NEW MID-TERM PLAN

MAZDA MOTOR CORPORATION
March 22, 2007
PRESENTATION OUTLINE

- Summary of Mazda Momentum
- Long Term Vision
- Mid Term Plan
- In Summary
Summary of Mazda Momentum
## COMMITMENTS

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>Projection</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit (Billion yen)</td>
<td>100+</td>
<td>158</td>
<td>58</td>
</tr>
<tr>
<td>Net Debt to Equity</td>
<td>&lt;100 %</td>
<td>&lt;60 %</td>
<td>40 Pts</td>
</tr>
<tr>
<td>Consol Wholesales (000)</td>
<td>1,250</td>
<td>1,170</td>
<td>(80)</td>
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</tbody>
</table>
ACHIEVEMENTS

Reinforce R&D
- Launched 16 market-focused models
- Increased R&D spending 22%
- Increased R&D human resources 24%

Strengthen Key Markets
- US: Achieved exclusive dealership ratio of 50%
- Japan: Opened 35 new-car and 22 used-car outlets
- Europe: Obtained direct control about 90% of sales
- China: Started construction of vehicle assembly plant and engine plant in Nanjing
ACHIEVEMENTS

Enhance Global Efficiencies and Synergies

- Joint program volume with Ford at 90%, exceeding 80% target
- Obtained prospects to achieve targets for ABC phase 2, and started commodity cycle plan
- Total cost reductions more than offset product enhancement
- Expanded the integrated scheduled production

Leverage Human Resources

- Continued to implement MBLD
- Strengthened management capability – Implement MX program
- Leveraged expertise, skills and know-how
Continue to Strengthen Brand, Owner Loyalty and Quality
Improve Business Efficiency in All Areas
Build Global Production Framework
Further Reinforce Research and Development
Long-Term Vision
As a trusted member of society, delight customers with products and services that are uniquely Mazda, proudly Japanese.
OVERVIEW OF MID-TERM PLANS

- Millennium plan
- Mazda Momentum
- New Mid-term Plan
- Future

- FY2003
- FY2006
- FY2010

- Recovery
- Foundation Building
- Sustain Growth Trend
- Sustain Growth Trend
- Accelerate Structural Reform
GROWTH MAZDA AIMS TO ACHIEVE

By maximizing synergies with Ford, realize balanced growth through improving brand value and achieving greater business efficiency.
MAZDA FOCUS

Ford Synergy

Brand Value
  - New Product
  - Quality Excellence
  - Owner Loyalty

Business Efficiency
  - Focus on Key Models
  - Implement Manufacturing Innovation
  - Laser Focus on Cost Optimization
THE POWER OF SYNERGY WITH FORD

Mazda & Ford
“Strong and Enduring Partnership”

- Architecture Sharing
- Powertrain Sharing
- Joint Manufacturing AAI, AAT, China
- Dealership Operation, IT, Other
- Technical Development Hybrid, Environmental, Safety, Other
- Procurement Scale, Access to Supply Base
- Personnel Sharing & Development
Consistent Introduction of Evolutionary Zoom-Zoom Products
One Mazda Approach to Quality

Vision: Defect Free Vehicles
BRAND VALUE - LOYALTY

ZOOM-ZOOM Experience @ All Touch Points

Consistent Zoom-Zoom Products and Services
Surpassing Customers' Expectation at All Touch Points

Advertising /PR
- Proactive Utilization of the Internet (Web2.0, etc.)
- Expansion of the Tie-up with Products & Services
  Consistent with Zoom-Zoom

Sales
- Execute "Retail Revolution"
- Optimize /Reinforce Sales Network

Product
- Realize advanced Zoom-Zoom Sustainable Products in aspects of environment and safety
- Achieve Zero Functional Defects
- Achieve Zero Functional Defects
- Achieve Zero Functional Defects and Actual Safety Assurance

New Customer
Retained Customer

Service
Achieve
Fix It Right the
First Time

Customer
Awareness
Interest
Purchase
Satisfied
Ownership Experience

Consistent Zoom-Zoom Products and Services
Surpassing Customers' Expectation at All Touch Points
BUSINESS EFFICIENCY - FOCUS ON KEY MODELS

Focused Line-up

- Mazda speed
- Zoom
- Zoom
- MX5
- RX8
- Mazda2
- Mazda3
- Mazda6
- CX7
- CX9
- Mazda5
- CX9
- MPV

Continuously Focus on Key Models

Globally deploy models that embody the brand
Implement Mazda MONOTSUMUKURI Vision
Multi-discipline approach to realize product competitiveness and manufacturing efficiency
Stage 1 (CCP*1)

- Focus on CR for development products
- Strengthen commodity axis

Launch of Commodity Cycle Plan Activity

Contribute to mid-term CR

Stage 2 (CCP*2)

- “Monotsukuri” Vision
- Strengthened technology and product development

Advanced & Enhanced Commodity Cycle Plan

* Commodity Cycle Plan
Mid Term Plan
“Mazda Advancement Plan”
<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
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<tbody>
<tr>
<td>Global Retail Volume</td>
<td>1.6+ Million Units</td>
</tr>
<tr>
<td>Operating Income</td>
<td>200+ Billion Yen</td>
</tr>
<tr>
<td>Operating ROS</td>
<td>6 %</td>
</tr>
<tr>
<td>Payout Ratio</td>
<td>Improve Steadily</td>
</tr>
</tbody>
</table>
GLOBAL RETAIL VOLUME

FY2006 | FY2010
---|---
Japan | ++
North America | ++
Europe | +
ROW | +
China | ++

In FY2006, the retail volume was 1,300 (000). By FY2010, the volume increased to 1,600+ (000).
Must maintain laser focus on cost and quality
<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>ACTION PLANS</th>
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</thead>
<tbody>
<tr>
<td>Improve Owner Loyalty</td>
<td>• Introduce class-leading models</td>
</tr>
<tr>
<td></td>
<td>• Execute consistent and focused marketing initiatives</td>
</tr>
<tr>
<td></td>
<td>• Continue residual value improvement</td>
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<tr>
<td></td>
<td>• Improve customer satisfaction at every touch point</td>
</tr>
<tr>
<td>Reinforce Dealer Network</td>
<td>• Expand Retail Revolution</td>
</tr>
<tr>
<td>Build on Generation Y Base</td>
<td>• Improve sales efficiency at exclusive dealers</td>
</tr>
<tr>
<td>Strenthen Regional Focus</td>
<td>• Strengthen marketing initiatives to Mazda customer base and deepen relationship</td>
</tr>
<tr>
<td></td>
<td>• 100% control of US and Canada operations</td>
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</table>
### JAPAN - STRATEGIES AND ACTION PLANS

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>ACTION PLANS</th>
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<tbody>
<tr>
<td>Introduce New Models</td>
<td>• Reinforce product competitiveness in volume segments of registration market</td>
</tr>
<tr>
<td>Reinforce Dealer Network</td>
<td>• Accelerate representation in open areas, especially metro areas</td>
</tr>
<tr>
<td></td>
<td>• Enhance profitability at dealers</td>
</tr>
<tr>
<td>Strengthen Brand</td>
<td>• Migrate to next-generation outlets in line with brand strategy</td>
</tr>
<tr>
<td></td>
<td>• Further deepen customer relationship throughout ownership period</td>
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</tbody>
</table>
## EUROPE - STRATEGIES AND ACTION PLANS

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>ACTION PLANS</th>
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</thead>
<tbody>
<tr>
<td>Strengthen Product Line Up</td>
<td>• Enhance powertrain to fulfill future zoom-zoom customer requirements</td>
</tr>
<tr>
<td></td>
<td>• CO2 emission reduction</td>
</tr>
<tr>
<td></td>
<td>• Maintain profitability in core mature markets</td>
</tr>
<tr>
<td></td>
<td>• Improve sales efficiency per outlet</td>
</tr>
<tr>
<td></td>
<td>• Establish National Sales Company (Belgium &amp; Netherlands)</td>
</tr>
<tr>
<td></td>
<td>• Accelerate representation in key Metro locations</td>
</tr>
<tr>
<td></td>
<td>• Selectively enter into emerging markets</td>
</tr>
<tr>
<td>Reinforce Dealer Network</td>
<td>• Exploiting Mazda uniqueness and strengths, reinforce process and execution framework to further improve customer satisfaction</td>
</tr>
<tr>
<td>Improve Owner Loyalty</td>
<td></td>
</tr>
<tr>
<td>STRATEGY</td>
<td>ACTION PLANS</td>
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<td>--------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Establish Efficient Production Operation</td>
<td>• Smooth launch of Nanjing Plant (and stable operation)</td>
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<tr>
<td></td>
<td>• Achieve stable production with high quality and efficiency</td>
</tr>
<tr>
<td>Reinforce Dealer Network</td>
<td>• Establish sales networks to support 300K units sales</td>
</tr>
<tr>
<td></td>
<td>• Expand sales outlets to approximately 300 outlets by 2010</td>
</tr>
<tr>
<td>Improve Brand</td>
<td>• Enhance Zoom-Zoom positioning</td>
</tr>
<tr>
<td></td>
<td>• Efficient introduction of new/model change vehicles</td>
</tr>
<tr>
<td>STRATEGY</td>
<td>ACTION PLANS</td>
</tr>
<tr>
<td>-----------------------</td>
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</tbody>
</table>
| Strengthen Product Range | • Strengthen model line-up in ASEAN  
                          • Introduce CX-7 / CX-9 for Australia                                                                                         |
| Reinforce Dealer Network | • Strengthen sales network mainly for metropolitan cities in growing regions  
                          • Apply Mazda Australia‘s best practice to Asian countries                                                                 |
| Improve Brand         | • Enhance functions of ASEAN integration office  
                          • Improve customer satisfaction through CRM in Australia                                                                       |

*CRM: Establishment of process and system to improve customer satisfaction*
PRODUCT & TECHNOLOGY

Stakeholder Value

Future Vision

Corporate Social Responsibility

Brand

Product & Technology

Supply & Manufacture

People
INVESTMENTS

**R&D Spending**
(Billion Yen)

- FY03-06
- FY07-10

30% Up

**Capital Expenditure**
(Billion Yen)

- FY03-06
- FY07-10

50% Up
OVERVIEW OF PRODUCT STRATEGY

Phase 3
Core
B/C/CD/Sports Full Freshening

Phase 4
New Derivatives off Core Platforms
CX-7
CX-9
Others

Phase 5
Evolve New-product Lineup
-Next B, C & CD Cars
-New Core model

Phase 6
Introduce Next-generation Product Lineup Based on New Technology

Millennium
’02 ’03

Momentum
’04 ’05 ’06

Advancement
’07 ’08 ’09 ’10

’11 -

Continue growth through product evolution

Enhance business structure
-Mazda Monotsukuri Vision
-Accelerate advanced technology development

New Powertrain and Platform

Further business growth
SUPPLY & MANUFACTURING

Future Vision

Stakeholder Value

Brand
Product & Technology
Supply & Manufacture
People

Corporate Social Responsibility
FOOTPRINT STRATEGY

Efficient Capacity Expansion Matched with Growth

Enhance Quality and Cost Competitiveness of Existing Footprint

Future Capacity Expansion Based on Sales Demand

Expand capacity based on market demand and available resources while leveraging Japan efficiencies
Efficiently expand domestic production capacity by 11% in 2007 (Straight time).

<table>
<thead>
<tr>
<th>(000 units)</th>
<th>FY2006</th>
<th>FY2007</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiroshima</td>
<td>484</td>
<td>515</td>
<td>31</td>
</tr>
<tr>
<td>Hofu</td>
<td>414</td>
<td>481</td>
<td>67</td>
</tr>
<tr>
<td>Total</td>
<td>898</td>
<td>996</td>
<td>98</td>
</tr>
</tbody>
</table>

Expand Engine Production Capacity

- Expand production capacity quickly with minimum investment
EFFICIENT CAPACITY ENHANCEMENT

China: Successful Launch of Nanjing Plant
- Launch and stabilize operation of Nanjing plant
- Introduce advanced Mazda production systems
- Launch new models as planned, including powertrains

North America: Reinforcement of AAI
- Improve efficiency linked with Ford Way Forward Plan
- Reinforce quality and cost competitiveness of Mazda6

ASEAN: Reinforcement of AAT
- Transform to be self sustainable
  - Nurture local engineers and operators who can implement Mazda’s “Monotsukuri”
Achieve innovative design and production to enable volume and model mix flexible production which is competitive in quality and cost.

Promote “Manufacturing Innovation” to improve efficiency and reduce costs.
FUTURE EXPANSION OPPORTUNITIES

- Leveraging technical competence in Japan
  - Ensure transfer of capability to other locations
- Actively studying options based on market demand and resource availability
- Priority Markets
  - Asia Pacific
  - Europe
  - North America
People Development / Utilization to Drive Growth

Utilize people globally
- Clarify and institutionalize Mazda’s Value/Standard of Conduct globally
- Develop leaders who can lead global business in each market
- Strengthen global HR management system

Develop people with on-site capability
- Strengthen on-site capability which realizes “Manufacturing Innovation”
- Strengthen and hand down skills/technologies/know-how which support Mazda’s unique creativity

Create environment/culture in which employees work with vitality
- Promote “Work Style Evolution”
- Utilize people with diversity
- Expand support for individual
IN SUMMARY

- Continue Product-led Growth
- Continue Focus on Building Brand Value
- Accelerate Improving Business Efficiency
- Leverage Mazda Technologies and Ford Synergy
- 2010 Targets are Aggressive but Achievable

While Sustaining Growth Trend, Accelerate Structural Reform for Future Growth
In Summary
IN SUMMARY

- Be Aware of Achievements and Challenges of Mazda Momentum
- Realize Growth in Long-term Vision, by Focusing on:
  - Pursuit of Synergy with Ford
  - Improvement of Brand Value
  - Improvements of Business Efficiency
- Achieve Mazda Advancement Plan Targets
- Declare Sustainable Zoom-Zoom
The projections 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.

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