



FY2009 1st HALF RESULTS AND FULL YEAR FORECAST



Mazda Kiyora
Exhibited at Tokyo Motor Show

**Mazda Motor Corporation
October 29, 2009**

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OUTLINE

- ➔ **Highlights**
- ➔ **FY2009 1st half results**
- ➔ **FY2009 full year forecast**
- ➔ **Public offering and sale of treasury shares,
and environmental and safety initiatives**
- ➔ **In summary**
- ➔ **Question and answer session**

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HIGHLIGHTS

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FY2009 1st HALF HIGHLIGHTS

- **Operating profit in the 2nd quarter was ¥5.9 billion, achieving positive profit ahead of plan. Furthermore, achieved profitability at all profit levels**
- **Revenue in the 1st half was ¥990.3 billion. Operating loss was ¥22.1 billion and net loss was ¥20.8 billion**
- **Free cash flow in the 1st half was ¥10.2 billion, achieving positive position**
- **Change to a cost structure which ensures profitability when plants in Japan are operating at 80% capacity**
- **Sales volume in all major markets exceeded May forecast due to strong sales of the new Axela/Mazda3, scrappage incentives, etc.**
- **Successfully developed the new Aqua-tech Paint System which has the world's lowest environmental impact, and introduced it in Ujina No.1 plant**

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FY2009 FULL YEAR HIGHLIGHTS

- ↘ Revenue of ¥2.13 trillion, an operating loss of ¥12 billion, and a net loss of ¥17 billion are projected
- ↘ Operating loss is estimated to improve by ¥38 billion from May forecast
- ↘ Operating profit forecast for the 2nd half remains unchanged. Project to return to profitability at all profit levels
- ↘ Global sales volume is forecasted to total 1,155,000 units, up 55,000 units from May forecast. Year-over-Year decline reduced to 8% in the full year. Sales in the 2nd half is forecasted to increase by 3% from the prior year
- ↘ Started production of the Mazda2 at a new passenger car plant at AAT, a joint venture with Ford
- ↘ With the issuance of new shares and sale of treasury shares, enhance environmental and safety initiatives and improve financial structure

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FY2009 1st HALF RESULTS

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FY2009 1st HALF FINANCIAL METRICS

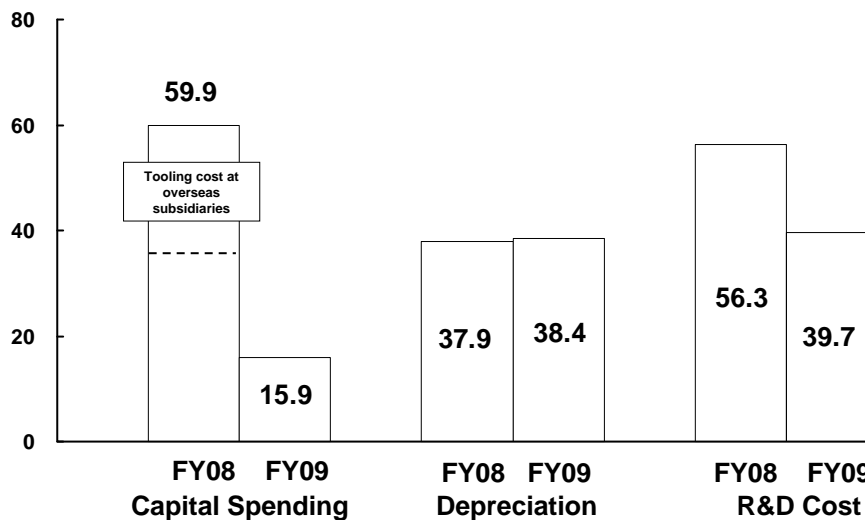
(Billion yen)	FY2009			1st Half Better/(Worse) than	
	1Q	2Q	Total	FY2008	May Forecast
Revenue	428.2	562.1	990.3	(585.2)	60.3
Operating profit	(28.0)	5.9	(22.1)	(82.8)	37.9
Ordinary profit	(32.7)	3.1	(29.6)	(78.1)	37.4
Profit before tax	(33.5)	1.9	(31.6)	(78.4)	37.4
Net income	(21.5)	0.7	(20.8)	(50.3)	29.2
Operating ROS	(6.5)	1.1	(2.2) %	(6.1)	4.3 Pts
EPS(Yen/Share)	(16.4)	0.5	(15.9)	(36.8)	4.0

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KEY DATA

(Billion yen)

1st Half Results



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CASH FLOW AND NET DEBT

(Billion yen)	FY2009			FY2008
	1Q	2Q	1-2Q TTL	Full Year
Cash Flow				
- Operating C/F	1.5	24.6	26.1	(67.4)
- Investing C/F	(11.3)	(4.6)	(15.9)	(61.8)
- Free C/F	(9.8)	20.0	10.2	(129.2)
Net debt	546.9	521.6	521.6	532.6
Net debt-to-equity ratio	137	129	129	129 %

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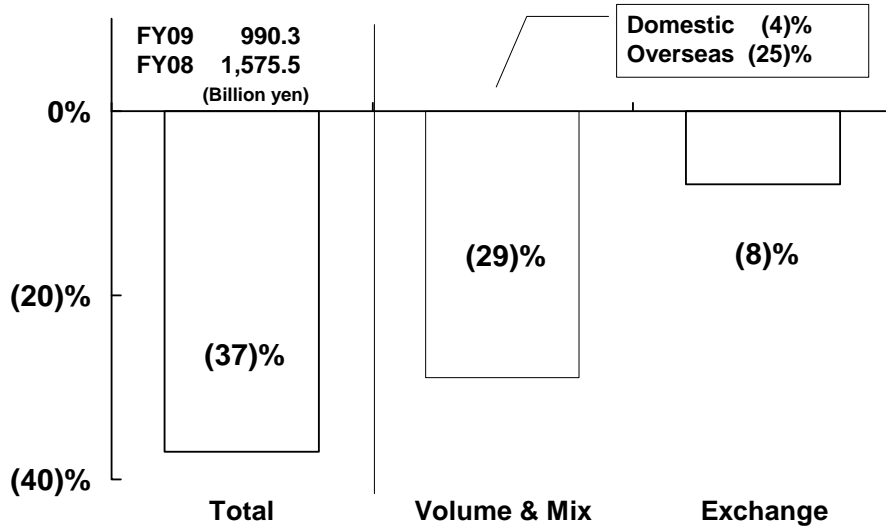
KEY DATA

	1st Half		Change from FY2008
	FY2009	FY2008	
Global retail volume (000)	577	701	(18) %
Exchange rate			
Yen / U.S. Dollar	96	106	¥ (10)
Yen / Euro	133	163	¥ (30)

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REVENUE CHANGE

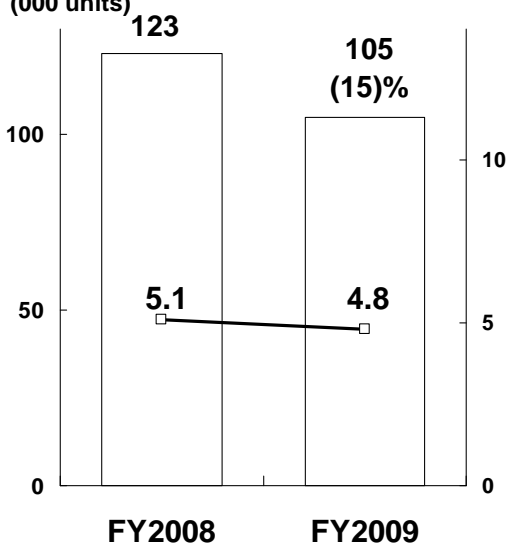
FY2009 1st Half Compared With FY2008 1st Half



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JAPAN

Sales Volume & Share (%)

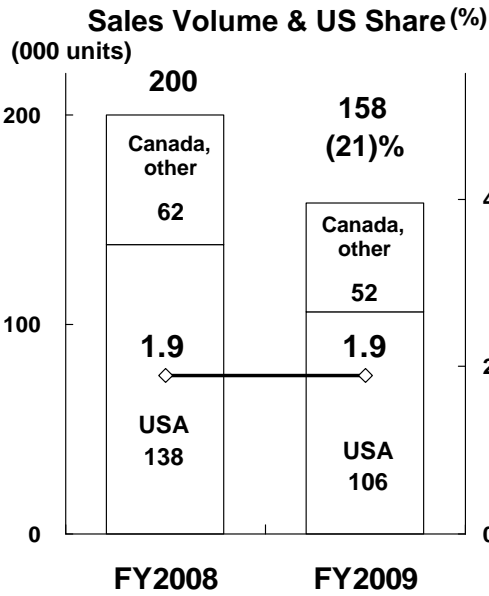


New Mazda Axela

- Sales exceeded May forecast by 9,000 units, due to strong sales of new Axela with i-stop and impact of eco-car tax cut and subsidy
- Sales of the Axela exceeded target and achieved the highest first half volume
- Profitability at dealers substantially improved
- 86% of registered vehicles meet requirements for tax-incentive program

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NORTH AMERICA

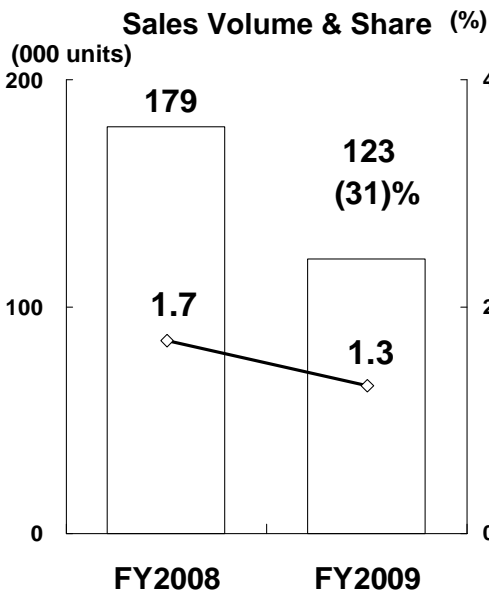


New Mazda3

- ↘ Exceeded May forecast by 8,000 units to post 158,000 units thanks mainly to strong sales of the new Mazda3 and scrappage incentives
- ↘ Achieved the highest share of 1.8% in the US based on non-fleet sales volume in the last 10 years
- ↘ Sales of the new Mazda3 took the 3rd place in Canada
- ↘ Residual value of the new Mazda3 substantially improved

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EUROPE

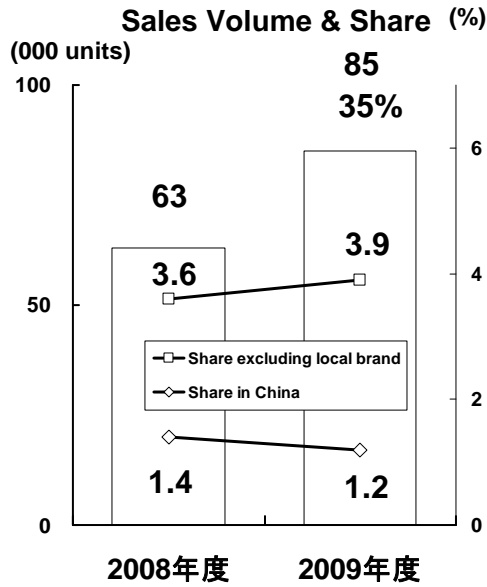


Mazda CX7 Diesel

- ↘ Achieved 123,000 units, exceeding May forecast, thanks to scrappage incentives, etc.
- ↘ Continued strategy to maintain the brand value despite worsening market environment
- ↘ Share performances continued to improve in main countries such as Germany and UK after the introduction of the new Mazda3

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CHINA

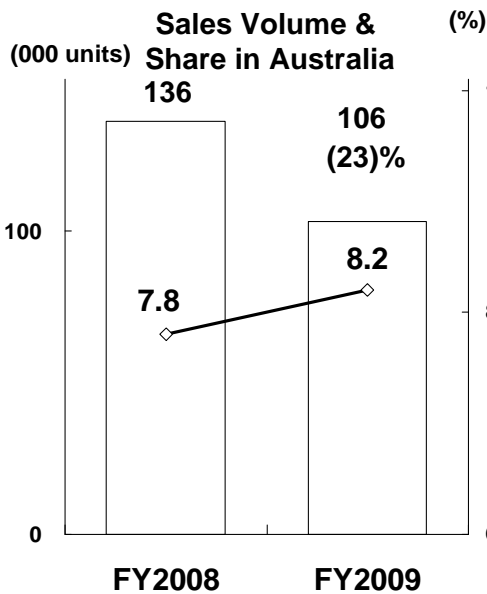


New Mazda6 Ruiyi

- ➔ Achieved growth of 35% from the prior year, posting record sales of 85,000 units, thanks to continued strong sales of Mazda6 and sales increase of Mazda2 & Mazda3 following expanded sales network of Changan Mazda
- ➔ Share excluding local brand stably improved
- ➔ With increased capital investment in FAW Mazda Motor Sales Co, Ltd, accelerated to expand sales network. The total number of outlets of two sales network increased 20 from the prior year to 241 outlets

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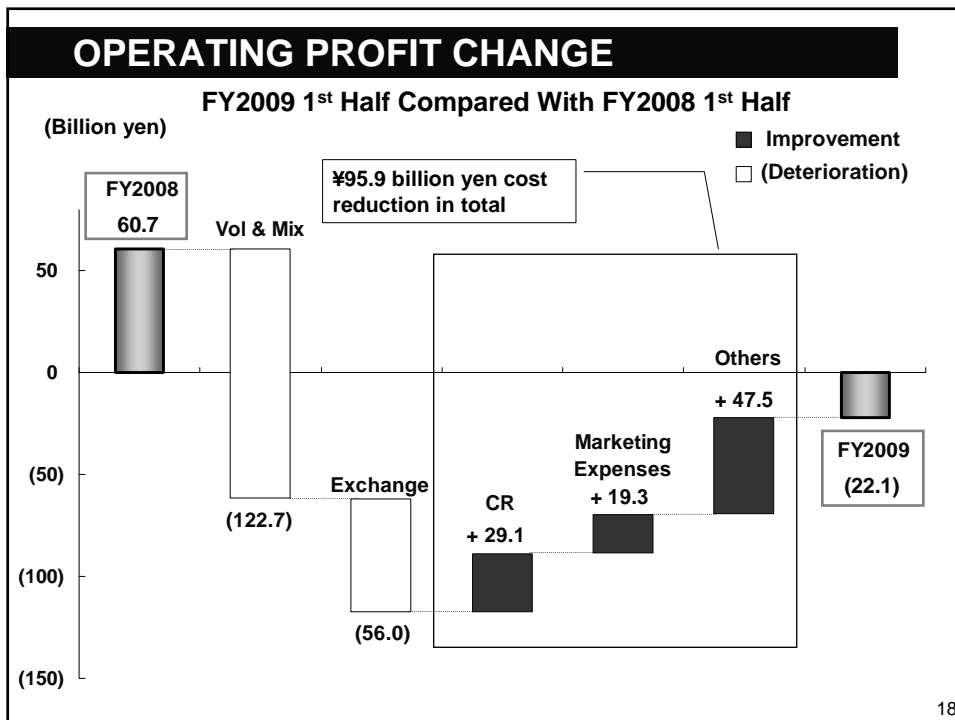
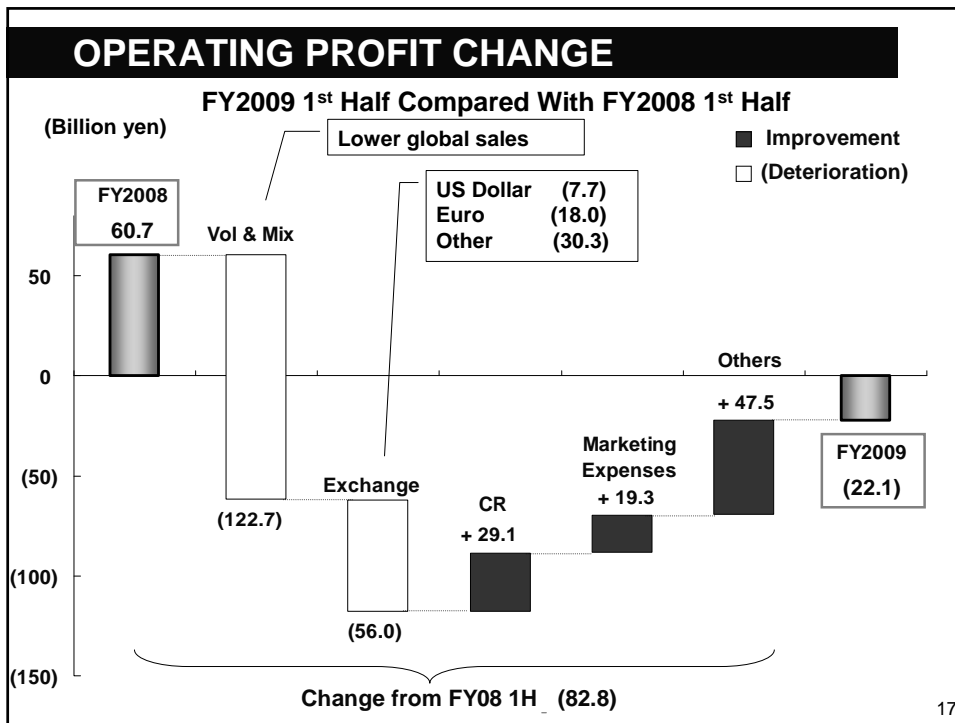
OTHER MARKETS

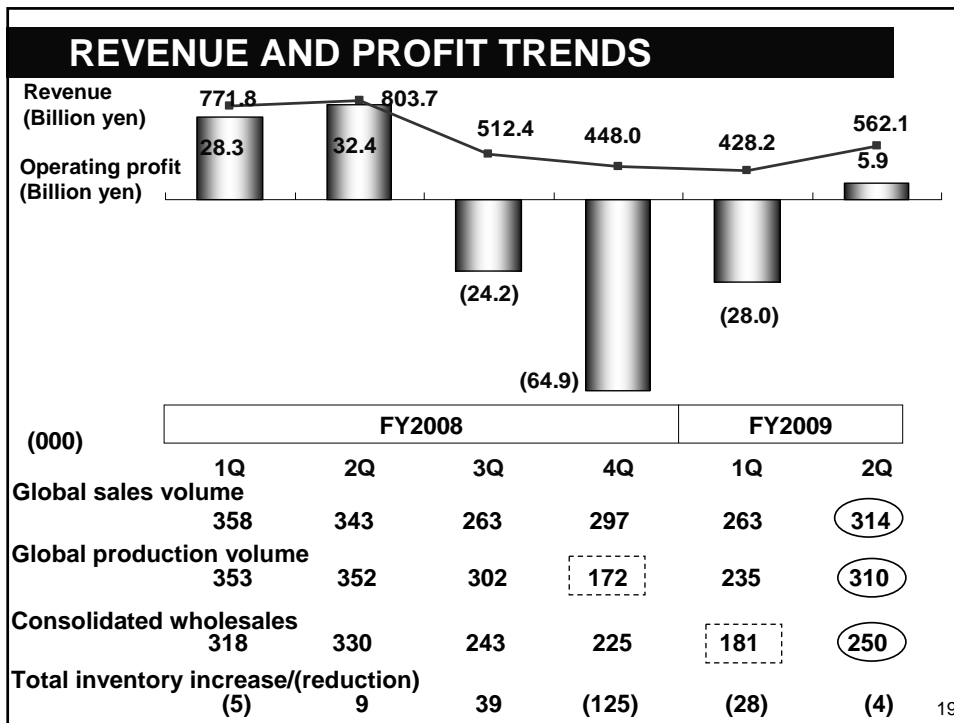


Mazda2 produced at AAT


- ➔ Exceeded May forecast by 12,000 units
- ➔ Australia continued brisk sales at 39,000 units, gaining the record share of 8.2%
- ➔ Achieved the highest share in 10 years in New Zealand
- ➔ The new Mazda3 remained the top in new registered vehicle ranking in Israel

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FY2009 FULL YEAR FORECAST

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FY2009 FINANCIAL FORECAST

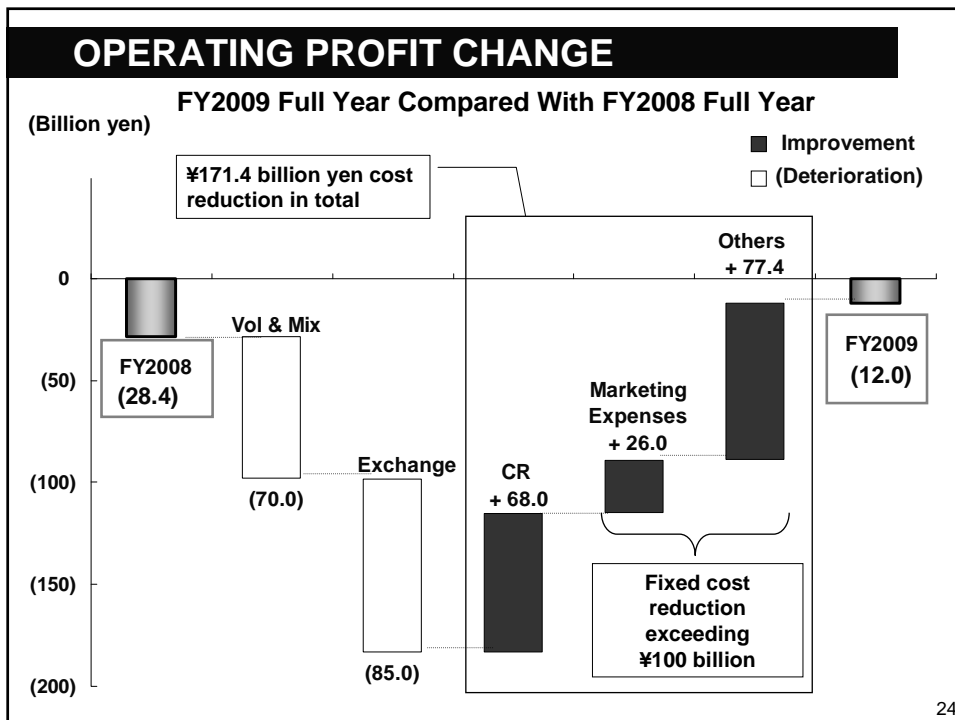
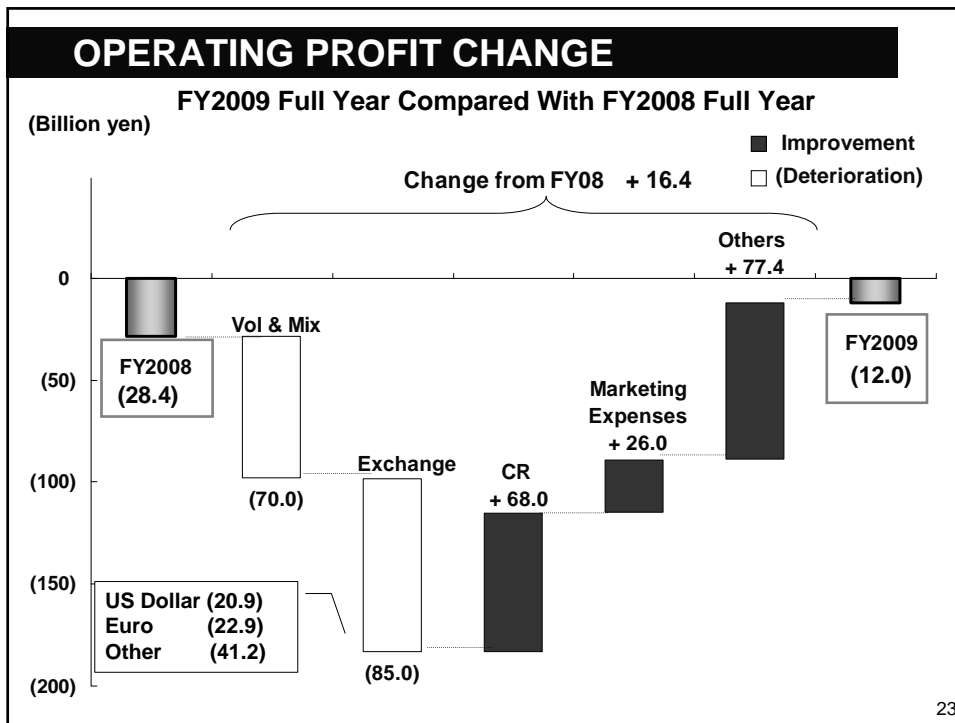
(Billion yen)	FY2009			Full Year Better/(Worse) Than	
	1-2Q	3-4Q	Full Year	FY2008	May Forecast
Revenue	990.3	1,139.7	2,130.0	(405.9)	100.0
Operating profit	(22.1)	10.1	(12.0)	16.4	38.0
Ordinary profit	(29.6)	13.6	(16.0)	2.7	44.0
Profit before tax	(31.6)	10.6	(21.0)	30.3	44.0
Net income	(20.8)	3.8	(17.0)	54.5	33.0
Operating ROS	(2.2)	0.9	(0.6) %	0.5	1.9 pts
EPS(Yen/Share)	(15.9)	2.9	(13.0)	39.2	25.2

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KEY DATA

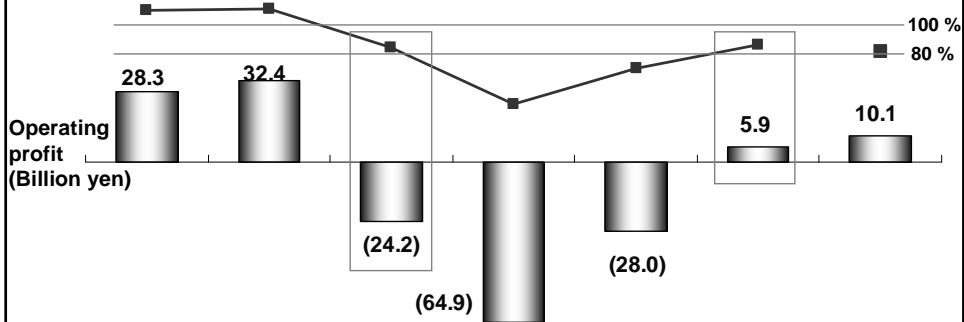
(000)	Change						
	FY2009			From Prior Year			From May Forecast
	1-2Q	3-4Q	Full Year	1-2Q	3-4Q	Full Year	Full Year
Global sales volume							
Japan	105	113	218	(18)	17	(1)	18
North America	158	143	301	(42)	(4)	(46)	11
Europe	123	115	238	(56)	(28)	(84)	(12)
China	85	100	185	22	28	50	15
Other	106	107	213	(30)	5	(25)	23
Total	577	578	1,155	(124)	18	(106)	55
Exchange rate							
Yen / U.S. Dollar	96	88	92	(10)	(7)	(9)	(3)
Yen / Euro	133	130	132	(30)	5	(12)	7

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**CHANGE TO A COST STRUCTURE WHICH ENSURES PROFITABILITY
WHEN PLANTS IN JAPAN ARE OPERATING AT 80% CAPACITY**

Domestic plant utilization ratio (%)



	FY2008				FY2009		
	1Q	2Q	3Q	4Q	1Q	2Q	2H

US Dollar	105	108	96	94	97	94	88
Euro	163	162	127	122	133	134	130

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**PUBLIC OFFERING AND SALE
OF TREASURY SHARES, AND
ENVIRONMENTAL AND
SAFETY INITIATIVES**

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CAPITAL INCREASE BY PUBLIC OFFERING AND SALE OF TREASURY SHARES

- ➔ **Purpose**
 - Secure R&D cost and capital spending for environmentally-friendly and safe vehicles
 - Accelerate investment in next-generation products based on improvements in efficiency of internal combustion gasoline and diesel engines as well as investment in electric devices such as hybrid system
 - Improve financial structure
- ➔ **Outline**
 - 460 million maximum number of shares will be sold to gain up to ¥93.9 billion through capital increase by public offering and sale of treasury shares, etc.
 - Equity ratio is projected to exceed 25%, and net debt-to-equity ratio to be below 100% (note)

Note: Estimated simply reflecting capital increase of ¥93.9 billion at maximum in the results of the 1st half.

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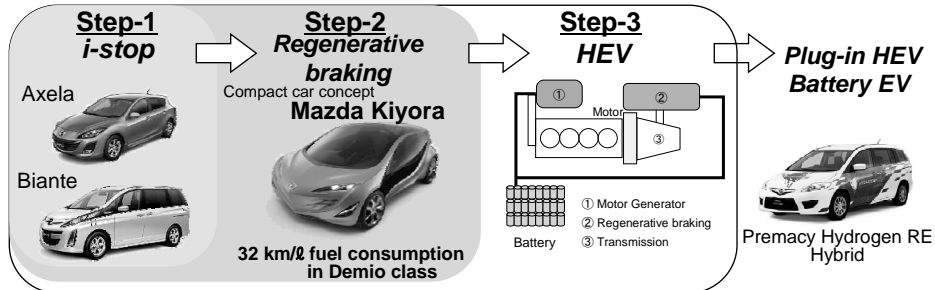
ENHANCE ENVIRONMENTAL AND SAFETY INITIATIVES 1

- ➔ Enhance environmental and safety measures
- ➔ Develop the next-generation powertrains step-by-step based on Mazda SKY concept in line with “Sustainable Zoom-Zoom”
 - Introduce next-generation direct injection gasoline engine “Mazda SKY-G” in Japan in 2011 ahead of other global markets
 - Globally introduce next-generation clean diesel engine “Mazda SKY-D”. Introduce in Japan in 2012
 - Introduce next generation automatic transmission “Mazda SKY-Drive”, together with Mazda SKY-G” and “Mazda SKY-D”
- ➔ Promote development of advanced safety features for the sustainable future in traffic environment

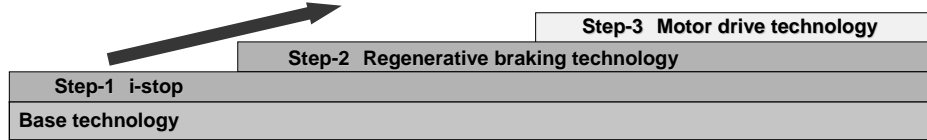
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ENHANCE ENVIRONMENTAL AND SAFETY INITIATIVES 2

- Provide “driving pleasure” and “environmental and safety features” to all customers -



Revolution of environmental technologies through a “building block” strategy



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IN SUMMARY

- Achieved positive operating profit in the 2nd quarter ahead of plan
- Achieved positive cash flow in the 1st half
- Operating profit forecast for the 2nd half remains unchanged from May forecast.
Project to return to profitability at all profit levels
- Accelerate to change to a cost structure which ensures profitability when plants in Japan are operating at 80% capacity
- Full-year fixed cost reduction of ¥100 billion is on track
- Sales of the new Axela/Mazda3 remain strong, receiving high acclaim in global markets
- Started production of the Mazda2 at a new passenger car plant at AAT, a joint venture with Ford
- With capital increase, accelerate environmental and safety initiatives and improve financial structure
- Accelerate structural reforms centering on Monotsukuri Innovation

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QUESTION AND ANSWER SESSION

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MAZDA KIYORA - GOOD DRIVING PERFORMANCE AND ULTRA HIGH FUEL ECONOMY -

32 kilometers per liter fuel economy in the Demio class together with an idling stop system “i-stop” and regenerative braking system

Compact car concept



- ✓ Next-generation direct injection 1.3L gasoline engine “SKY-G”
- ✓ Next-generation 6-speed A/T “SKY-Drive”
- ✓ Idling stop technology “i-stop”Step-1
- ✓ Regenerative braking systemStep-2
- ✓ 100 kilograms lighter than the current Demio and advanced aerodynamics

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mazda



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APPENDIX

FY2009 FINANCIAL FORECAST

(Billion yen)	FY2009			Better/(Worse) than Oct. 5 Forecast	
	1-2Q	3-4Q	Full Year	1-2Q	Full Year
Revenue	990.3	1,139.7	2,130.0	(9.7)	0.0
Operating profit	(22.1)	10.1	(12.0)	0.9	1.0
Ordinary profit	(29.6)	13.6	(16.0)	2.9	3.0
Profit before tax	(31.6)	10.6	(21.0)	3.9	3.0
Net income	(20.8)	3.8	(17.0)	5.2	9.0
Operating ROS	(2.2)	0.9	(0.6) %	0.1	0.0 pts
EPS (Yen/Share)	(15.9)	2.9	(13.0)	4.0	6.9

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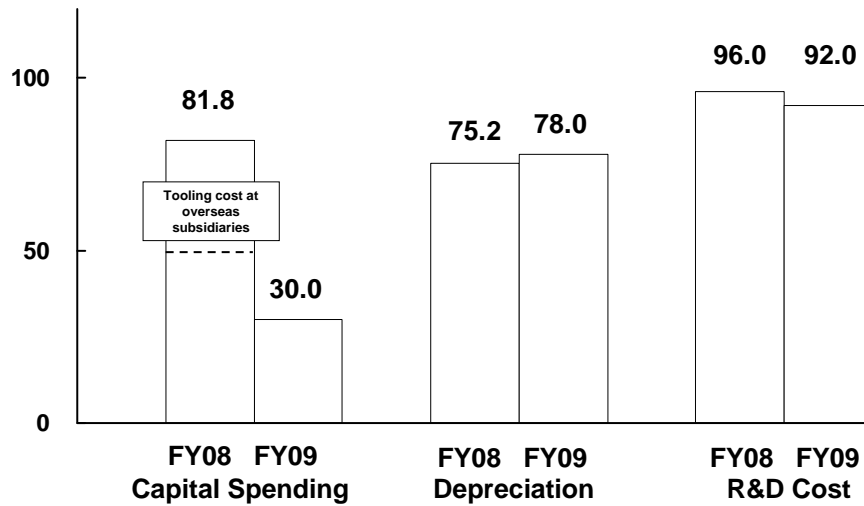
KEY DATA

(000)	FY2009			Full Year Change from	
	1-2Q	3-4Q	Full Year	FY2008	May Forecast
Consolidated wholesales					
Japan	105	113	218	(2)	18
North America	126	164	290	(58)	17
Europe	109	116	225	(68)	(15)
China	5	10	15	(2)	0
Other	86	96	182	(56)	20
Total	431	499	930	(186)	40

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KEY DATA

(Billion yen)



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FY2009 2nd QUARTER FINANCIAL METRICS

(Billion yen)	2nd Quarter		Better/(Worse) than FY2008	
	FY2009	FY2008	Amount	Pct.
Revenue	562.1	803.7	(241.6)	(30) %
Operating profit	5.9	32.4	(26.5)	(82) %
Ordinary profit	3.1	25.6	(22.5)	(88) %
Profit before tax	1.9	24.2	(22.3)	(92) %
Net income	0.7	14.5	(13.8)	(95) %
Operating ROS	1.1	4.0 %	(2.9) Pts	-
EPS (Yen/Share)	0.5	10.3	(9.8)	(95) %

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KEY DATA

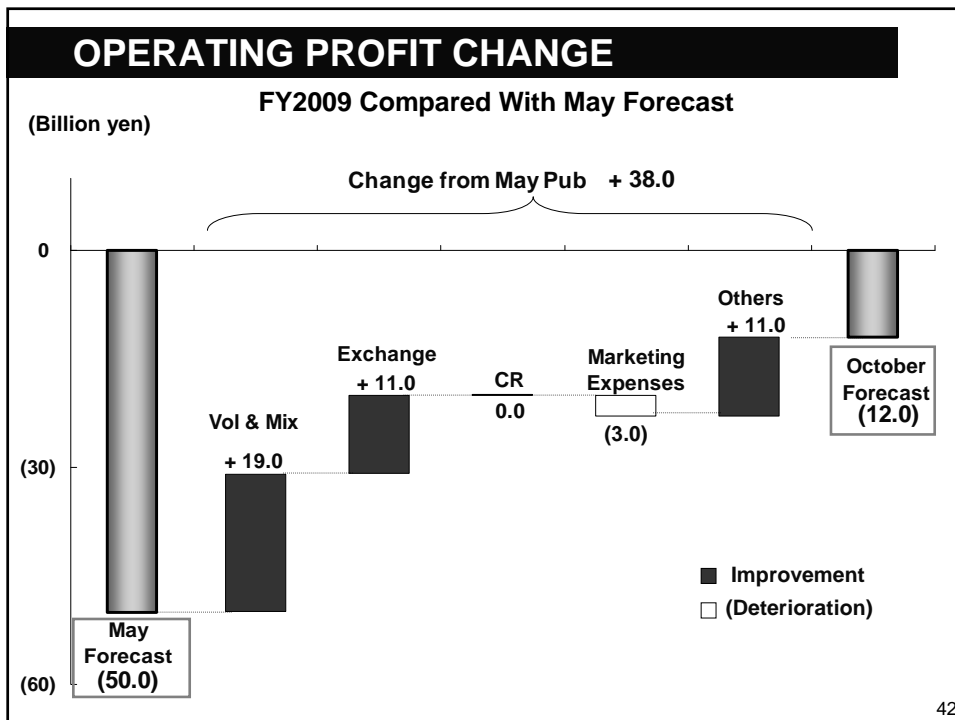
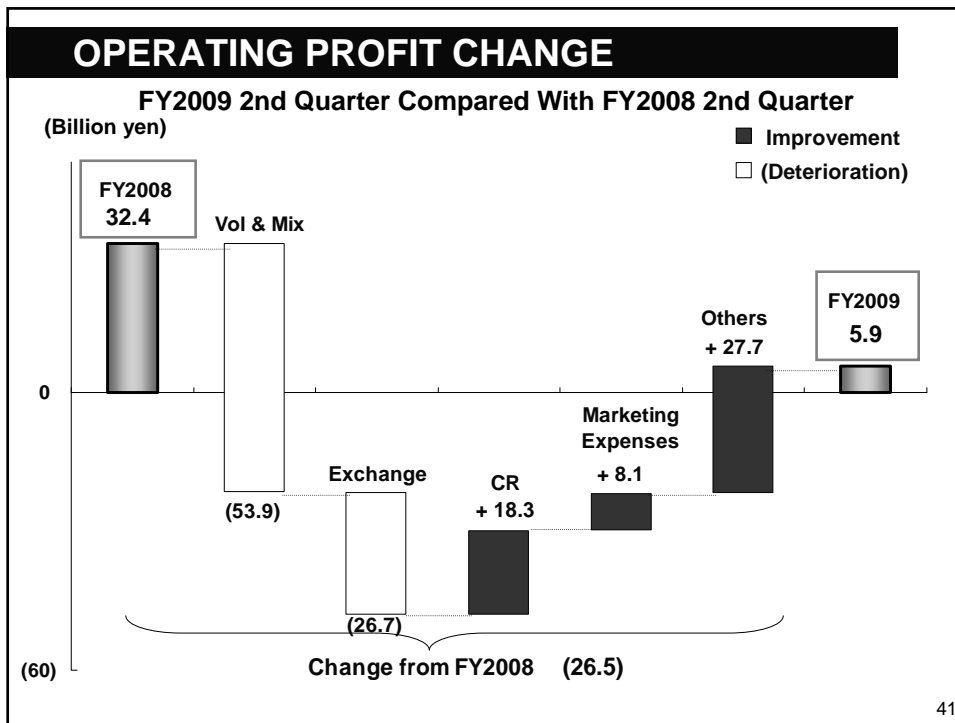
	2nd Quarter			Change from FY2008
	FY2009	FY2008		
Global retail volume (000)	314	343		(9) %
Exchange rate				
Yen/US Dollar	94	108	¥	(14)
Yen/Euro	134	162	¥	(28)

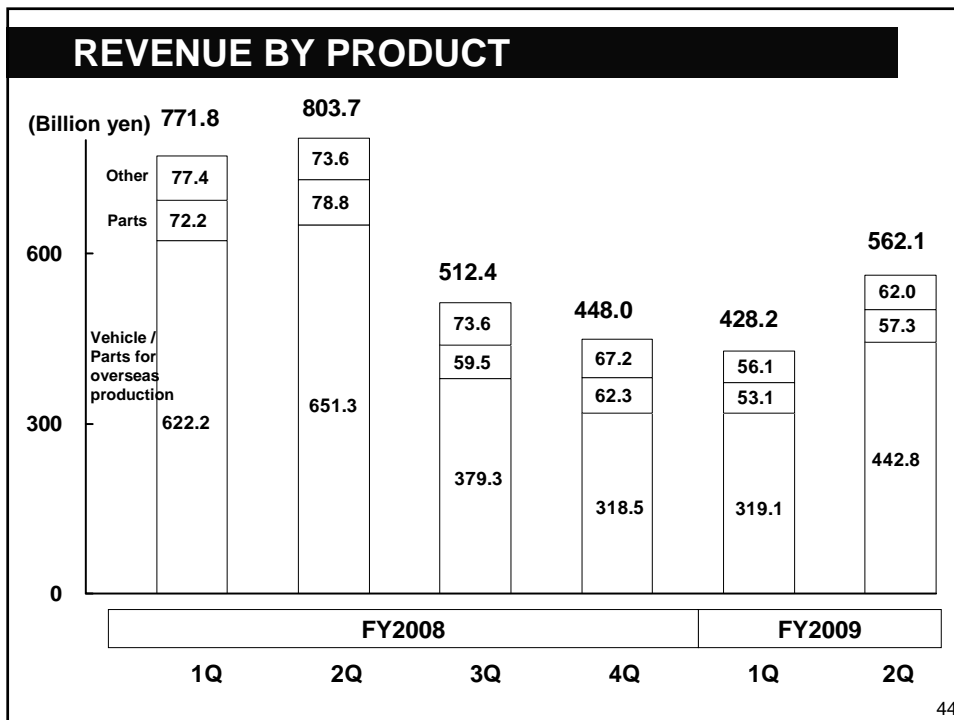
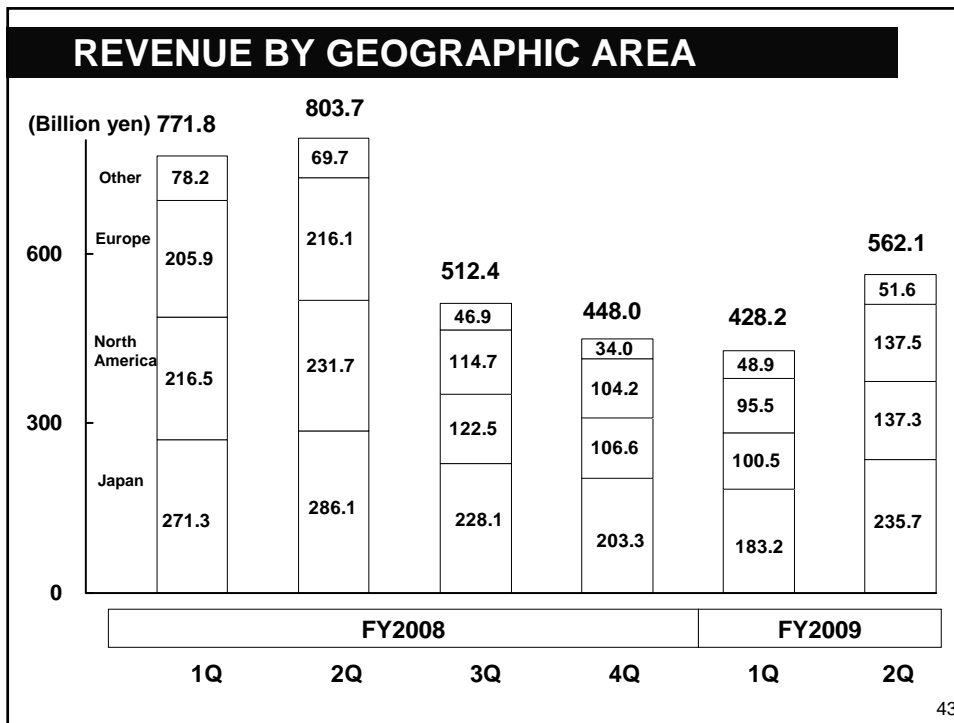
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KEY DATA

	2nd Quarter		
	FY2009	FY2008	Change
Global retail volume (000)			
Japan	64	69	(5)
North America	84	91	(7)
Europe	64	86	(22)
China	44	30	14
Other	58	67	(9)
Total	<u>314</u>	<u>343</u>	<u>(29)</u>
Consolidated wholesales (000)			
Japan	63	65	(2)
North America	73	105	(32)
Europe	66	89	(23)
China	3	3	0
Other	45	68	(23)
Total	<u>250</u>	<u>330</u>	<u>(80)</u>

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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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