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

<table>
<thead>
<tr>
<th>COMMITMENTS</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>
</tr>
</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
CHALLENGES

- 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
LONG TERM VISION

As a trusted member of society, delight customers with products and services that are uniquely Mazda, proudly Japanese.

Stakeholder Value

Brand  Product & Technology  Supply & Manufacture  People

Corporate Social Responsibility

OVERVIEW OF MID-TERM PLANS

Profit Margin

FY2003  FY2006  FY2010

Foundation Building  Sustain Growth Trend  Accelerate Structural Reform

Millennium plan  Mazda Momentum  New Mid-term Plan  Future
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
- Personnel Sharing & Development
- Procurement Scale, Access to Supply Base
- Joint Manufacturing AAI, AAT, China
- Technical Development Hybrid, Environmental, Safety, Other
- Dealership Operation, IT, Other

BRAND VALUE - NEW PRODUCTS

Consistent Introduction of Evolutionary Zoom-Zoom Products
BRAND VALUE - QUALITY

One Mazda Approach to Quality

- R&D
- Dealers
- Supplier
- Logistics
- Manufacturing

Satisfied Customer

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
BUSINESS EFFICIENCY - FOCUS ON KEY MODELS

Focused Line-up

Globally deploy models that embody the brand

Continuously Focus on Key Models

BUSINESS EFFICIENCY - MANUFACTURING INNOVATION

Improvement in product competitiveness through diversification

Future

Mazda at present

Enhancement of efficiency in development and production through Commonality

Implement Mazda MONOTSUKURI Vision
Multi-discipline approach to realize product competitiveness and manufacturing efficiency
BUSINESS EFFICIENCY - COST OPTIMIZATION

FY2002  FY2005  FY2007

ABC  ABC-Phase2

Stage 1 (CCP*1)  Stage 2 (CCP*2)

CR for both currently produced products & development products

• Focus on CR for development products
• Strengthen commodity axis
Launch of Commodity Cycle Plan Activity
Contribute to mid-term CR

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• “Monotsukuri” Vision
• Strengthened technology and product development
```

Advanced & Enhanced Commodity Cycle Plan

* Commodity Cycle Plan

Mid Term Plan
“Mazda Advancement Plan”
FY2010 TARGETS

Global Retail Volume 1.6+ Million Units
Operating Income 200+ Billion Yen
Operating ROS 6%
Payout Ratio Improve Steadily

GLOBAL RETAIL VOLUME

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2006</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>0</td>
<td>1,600+</td>
</tr>
<tr>
<td>North America</td>
<td>1,300</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>ROW</td>
<td>++</td>
<td>+</td>
</tr>
<tr>
<td>China</td>
<td>++</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>+</td>
<td>=</td>
</tr>
<tr>
<td>Japan</td>
<td>=</td>
<td></td>
</tr>
</tbody>
</table>

FY2010 Targets

- Global Retail Volume: 1.6+ Million Units
- Operating Income: 200+ Billion Yen
- Operating ROS: 6%
- Payout Ratio: Improve Steadily
BUSINESS ENVIRONMENT - CHALLENGES

Must maintain laser focus on cost and quality

BRAND

Future Vision

Stakeholder Value

Corporate Social Responsibility

Brand

Product & Technology

Supply & Manufacturing

People

Future Vision

Stakeholder Value

Corporate Social Responsibility

Brand

Product & Technology

Supply & Manufacturing

People
## NORTH AMERICA - STRATEGIES AND ACTION PLANS

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>ACTION PLANS</th>
</tr>
</thead>
</table>
| Improve Owner Loyalty     | • Introduce class-leading models  
                          • Execute consistent and focused marketing initiatives  
                          • Continue residual value improvement  
                          • Improve customer satisfaction at every touch point |
| Reinforce Dealer Network  | • Expand Retail Revolution  
                          • Improve sales efficiency at exclusive dealers |
| Build on Generation Y Base| • Strengthen marketing initiatives to Mazda customer base and deepen relationship |
| Strengthen Regional Focus | • 100% control of US and Canada operations |

## JAPAN - STRATEGIES AND ACTION PLANS

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

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>ACTION PLANS</th>
</tr>
</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>Reinforce Dealer Network</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>Improve Owner Loyalty</td>
<td>• Selectively enter into emerging markets</td>
</tr>
<tr>
<td></td>
<td>• Exploiting Mazda uniqueness and strengths, reinforce process and execution framework to further improve customer satisfaction</td>
</tr>
</tbody>
</table>

### CHINA - STRATEGIES AND ACTION PLANS

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>ACTION PLANS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish Efficient Production Operation</td>
<td>• Smooth launch of Nanjing Plant (and stable operation)</td>
</tr>
<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>
</tbody>
</table>
### ASEAN & AUSTRALIA - STRATEGIES AND ACTION PLANS

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>ACTION PLANS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen Product Range</td>
<td>• Strengthen model line-up in ASEAN</td>
</tr>
<tr>
<td></td>
<td>• Introduce CX-7 / CX-9 for Australia</td>
</tr>
<tr>
<td>Reinforce Dealer Network</td>
<td>• Strengthen sales network mainly for metropolitan cities in growing regions</td>
</tr>
<tr>
<td></td>
<td>• Apply Mazda Australia’s best practice to Asian countries</td>
</tr>
<tr>
<td>Improve Brand</td>
<td>• Enhance functions of ASEAN integration office</td>
</tr>
<tr>
<td></td>
<td>• Improve customer satisfaction through CRM in Australia</td>
</tr>
</tbody>
</table>

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

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### PRODUCT & TECHNOLOGY

- **Future Vision**
- **Stakeholder Value**
  - Brand
  - Product & Technology
  - Supply & Manufacture
  - People
- **Corporate Social Responsibility**
**INVESTMENTS**

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

- FY03-06: Lower
- FY07-10: 30% Up

**Capital Expenditure**
(Billion Yen)

- FY03-06: Lower
- FY07-10: 50% Up

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**OVERVIEW OF PRODUCT STRATEGY**

**Millennium**

- '02
- '03

**Momentum**

- '04
- '05
- '06

**Advancement**

- '07
- '08
- '09
- '10
- '11 -

**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
- Enhance business structure
  - Mazda Monotsukuri Vision
  - Accelerate advanced technology development
  - New Powertrain and Platform
- Further business growth

**Continue growth through product evolution**
SUPPLY & MANUFACTURING

Future Vision

Stakeholder Value

Brand
Product & Technology
Supply & Manufacturing
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
EFFICIENT CAPACITY EXPANSION

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"
CONCEPT FOR EXPANDING OVERSEAS CAPACITY

Achieve innovative design and production to enable volume and model mix flexible production which is competitive in quality and cost

- **R&D**
  - Commonization across models

- **Plant Operation**
  - Evolution of volume and model mix flexible production

- **Procurement**
  - Pursuit of volume efficiency

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

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
DISCLAIMER

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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