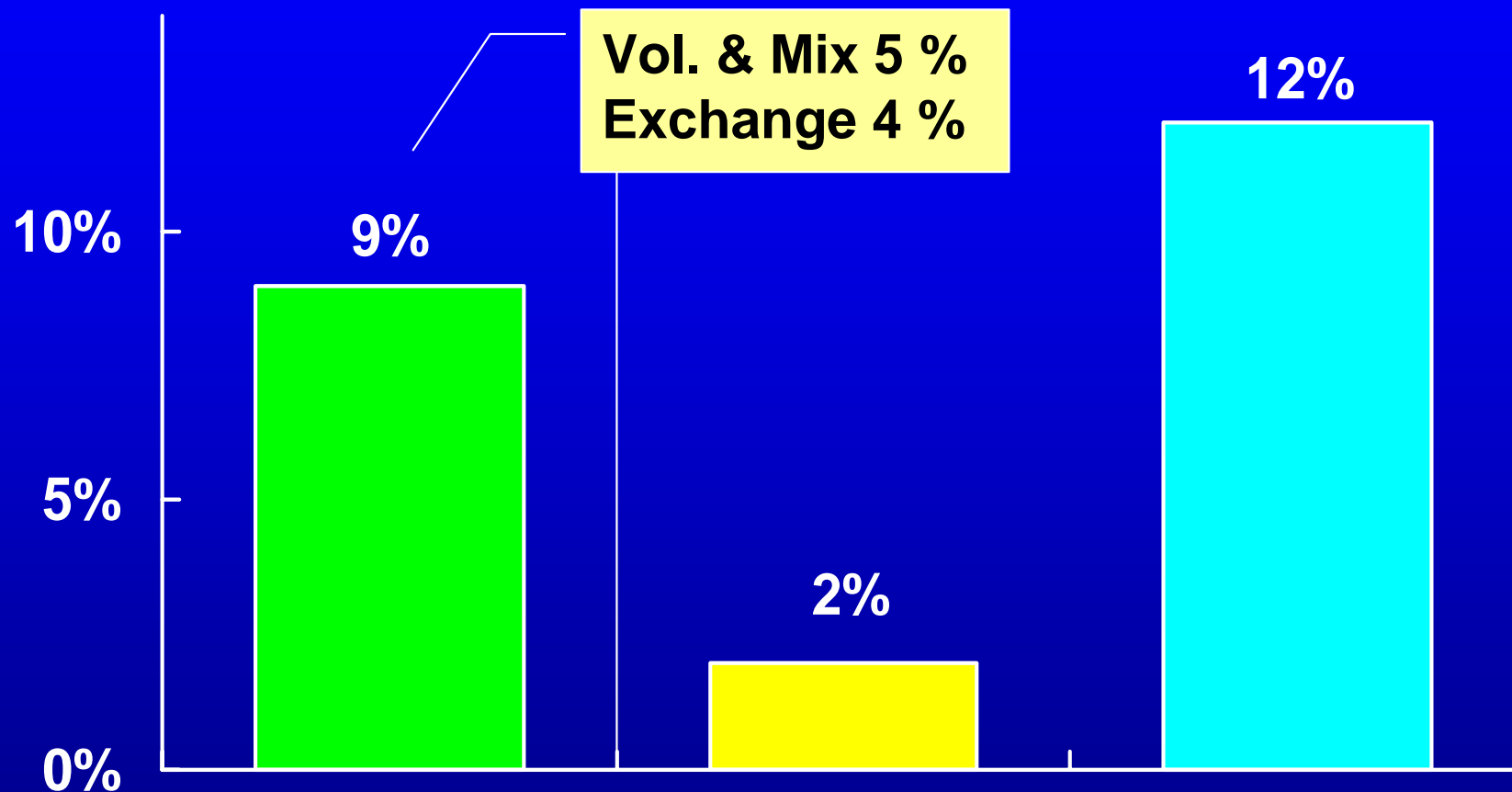
\*Net Income without pension fund return gain and asset-impairment losses in the prior year.

# KEY ASSUMPTIONS

	Nine Months		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
<b><i>WHOLESALES (000)</i></b>			
Consolidated	829	834	(1) %
<b><i>EXCHANGE RATES</i></b>			
Yen / U.S. Dollar	116	112	¥ 4
Yen / Euro	148	137	¥ 11

# REVENUE CHANGES BY DESTINATION

FY2006 Nine Months Compared with FY2005 Nine Months



(Billion yen)

**Total**

**Domestic**

**Overseas**

**FY06**

**2,289.6**

**645.3**

**1,644.3**

**FY05**

**2,093.4**

**630.2**

**1,463.2**

# JAPAN

	Nine Months		Change
	FY2006	FY2005	
Retail Volume (000)	182	199	(8) %
Market Share	4.6 %	4.9 %	(0.3) Pts

## Lower Passenger Vehicle Demand





# UNITED STATES

	Nine Months		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
Retail Volume (000)	202	194	4 %
Market Share	1.6 %	1.5 %	0.1 Pts

## Contributions of CX-7, Mazda5 & MX-5



# EUROPE

	Nine Months		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
Retail Volume (000)	219	197	11 %
Market Share	1.6 %	1.5 %	0.1 Pts

**Retail Volume Up 11% YOY**



# CHINA

	<u>Nine Months</u>		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
Retail Volume (000)	98	102	(4) %
Market Share	1.8 %	2.3 %	(0.5) Pts

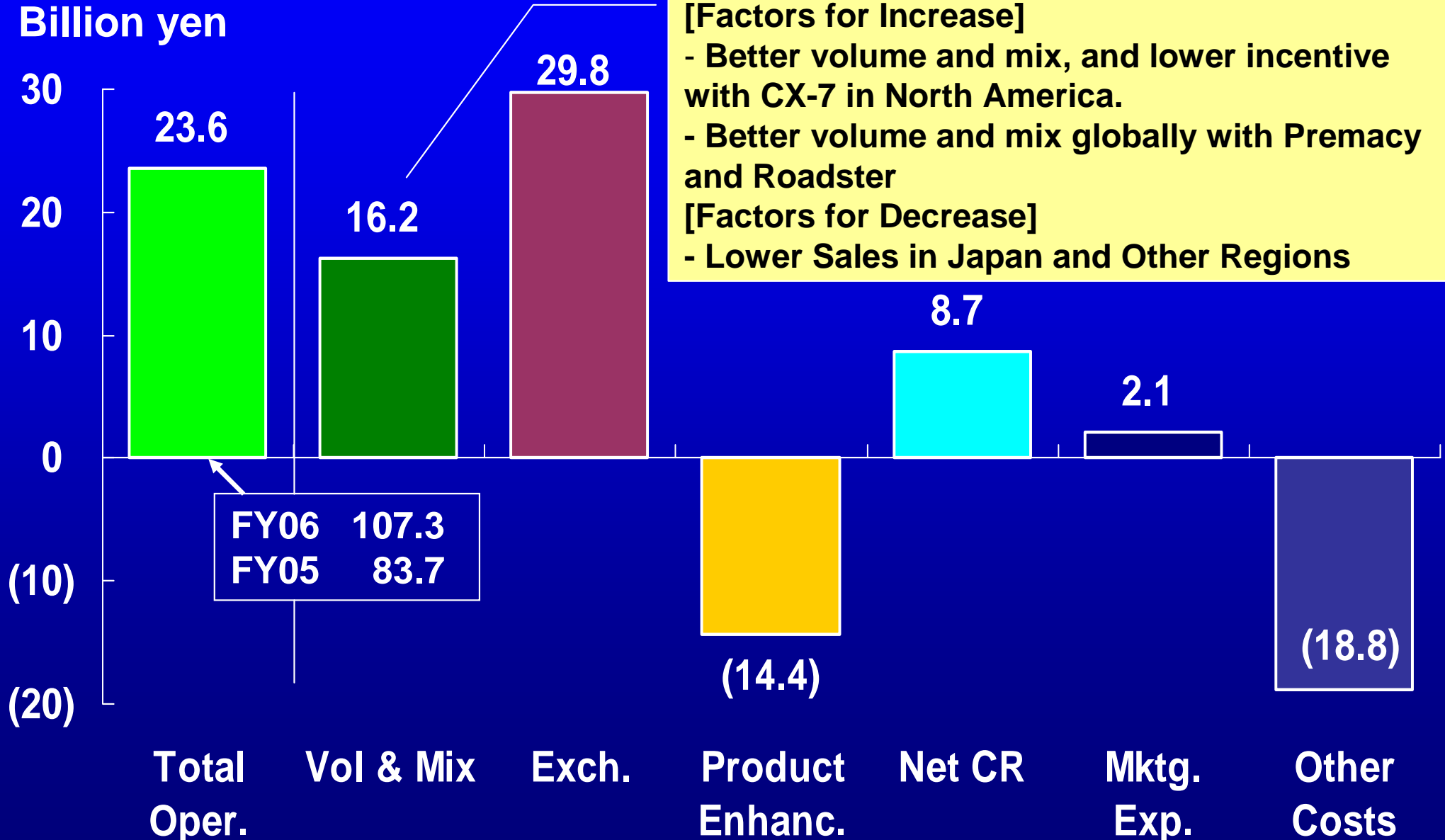
## Fiercer Competitions



# OPERATING PROFIT CHANGES

## FY2006 Nine Months Compared with FY2005 Nine Months

Billion yen



**[Factors for Increase]**

- Better volume and mix, and lower incentive with CX-7 in North America.
- Better volume and mix globally with Premacy and Roadster

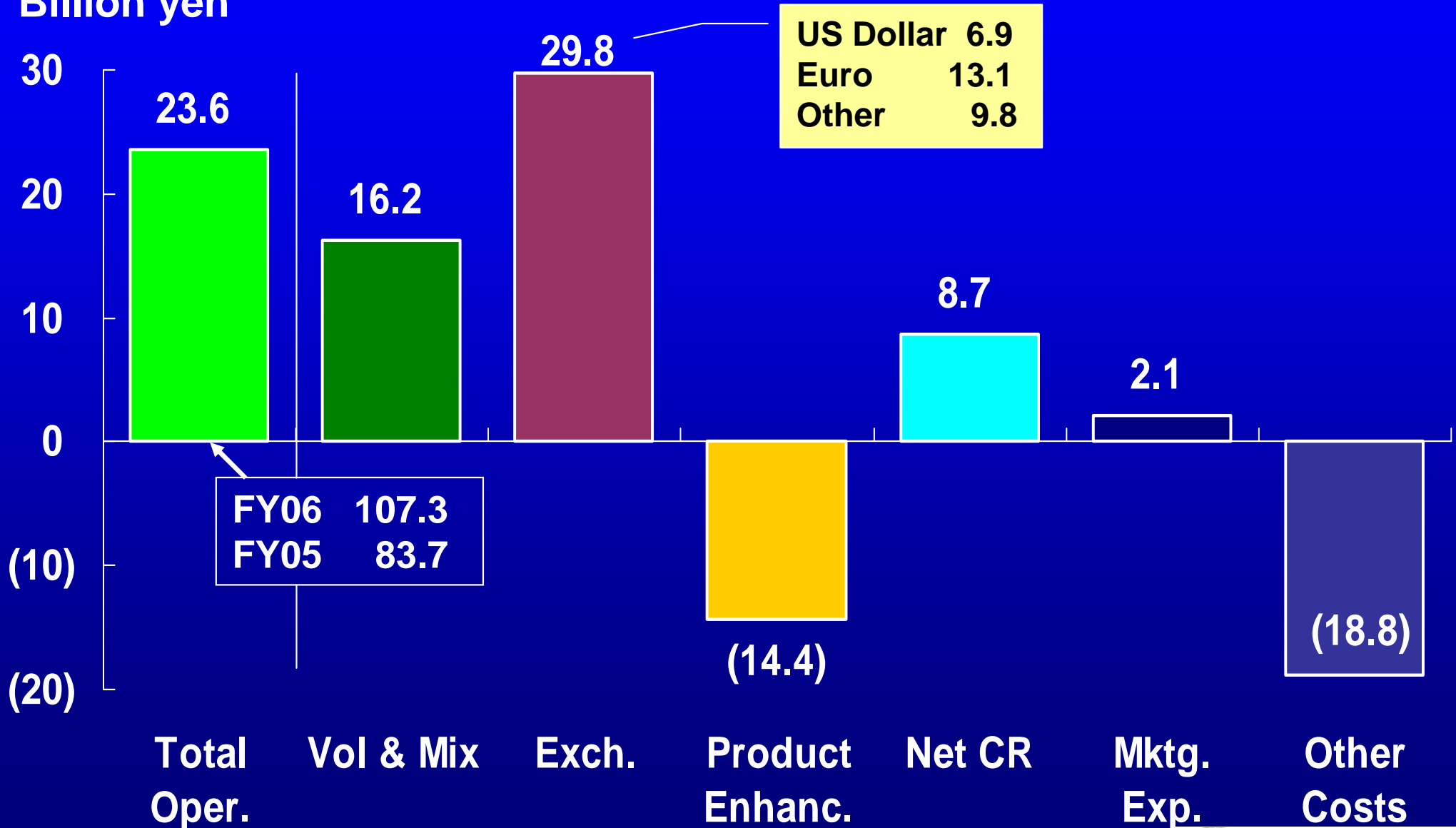
**[Factors for Decrease]**

- Lower Sales in Japan and Other Regions

# OPERATING PROFIT CHANGES

FY2006 Nine Months Compared with FY2005 Nine Months

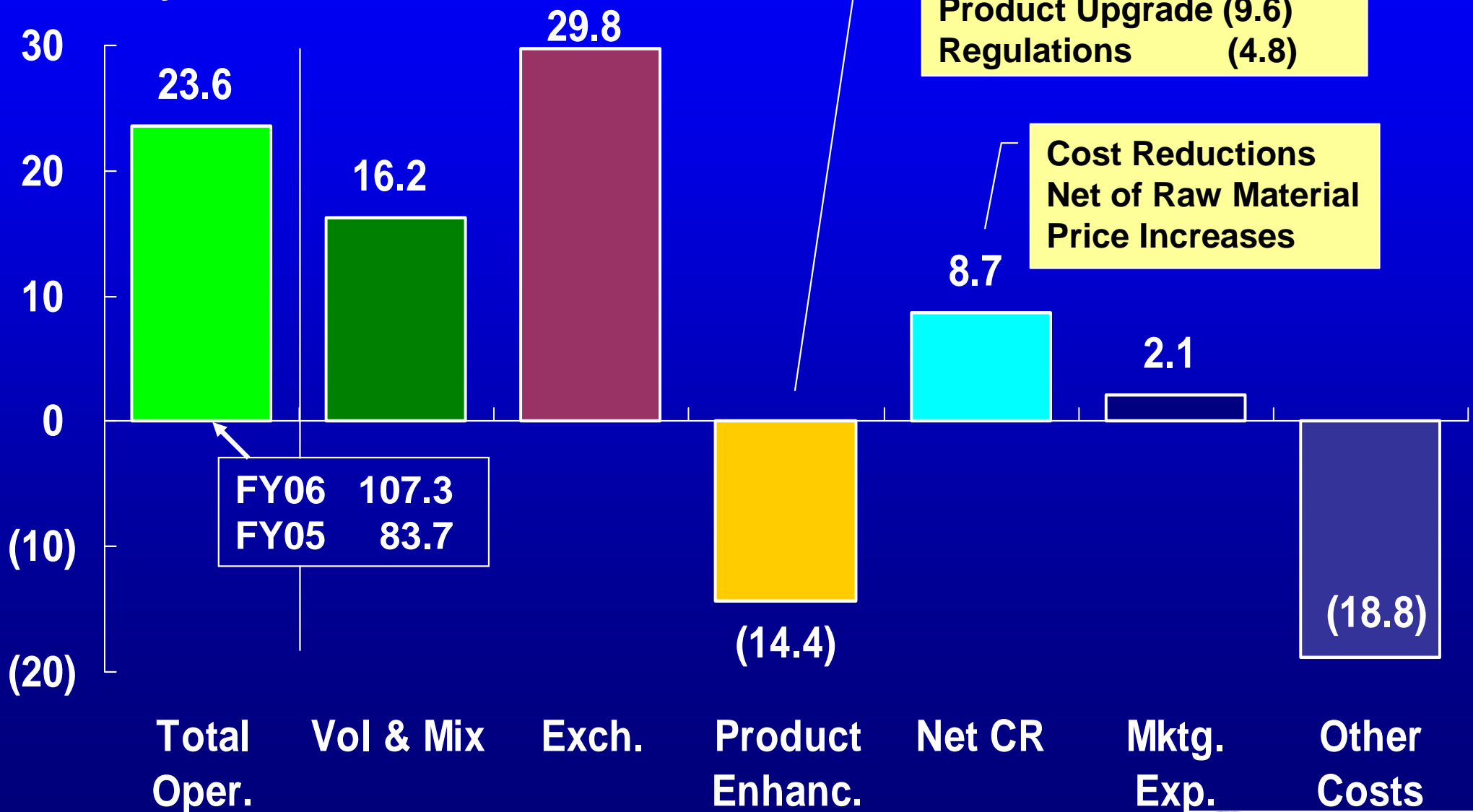
Billion yen



# OPERATING PROFIT CHANGES

FY2006 Nine Months Compared with FY2005 Nine Months

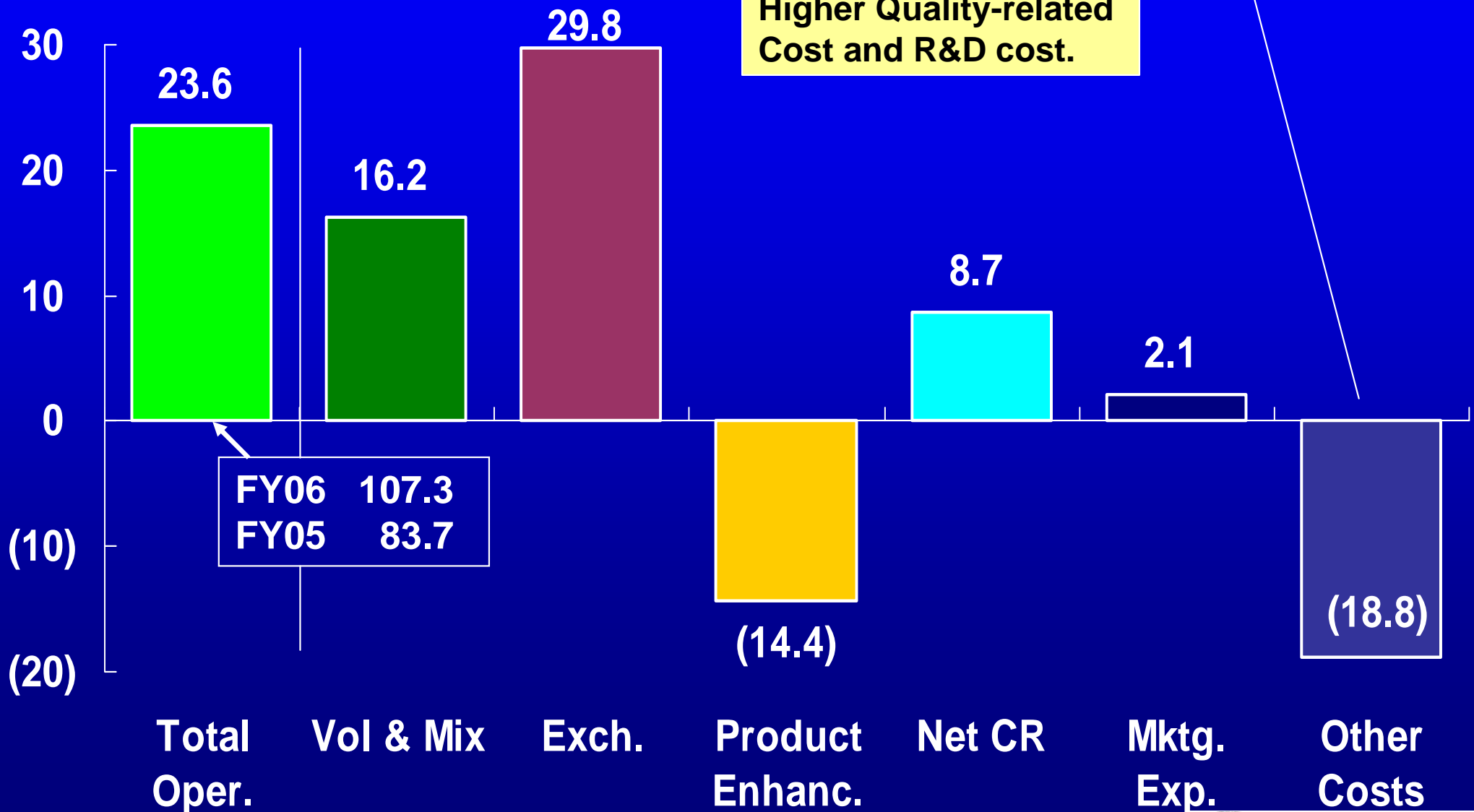
Billion yen



# OPERATING PROFIT CHANGES

## FY2006 Nine Months Compared with FY2005 Nine Months

Billion yen



# ***FY2006 FULL YEAR PROJECTIONS***



# FULL YEAR OUTLOOK

- ◆ **Operating Profit Up 28% to ¥158 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**

# FULL YEAR FINANCIAL METRICS

(Billion yen)	Full-year		Change	
	<u>FY2006</u>	<u>FY2005</u>	<u>Amount</u>	<u>Pct.</u>
Revenue	3,200.0	2,919.8	280.2	10 %
Operating Profit	158.0	123.4	34.6	28 %
Ordinary Profit	130.0	101.5	28.5	28 %
Profit Before Tax	120.0	117.5	2.5	2 %
Net Income	73.0	66.7	6.3	9 %
Memo: Net Income*	73.0	58.4	14.6	25 %
Operating ROS	4.9%	4.2%	0.7 Pts	-
EPS (Yen/Share)	52.1	51.5	0.6	1 %

\*Net Income without pension fund return gain and asset-impairment losses in the prior year.

# KEY ASSUMPTIONS

	Full Year		
	<u>FY2006</u>	<u>FY2005</u>	<u>Change</u>

## **WHOLESALES SALES (000)**

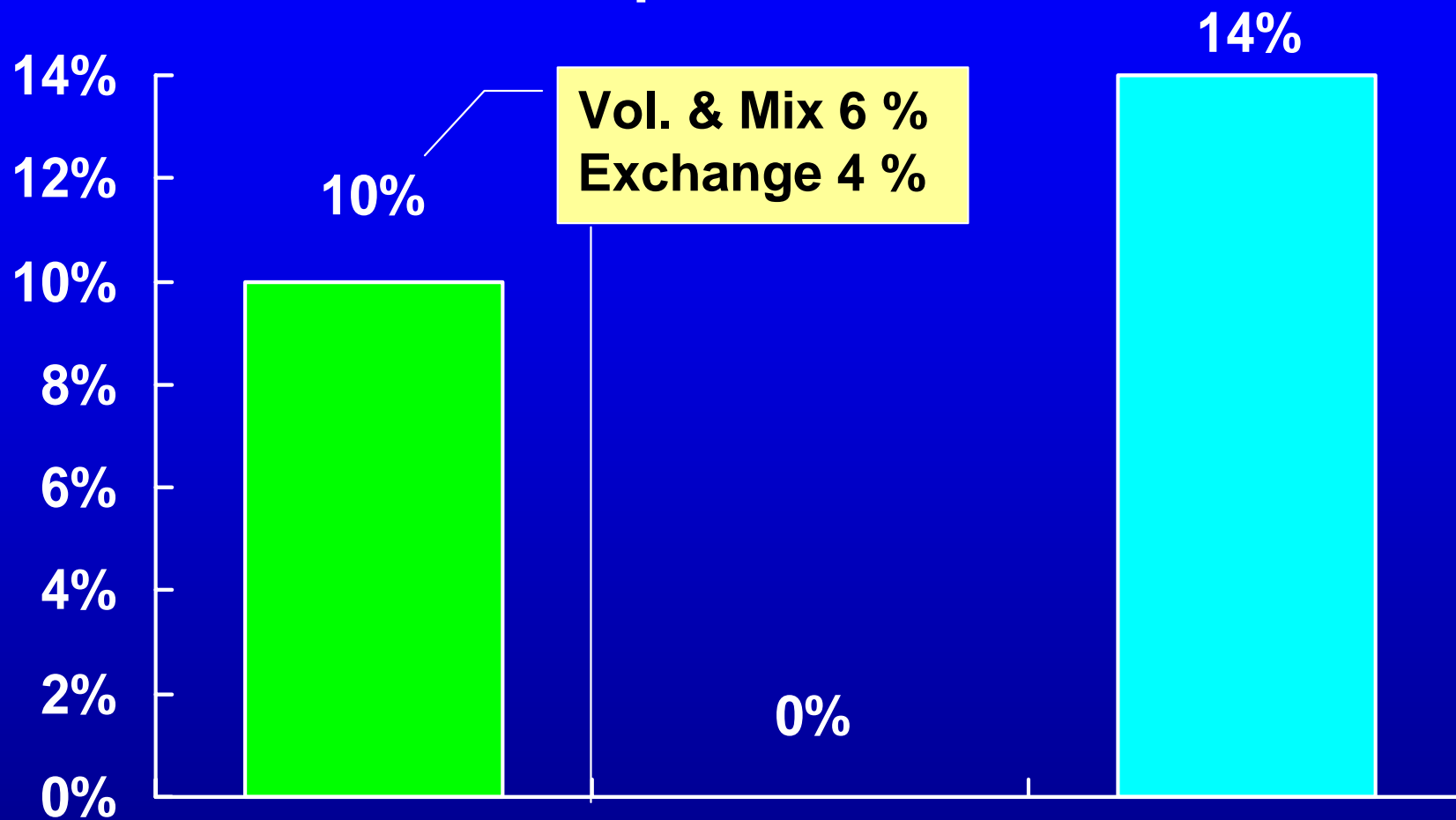
Consolidated	1,170	1,149	2 %
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## **EXCHANGE RATES**

Yen / U.S. Dollar	116	113	¥ 3
Yen / Euro	148	138	¥ 10

# REVENUE CHANGES BY DESTINATION

FY2006 Compared with FY2005



(Billion yen)

**Total**

**Domestic**

**Overseas**

**FY06**

**3,200.0**

**890.0**

**2,310.0**

**FY05**

**2,919.8**

**887.7**

**2,032.1**

# JAPAN

	Full Year		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
Retail Sales Volume (000)	262	287	(9) %
Market Share	4.6 %	4.9 %	(0.3) Pts

## Brand Reinforcement with CX-7



# UNITED STATES

	Full Year		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
Retail Sales Volume (000)	285	262	9 %
Market Share	1.7 %	1.5 %	0.2 Pts

## Introduction of CX-9 and Tribute



# EUROPE

	Full Year		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
Retail Sales Volume (000)	305	282	8 %
Market Share	1.6 %	1.5 %	0.1 Pts

## Momentum Continues



# 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

## Higher Sales with Mazda3

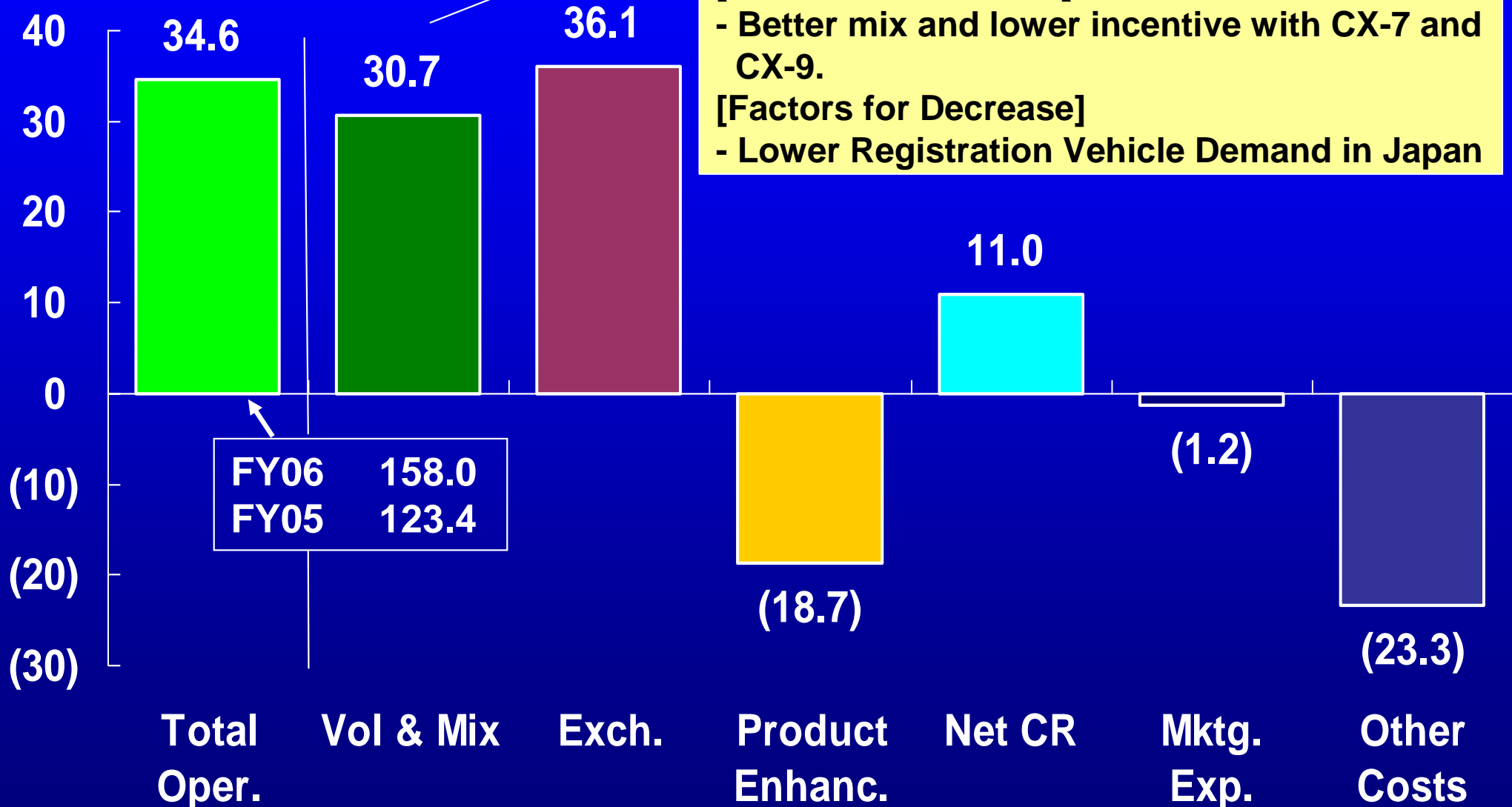




# OPERATING PROFIT CHANGES

## FY2006 Compared with FY2005

Billion yen



[Factors for Increase]

- Better mix and lower incentive with CX-7 and CX-9.

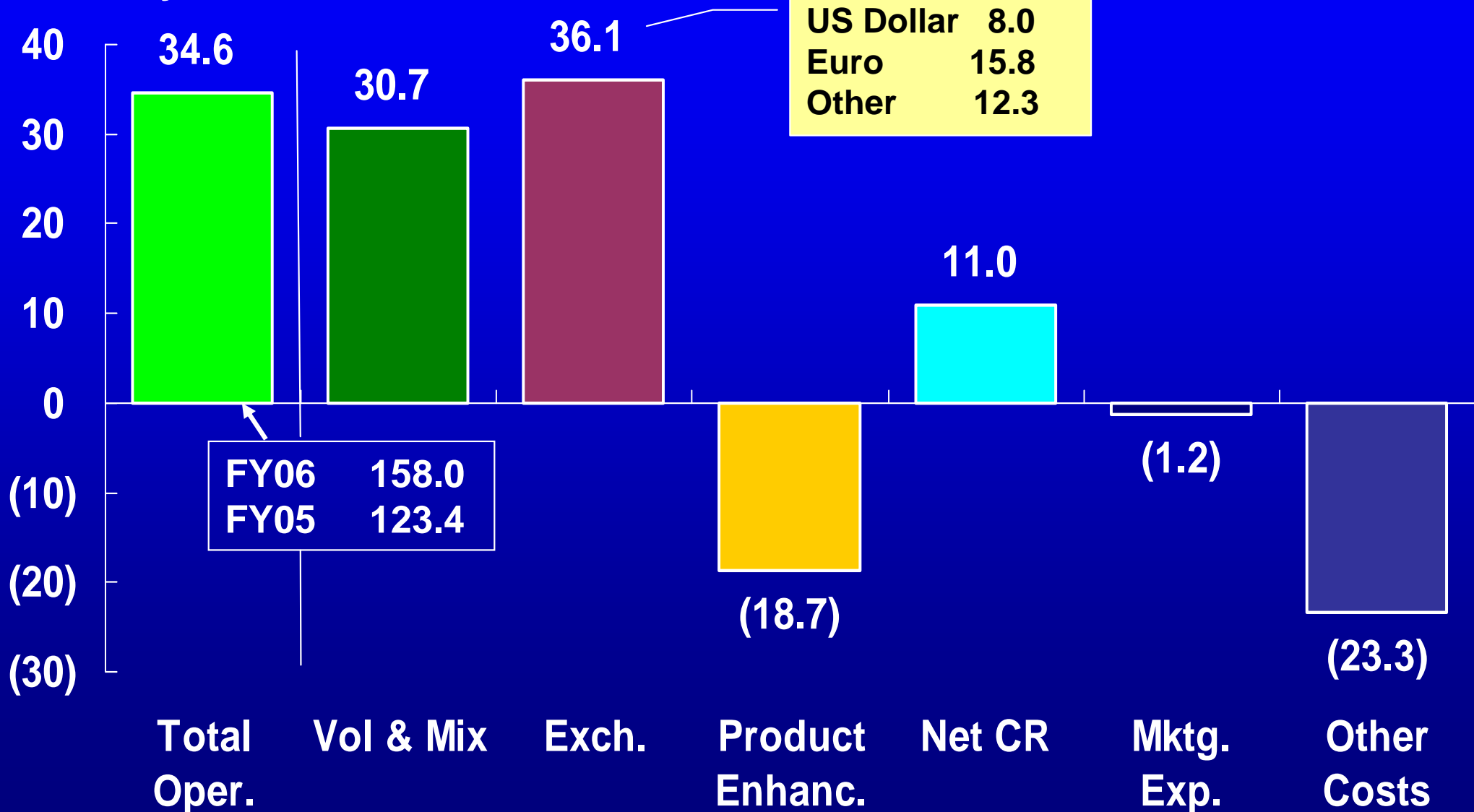
[Factors for Decrease]

- Lower Registration Vehicle Demand in Japan

# OPERATING PROFIT CHANGES

## FY2006 Compared with FY2005

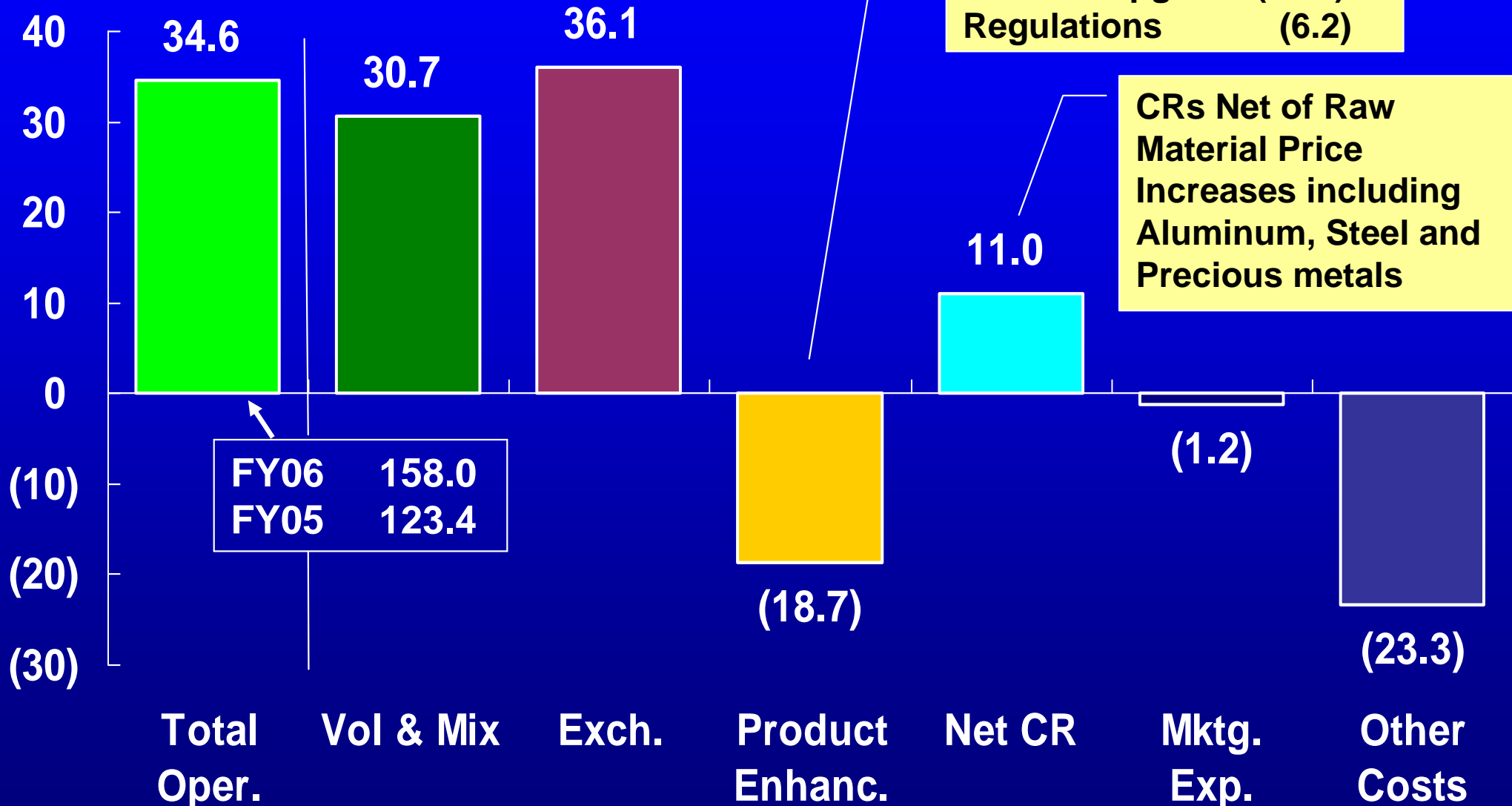
Billion yen



# OPERATING PROFIT CHANGES

## FY2006 Compared with FY2005

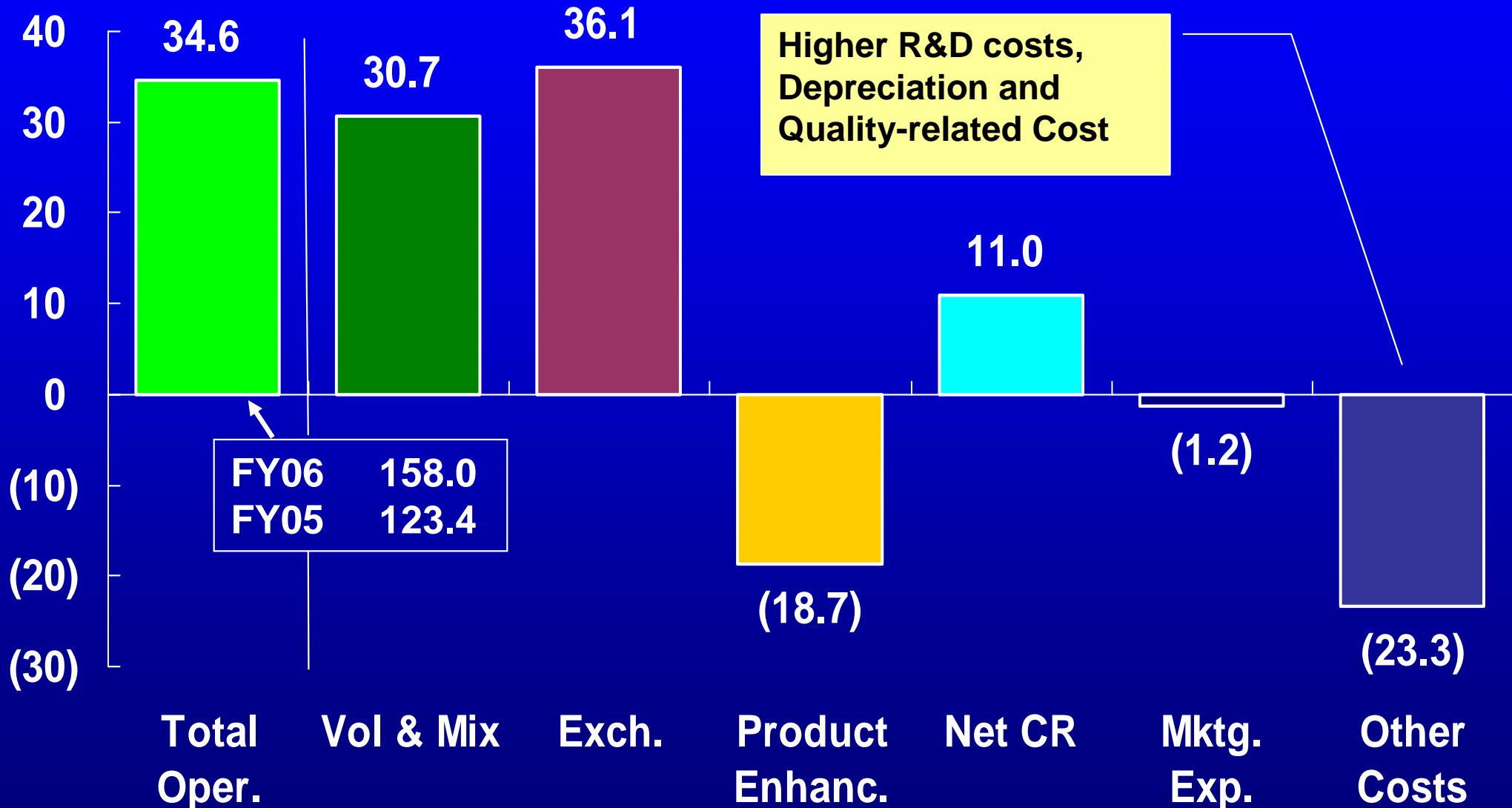
Billion yen



# OPERATING PROFIT CHANGES

## FY2006 Compared with FY2005

Billion yen



***CLOSE***

# CLOSE

- ◆ **Operating Profit For the Nine Months up 28% to ¥107.3 Billion**
- ◆ **Full-year Operating Profit Revised Up 28% to ¥158 Billion**
- ◆ **Six Straight Years of Improved Sales and Profit and Record-High Profits at All Levels**
- ◆ **Next Mid-Term Plan Announcement In March**



**mazda**

# ***APPENDIX***



# FY2006 THIRD QUARTER FINANCIAL METRICS

(Billion yen)	3rd Quarter		Change	
	<u>FY2006</u>	<u>FY2005</u>	<u>Amount</u>	<u>Pct.</u>
Revenue	768.2	741.5	26.7	4 %
Operating Profit	37.5	34.9	2.6	7 %
Ordinary Profit	27.3	24.6	2.7	11 %
Profit Before Tax	24.3	23.7	0.6	3 %
Net Income	14.9	10.2	4.7	46 %
Operating ROS	4.9%	4.7%	0.2 Pts	-
EPS (Yen/Share)	10.6	7.6	3.0	40 %

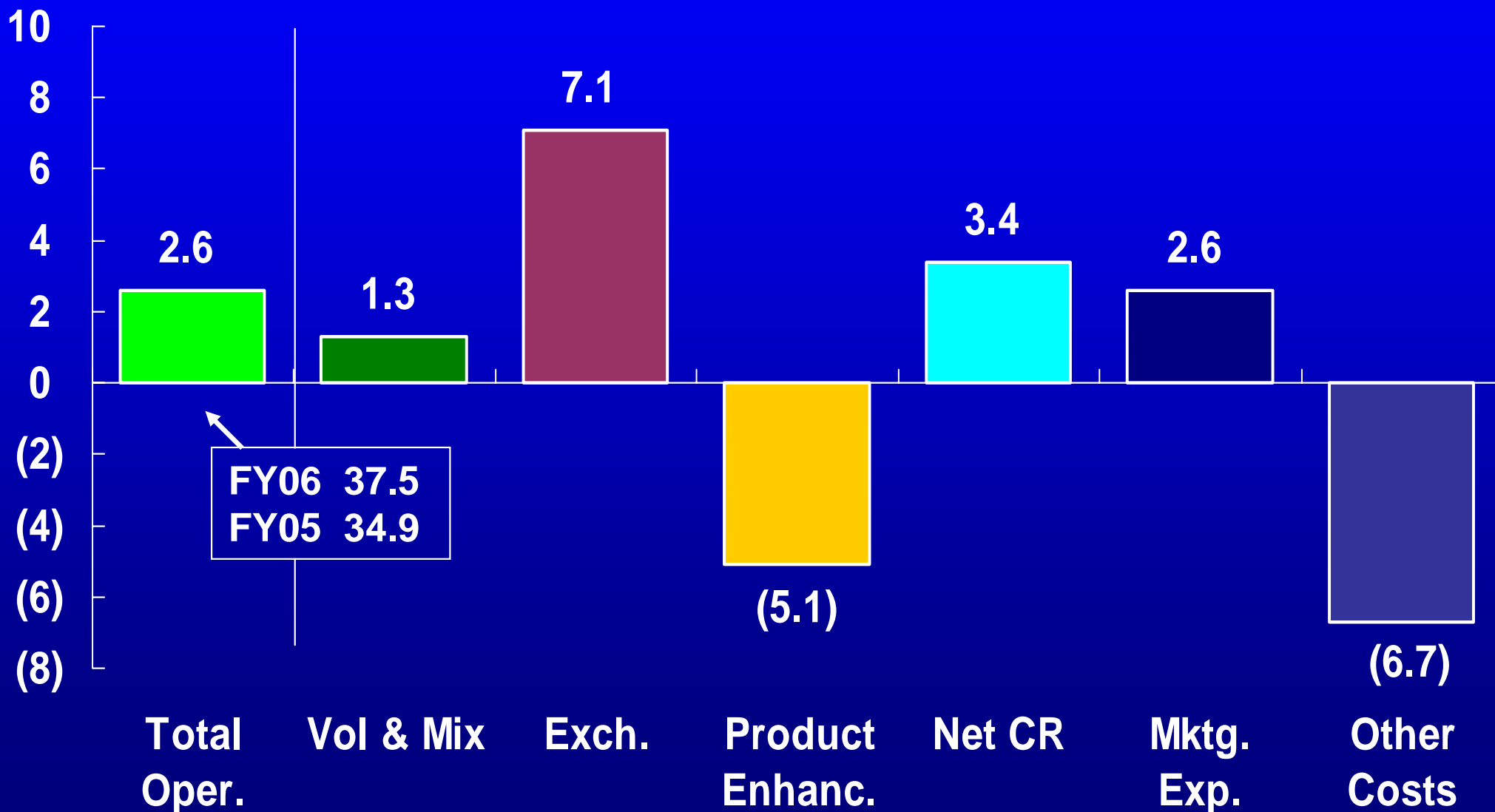
# KEY ASSUMPTIONS

	3rd Quarter		<u>Change</u>
	<u>FY2006</u>	<u>FY2005</u>	
<b><u>WHOLESALES (000)</u></b>			
Consolidated	269	277	(3) %
<b><u>EXCHANGE RATES</u></b>			
Yen / U.S. Dollar	118	117	¥ 1
Yen / Euro	152	139	¥ 13

# OPERATING PROFIT CHANGES

FY2006 3rd Quarter Compared with FY2005 Third Quarter

Billion yen



# 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.