



FISCAL YEAR ENDED MARCH 2010 FINANCIAL RESULTS

90TH
ANNIVERSARY

**New Mazda Axela:
90th Anniversary Special
Edition (Sport 20S)**



**Mazda Motor Corporation
April 27, 2010**

PRESENTATION OUTLINE

- **Highlights**
- **FY March 2010 Results**
- **FY March 2011 Forecast**
- **Framework for Medium- and Long-Term Initiatives**
- **Building Block Strategy Updates**





HIGHLIGHTS

FY MARCH 2010 HIGHLIGHTS

- **Achieved profitability for the full year with an operating profit of ¥9.5 billion, which exceeded the February forecast by 90% and the prior year results by ¥37.9 billion**
- **Free cash flow was positive ¥67.4 billion**
- **Global sales volume was 1.193 million units, up 13,000 units from the February forecast, reflecting the good sales results in major markets**
- **As residual values have steadily improved in major markets, Mazda's brand value continues to improve**
- **Shifted to a cost structure which ensures profitability even with a strong yen and at 80% plant utilization in Japan**
- **Based on the Building Block Strategy, introduced the i-stop in Japan and Europe as the step-1. Development of next-generation powertrains (Mazda SKY Concept*) is on track. Including the announcement of our plan to introduce hybrid vehicles, our environmental initiatives have progressed substantially**

*Concept Name for engines and transmissions that are intended for launch from 2011 onward

FY MARCH 2011 FORECAST HIGHLIGHTS

- Revenue of ¥2,270 billion, an operating profit of ¥30 billion and a net income of ¥5 billion are projected
- Expect to achieve revenue and profit increases, and profitability in all profit categories
- Expect to achieve positive free cash flow
- Global sales volume is forecast to total 1.27 million units, up 77,000 units over the prior year
- Launch the new Mazda5/Premacy globally. Continue product-led growth through the launches of Mazda2 in North America and Mazda8 (MPV in Japan) in China
- Strengthen R&D and capital spending for the next generation products that will be launched in 2011 and onward, and for environmental technologies
- Promote “Monotsukuri Innovation” to continue to drive our turnaround, and further improve cost structure
- Plan a year-end dividend of ¥3 per share for FY March 2010. Target a year-end dividend of ¥3 per share for FY March 2011



FY MARCH 2010 RESULTS

FY MARCH 2010 FINANCIAL METRICS

(Billion yen)	Full Year		Change from Prior Year		Memo: Feb. Forecast for FY March 2010
	FY March 2010	FY March 2009	Amount	(%)	
Revenue	2,163.9	2,535.9	(372.0)	(15) %	2,150.0
Operating profit	9.5	(28.4)	37.9	-	5.0
Ordinary profit	4.6	(18.7)	23.3	-	0.0
Profit before tax	(7.3)	(51.3)	44.0	-	(6.0)
Net income	(6.5)	(71.5)	65.0	-	(9.0)
Operating ROS	0.4 %	(1.1) %	1.5 Pts	-	0.2 %
EPS (Yen/Share)	(4.3)	(52.1)	47.8	-	(5.9)

CASH FLOW AND NET DEBT

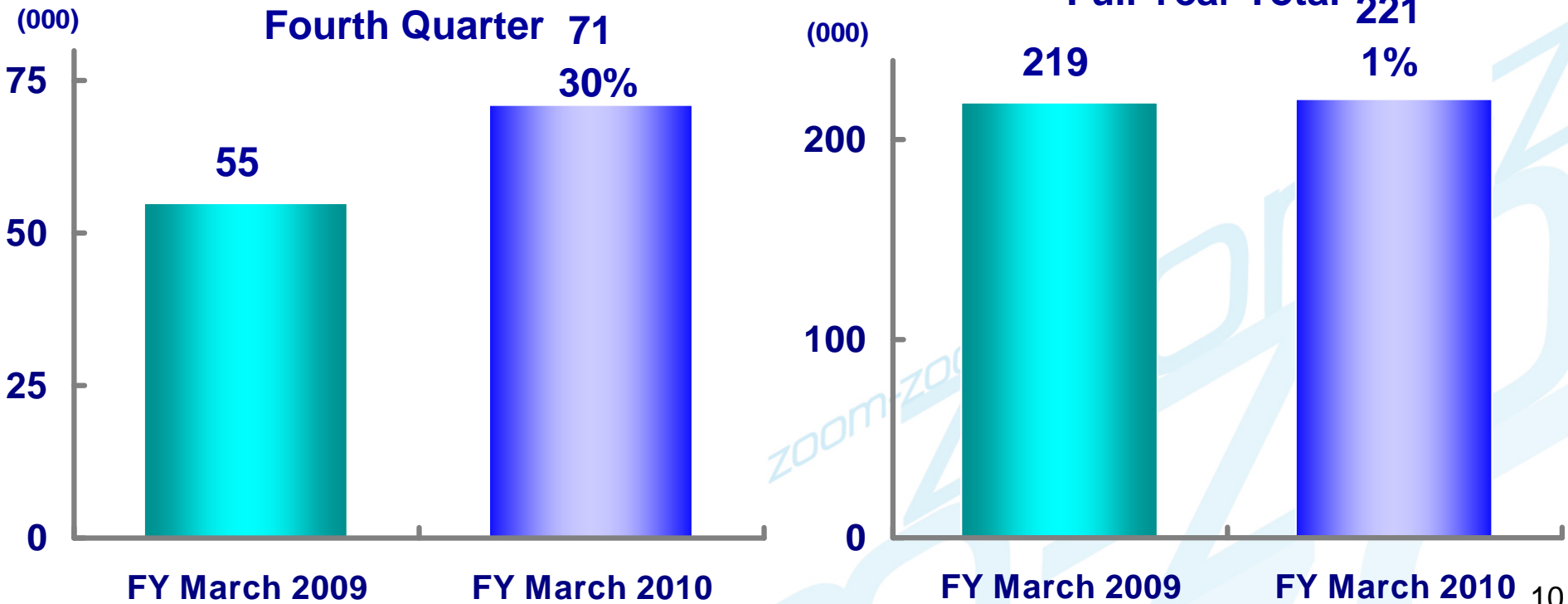
(Billion yen)	FY March 2010			FY March 2009	Full Year Improvement/ (Deterioration)
	1st Half	2nd Half	Full Year	Full Year	
Cash Flow					
- Operating CF	26.1	85.5	111.6	(67.4)	-
- Investing CF	(15.9)	(28.3)	(44.2)	(61.8)	-
- Free CF	10.2	57.2	67.4	(129.2)	-
Net debt	(521.6)	(375.8)	(375.8)	(532.6)	156.8
Net debt-to-equity ratio	129 %	74 %	74 %	129 %	55 Pts
Dividend (Yen/Share)	-	3	3	3	0

KEY DATA

(000)	FY March 2010			Change From Prior Year			Full Year Results Change from Feb. Forecast
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	
Global sales volume							
Japan	105	116	221	(18)	20	2	3
North America	158	149	307	(42)	2	(40)	6
USA	106	104	210	(32)	2	(30)	3
Europe	123	116	239	(56)	(27)	(83)	1
China	85	111	196	22	39	61	2
Other	106	124	230	(30)	22	(8)	1
Total	577	616	1,193	(124)	56	(68)	13
Exchange rate							
US\$ / Yen	96	90	93	(10)	(5)	(8)	1
€/ Yen	133	129	131	(30)	4	(13)	(1)

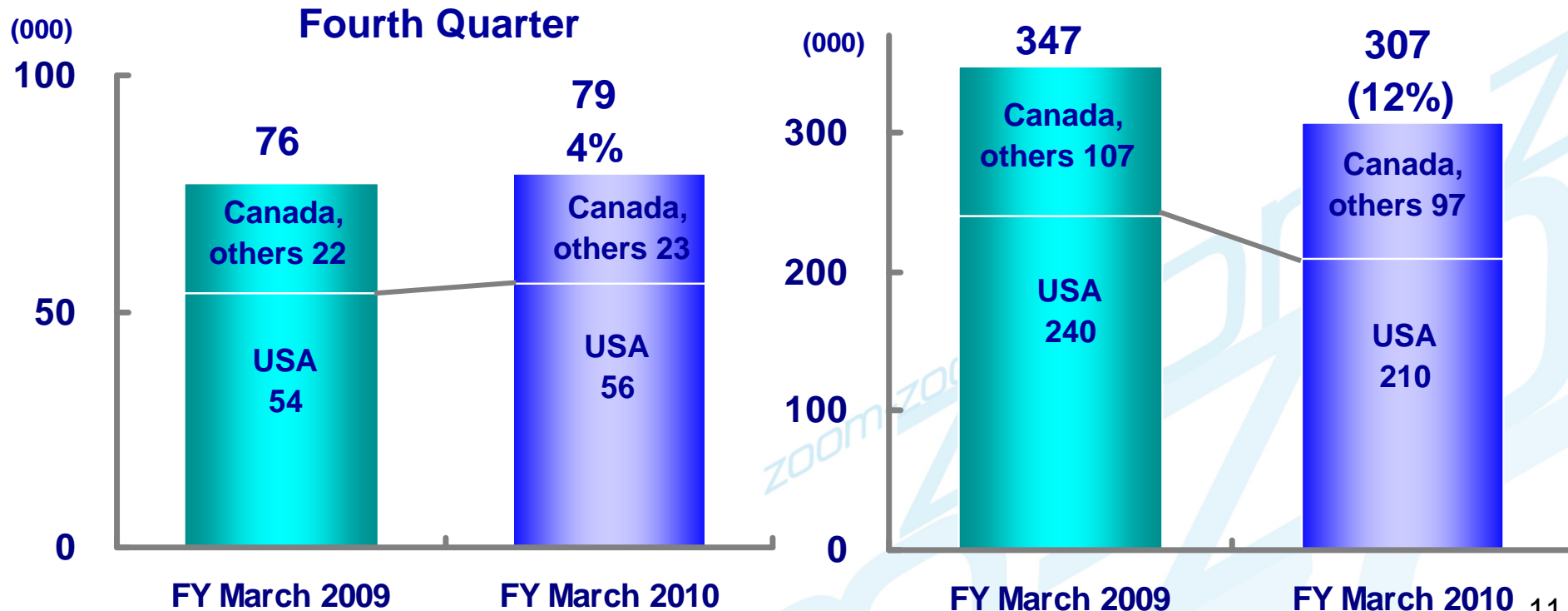
JAPAN

- Sales totaled 221,000 units, up 3,000 units from the February forecast
- Brand recognition steadily improved
- Since the 3rd quarter, sales have exceeded the prior year result. In the 4th quarter, brisk sales of Demio, new Axela and Premacy brought 30% growth year-on-year
- Full-year sales also exceeded the prior year level
- Sales mix of Axela and Biante equipped with the i-stop substantially exceeded the initial target and received high acclaim, winning the Eco-Products Award and the 2010 RJC Technology Of the Year



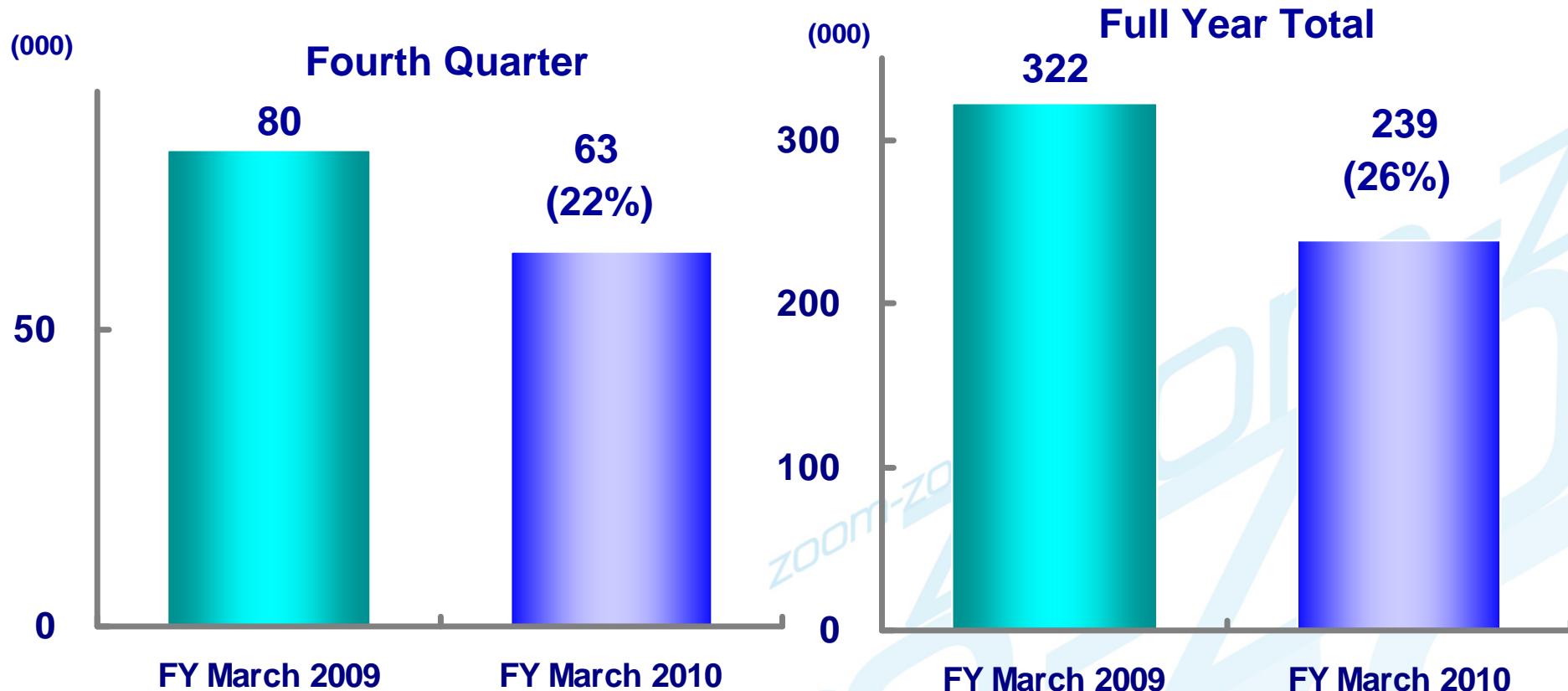
NORTH AMERICA

- Sales totaled 307,000 units, up 6,000 units from the February forecast
- Cutbacks in incentives and fleet sales continued to improve brand value
- In the 4th quarter, sales rebounded to exceed the prior year level
- US sales volume excluding fleet sales achieved the highest share in the past ten years
- The Mazda3 won the Best Residual Value Award for the mid-compact segment from Automotive Lease Guide. The Mazda brand also improved to 3rd place, up from 6th last year



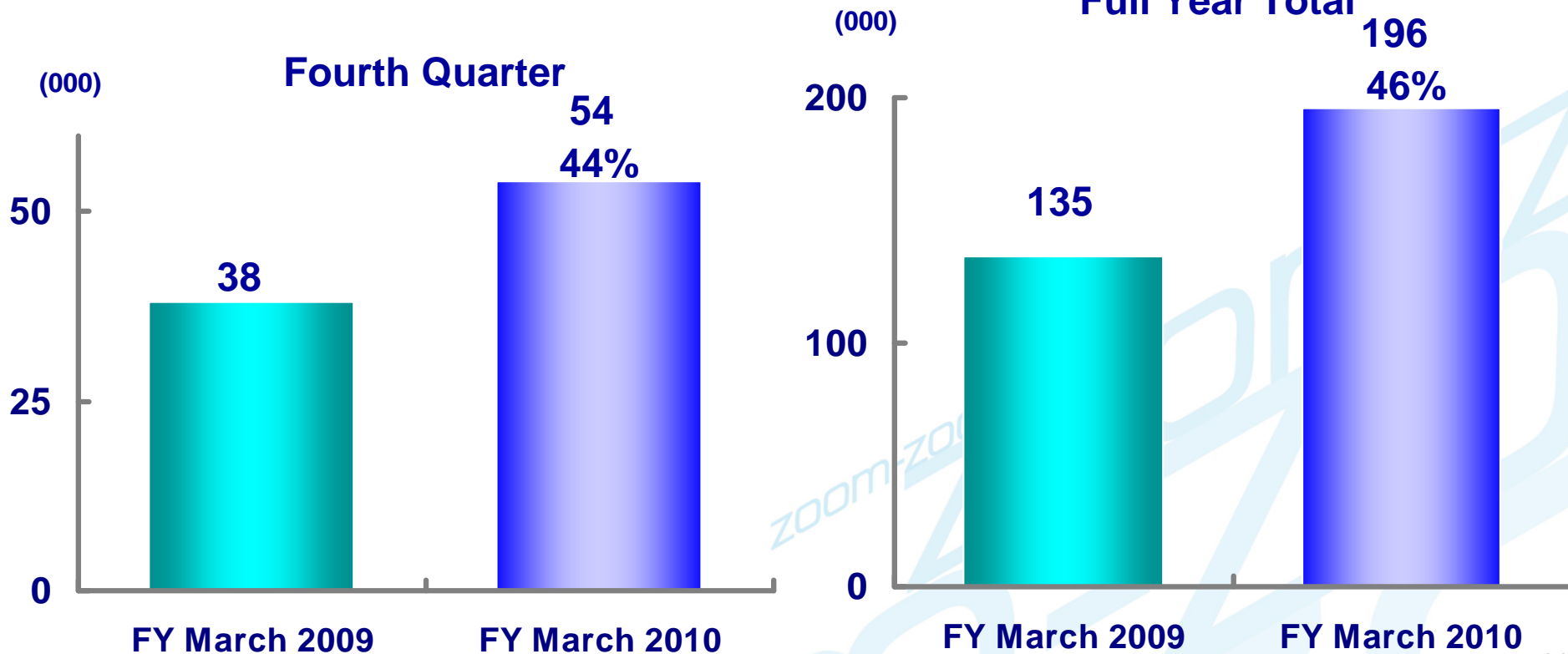
EUROPE

- Sales totaled 239,000 units, up 1,000 units from the February forecast
- Continued a focus on brand enhancement
- In UK, sales volume reached the 2nd highest level ever. The Mazda2 was ranked in the top-level for residual value in the B-segment
- Inventory in Russia was reduced to an appropriate level



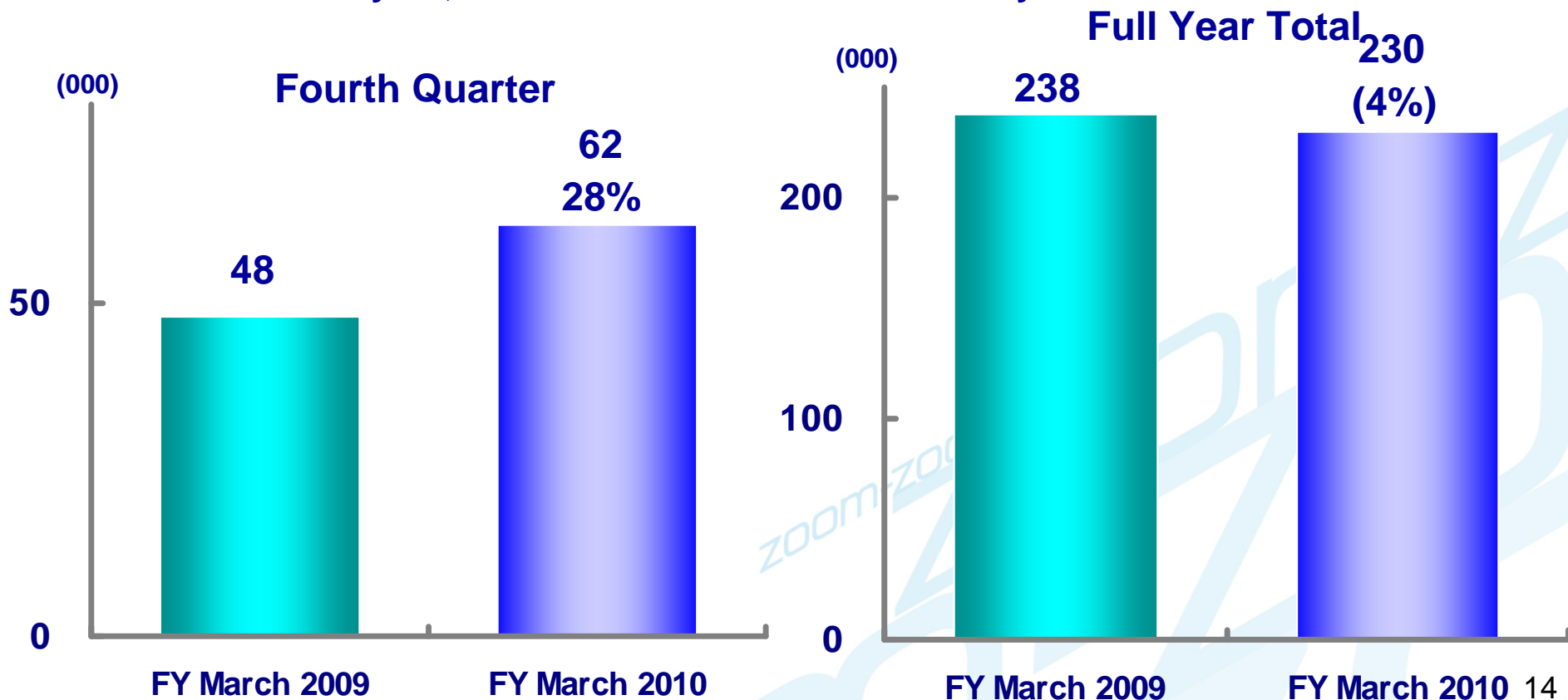
CHINA

- Sales totaled 196,000 units, up 2,000 units from the February forecast
- Mazda brand value improved with Mazda6 achieving the top brand strength in an assessment* of Japanese vehicles
- Sales increased 46% year-over-year, hitting record high sales, as a result of strong sales of Mazda6 which added a new model, in addition to Mazda2 and Mazda3
- Dealer network enhancement is on track. The number of outlets rose to 264 by 43 from the end of the prior fiscal year



OTHER MARKETS

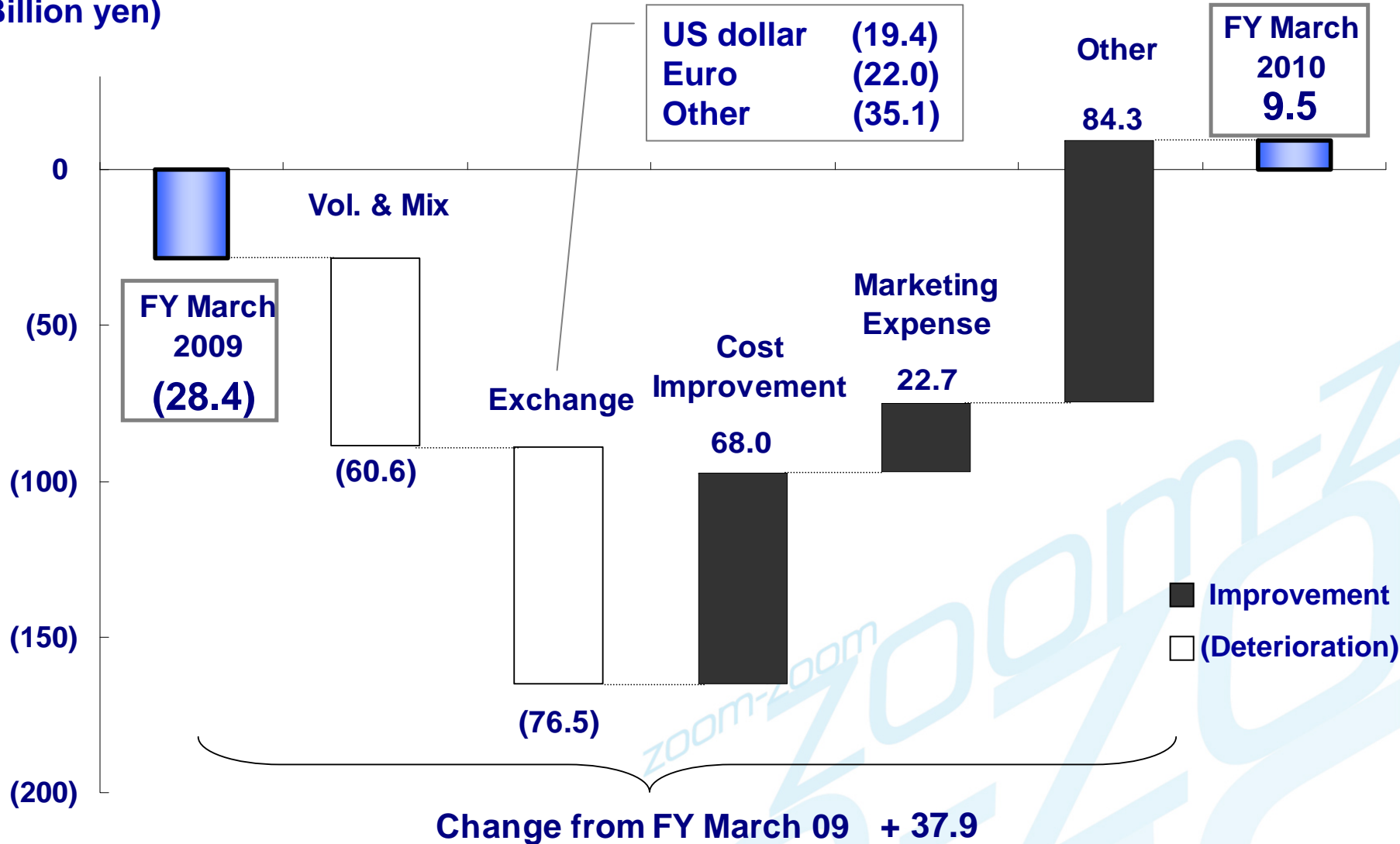
- Sales totaled 230,000 units, up 1,000 units from the February forecast
- Sales have exceeded the prior year results since the 3rd quarter, and sales in the 4th quarter increased 28%
- Australia sales achieved an all-time high volume, a 3% growth year-on-year
- New Zealand sales gained the highest share in the past ten years
- Israel took the number one place in full-year market share for the third consecutive year, thanks to brisk sales anchored by the new Mazda3



OPERATING PROFIT CHANGE

FY March 2010 Compared with FY March 2009

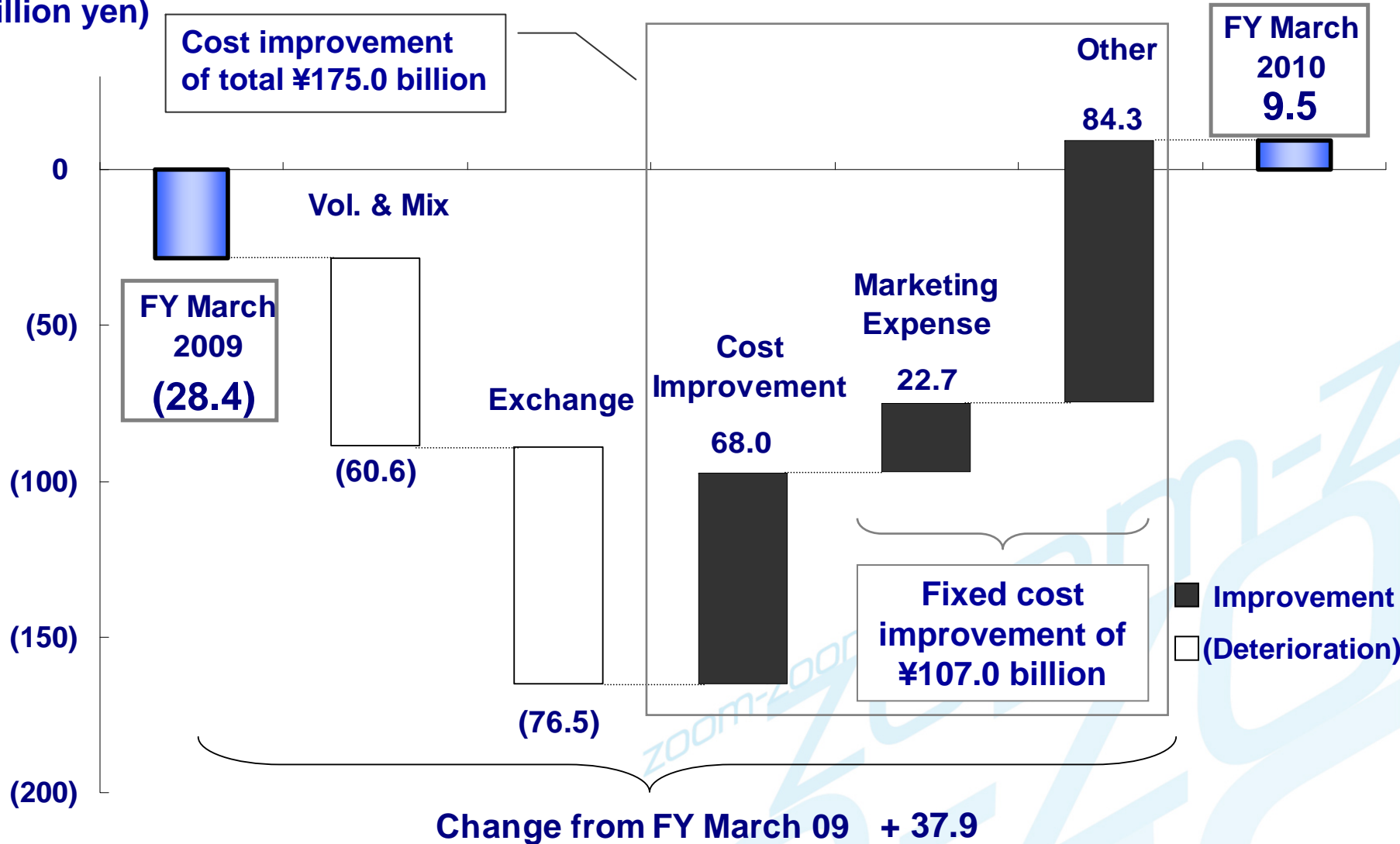
(Billion yen)



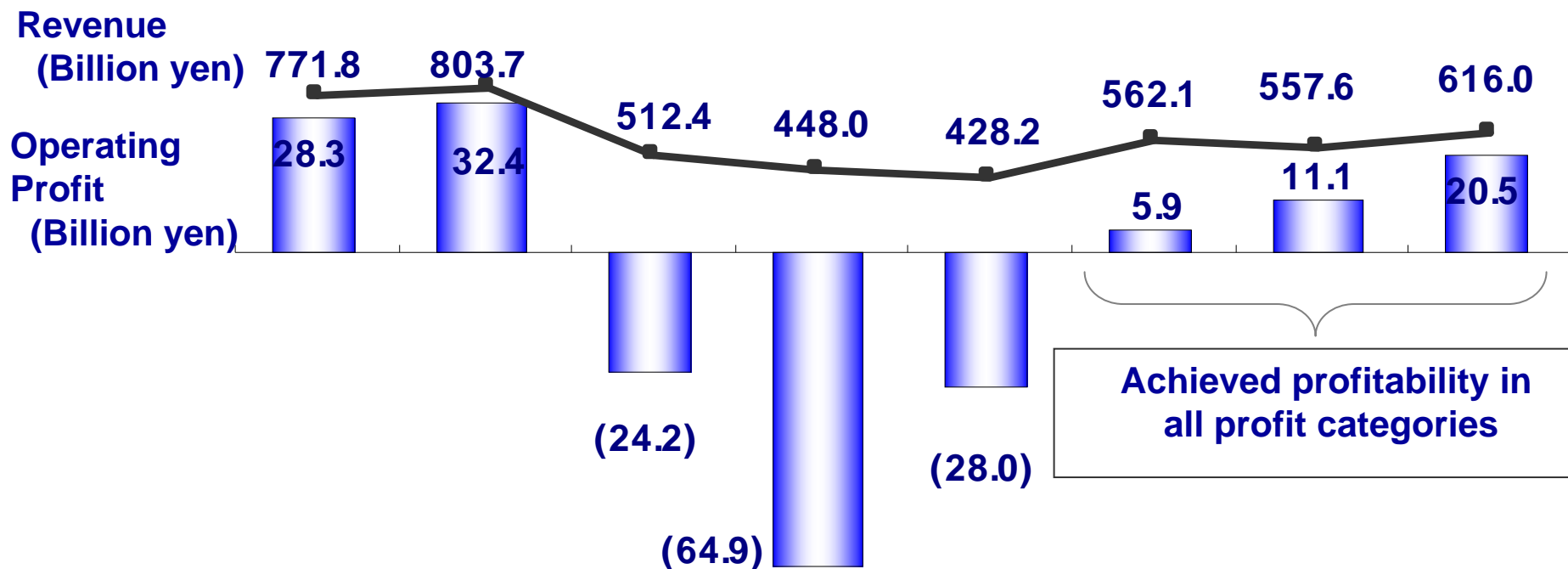
OPERATING PROFIT CHANGE

FY March 2010 Compared with FY March 2009

(Billion yen)



ESTABLISHED A COST STRUCTURE WHICH ENSURES PROFITABILITY EVEN WITH A STRONG YEN AND AT 80% PLANT UTILIZATION



	FY March 2009				FY March 2010			
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
US\$ / Yen	105	108	96	94	97	94	90	91
€/ Yen	163	162	127	122	133	134	133	126
Global sales volume (000)	358	343	263	297	263	314	287	329
Global production volume (000)	353	352	302	172	235	310	316	328
Total inventory (000) increase/(reduction)	(5)	9	39	(125)	(28)	(4)	29	(1)
Domestic plant utilization (%)	109	110	83	43	68	85	82	85



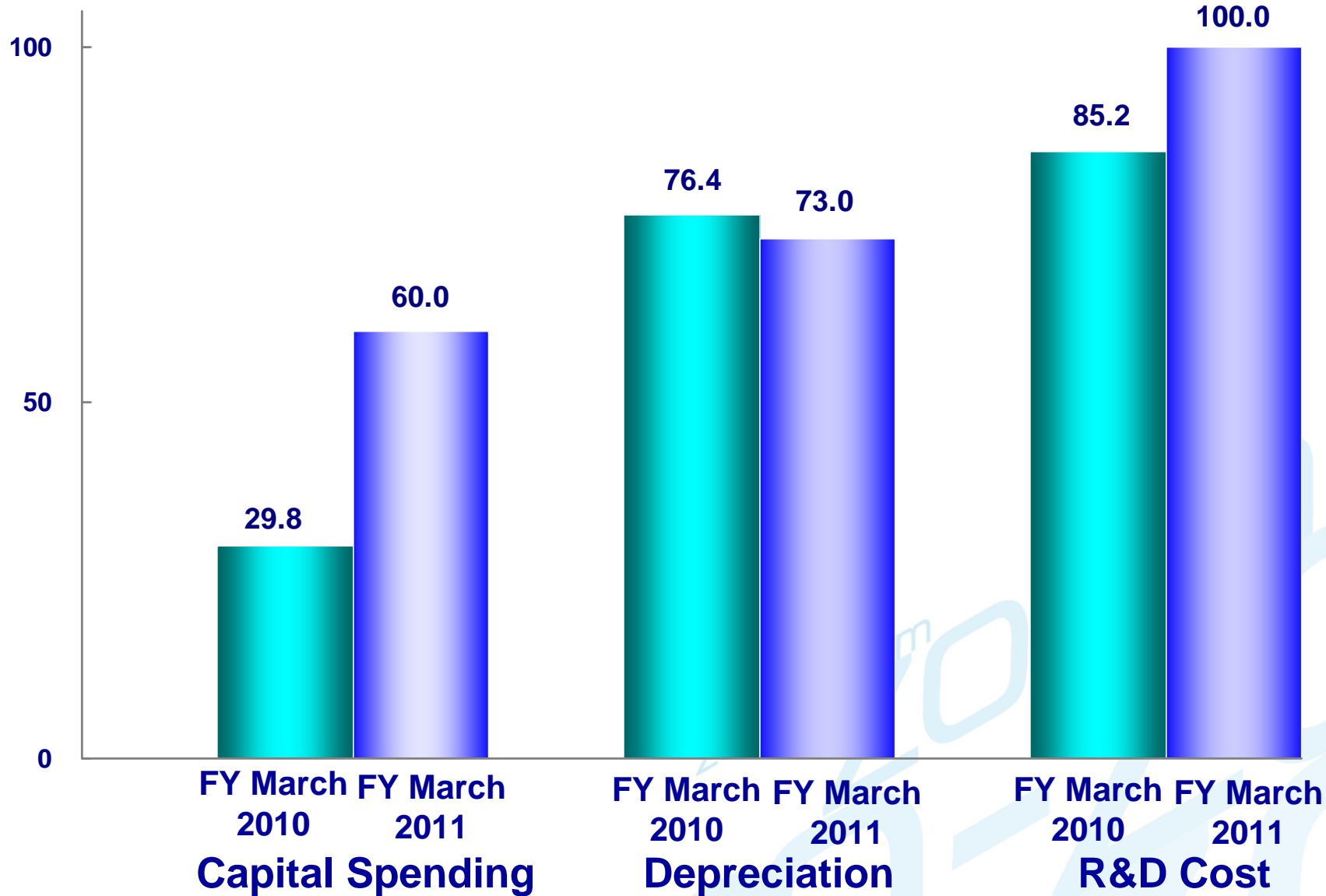
FY MARCH 2011 FORECAST

FY MARCH 2011 FINANCIAL METRICS

(Billion yen)	FY March 2011			FY March 2010	Full Year Change
	1st Half	2nd Half	Full Year	Full Year	
Revenue	1,130.0	1,140.0	2,270.0	2,163.9	106.1
Operating profit	10.0	20.0	30.0	9.5	20.5
Ordinary profit	8.0	21.0	29.0	4.6	24.4
Profit before tax	3.0	18.0	21.0	(7.3)	28.3
Net income	1.0	4.0	5.0	(6.5)	11.5
Operating ROS	0.9 %	1.8 %	1.3 %	0.4 %	0.9 pts
EPS (Yen/Share)	0.6	2.2	2.8	(4.3)	7.1

KEY DATA

(Billion yen)



KEY DATA

	Full Year				Share	
	FY March	FY March	Change		FY March	Change
	2011	2010	Vol.	Pct.	2011	
					(%)	(pts)
Global sales volume (000)						
Japan	210	221	(11)	(5)	4.6	0.1
North America	358	307	51	17		
USA	250	210	40	19	2.0	0.1
Europe	226	239	(13)	(6)	1.3 *1	0.0
China	230	196	34	17	1.4	0.1
Other	246	230	16	7	8.2 *2	0.0
Total	1,270	1,193	77	6		
Exchange rate						
US\$ / Yen	90	93	(3)			
€/ Yen	125	131	(6)			

*1. Europe share is based on industry demand including passenger cars and light commercial vehicles

*2. Australia share

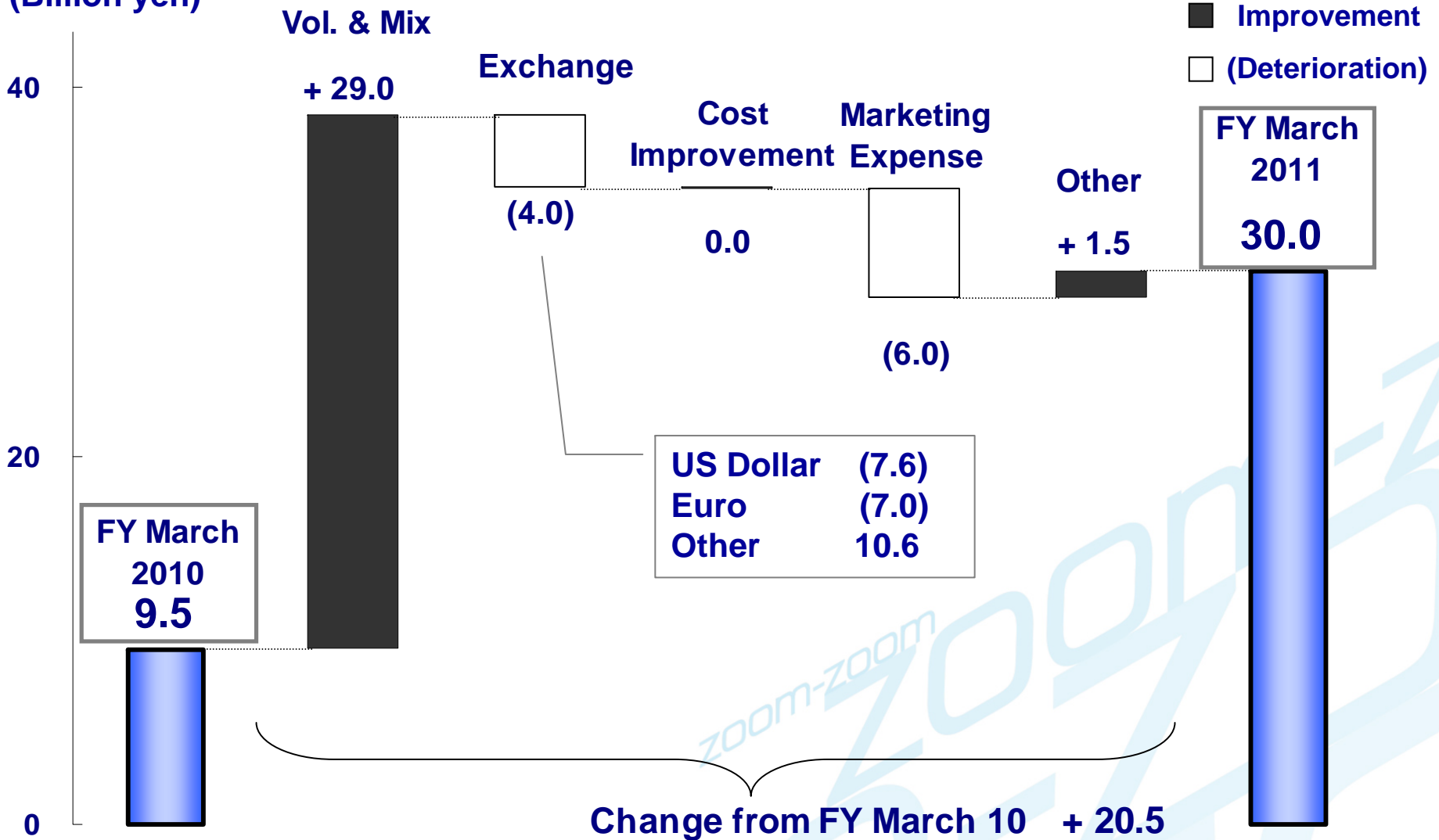
MARKET SUMMARY

- **We mark the turnaround in the fiscal year ended March 2011, and enhance sales actions depending on conditions in each market**
- **Globally maintain brand value enhancement policy and continue residual value improvements**
- **Details by market:**
 - **Japan: With the introduction of the new Premacy, take aggressive marketing actions. Enhance our customer base by promoting “Tsunagari Innovation”**
 - **North America: Launch Mazda2 to expand the range of customers. Expand sales by leveraging the residual value improvement**
 - **Europe: Deploy resources in prioritized countries to expand sales**
 - **China: Increase sales by expanding the sales network and introducing new models. Resolve supply shortage by transferring Mazda3 production**
 - **Other Markets: Strengthen sales of AAT-produced Mazda2 in Australia and ASEAN markets**

OPERATING PROFIT CHANGE

FY March 2011 Compared with FY March 2010

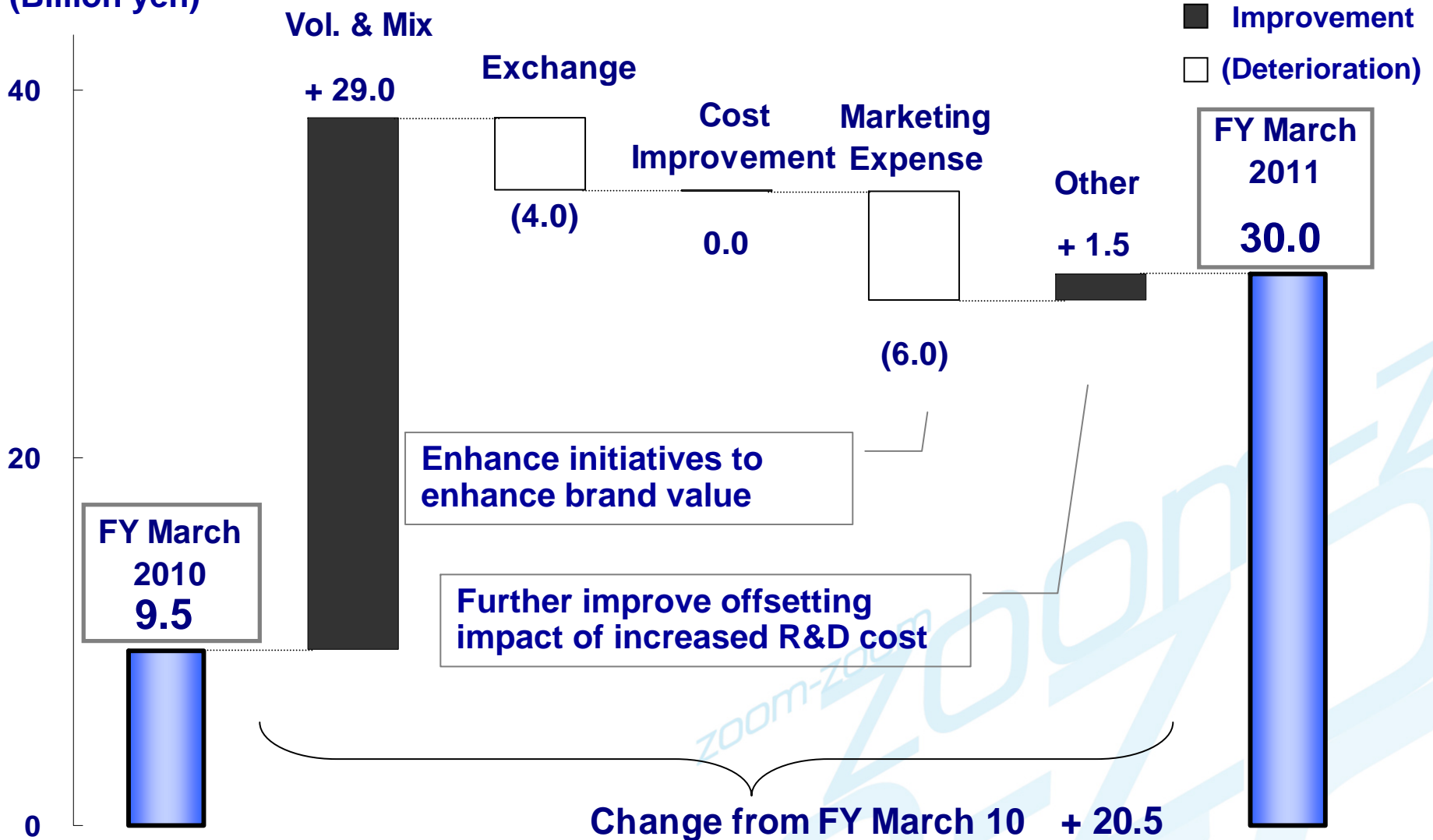
(Billion yen)



OPERATING PROFIT CHANGE

FY March 2011 Compared with FY March 2010

(Billion yen)



IN SUMMARY (1)

<FY March 2010>

- Achieved profitability for the full year with operating profit of ¥9.5 billion. Cash flow was also positive
- Operating profit of ¥9.5 billion, improved ¥59.5 billion from the May forecast
- Achieved profitability in all profit categories since the 2nd quarter
- Shifted toward increasing momentum in global sales volume since the 2nd half compared with the prior year
- As residual values have steadily improved in major markets, Mazda's brand value continues to improve
- New Mazda3/Axela highly acclaimed globally and sales exceeded the target
- Shifted to a cost structure which ensures profitability even with a strong yen and at 80% plant utilization in Japan
- Based on the Building Block Strategy, introduced the i-stop in Japan and Europe as step-1. Development of next-generation powertrains (Mazda SKY Concept*) is on track. Including the announcement of our plan to introduce hybrid vehicles, our environmental initiatives have progressed substantially

IN SUMMARY (2)

<FY March 2011>

- Expect to achieve revenue and profit increases, and profitability in all profit categories
- Expect continued positive free cash flow
- Global sales volume is forecast to total 1.27 million units, up 77,000 units over the prior year
- Continue product-led growth through launches of new Mazda5/Premacy globally, Mazda2/Demio in North America and Mazda8/MPV in China
- Reinforce marketing and sales actions to further enhance brand value
- Strengthen R&D and capital spending for the next generation products that will be launched in 2011 and onward, and for environmental technologies
- Promote “Monotsukuri Innovation” to continue to drive our turnaround, and further improve our cost structure
- Accelerate business growth in emerging markets including China and Thailand
- Strategic alliance with Ford unchanged



FRAMEWORK FOR MEDIUM- AND LONG-TERM INITIATIVES

- 5 Pillars -

- 1. Brand Value**
- 2. Monotsukuri Innovation**
- 3. Environmental and Safety Technologies**
- 4. Emerging Markets**
- 5. Ford Synergies**

FRAMEWORK FOR MEDIUM- AND LONG-TERM INITIATIVES (1)

1. Brand Value

Implement brand value enhancement project globally focusing on brand loyalty

- **Steadily improve residual values in major markets**
- **Develop and implement network enhancement plans in major markets**
- **Develop and implement various measures to strengthen brand loyalty**

(000)	FY March
Global sale volume forecast	2016
Japan	200
North America	530
USA	400
Europe	300
China	400
Other	270
Total	1,700

2. Monotsukuri Innovation

Steady progress of Monotsukuri Innovation

<<Improve development efficiency and save investment>>

- Significantly improve development efficiency through the Bundled Product Planning and the Common Architecture Concept (30% efficiency improvement)
- Drastic future investment savings expected from flexible production system (20 to 60% savings)

<<Improve both performance and cost>>

- Next-generation products achieve 100kg or more weight reduction (equivalent to fuel economy improvement of 5%)
- Next-generation vehicles (platform and body) achieve 20% cost improvement
- Next-generation engines (gasoline and diesel) achieve fuel economy improvement of 15 to 20% and Euro6 compliance, while keeping cost at the current engine level
- Next-generation automatic transmission (AT) improves fuel economy by 4 to 7% and direct feeling, while keeping cost at the current AT level

3. Environmental and Safety Technologies

Steady progress in environmental and safety actions based on the Building Block Strategy

- **Expand adoption of the i-stop**
- **Accelerate functionality and cost developments for next generation powertrains (Mazda SKY Concept*)**
- **Introduce hybrid vehicles starting in Japan by 2013 and expand through technical licensing from Toyota**
- **Improve average fuel economy of Mazda cars sold globally by 2015 by 30% (compared with 2008)**

4. Emerging Markets

Expand and enhance production and sales structures in emerging markets where Mazda participates

- **Maximum utilization of the new passenger car plant in Auto Alliance Thailand and reinforce the sales network**
- **Progress of production consolidation and sales network expansion in China**

5. Ford Synergies

- **Strategic alliance unchanged**
- **Pursue further synergies**

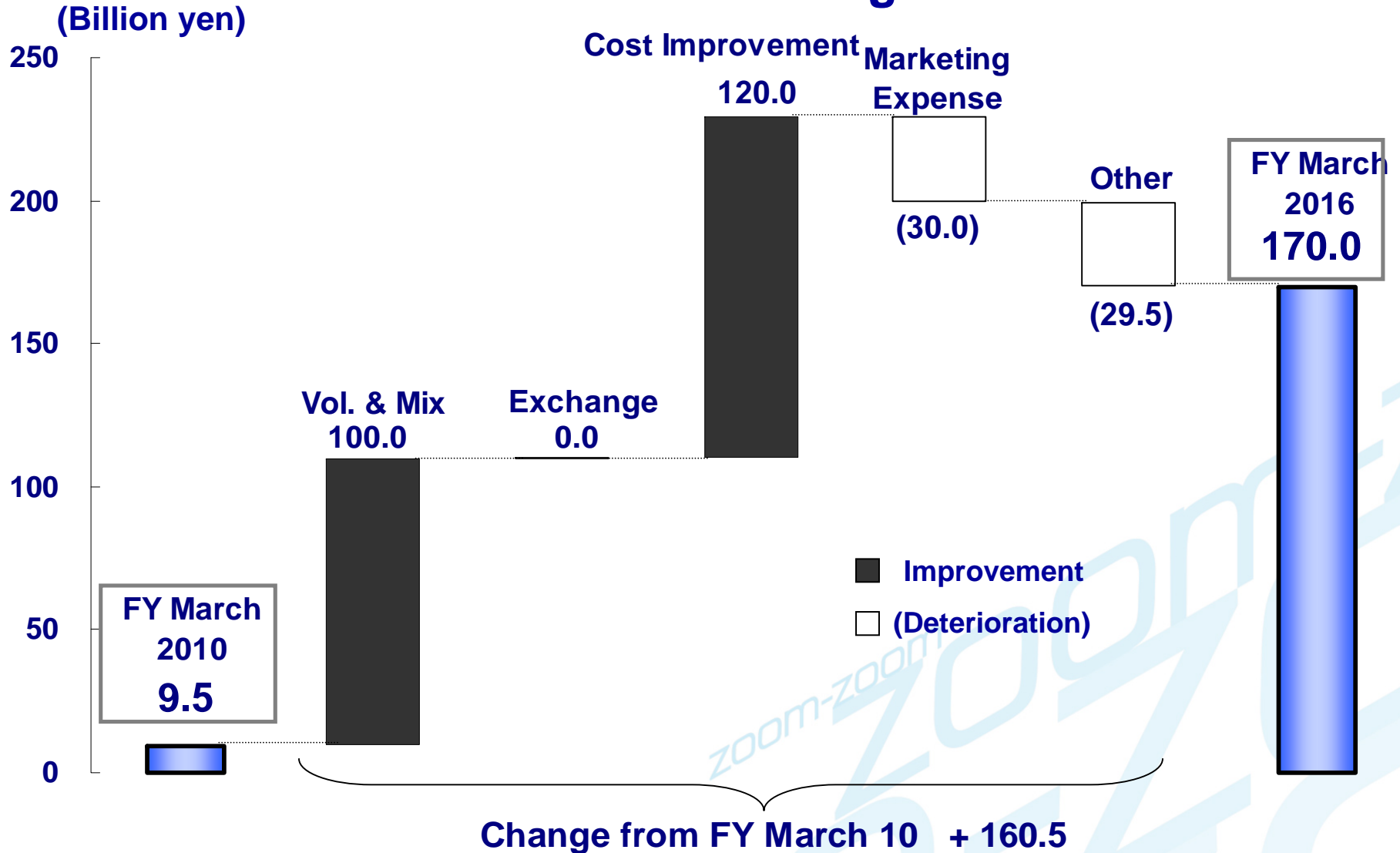


➡ **Medium- and long-term outlook (FY ending March 2016)**

- **Global sales volume** **1.7 million units**
- **Operating profit** **¥170 billion**
- **ROS** **5% or more**



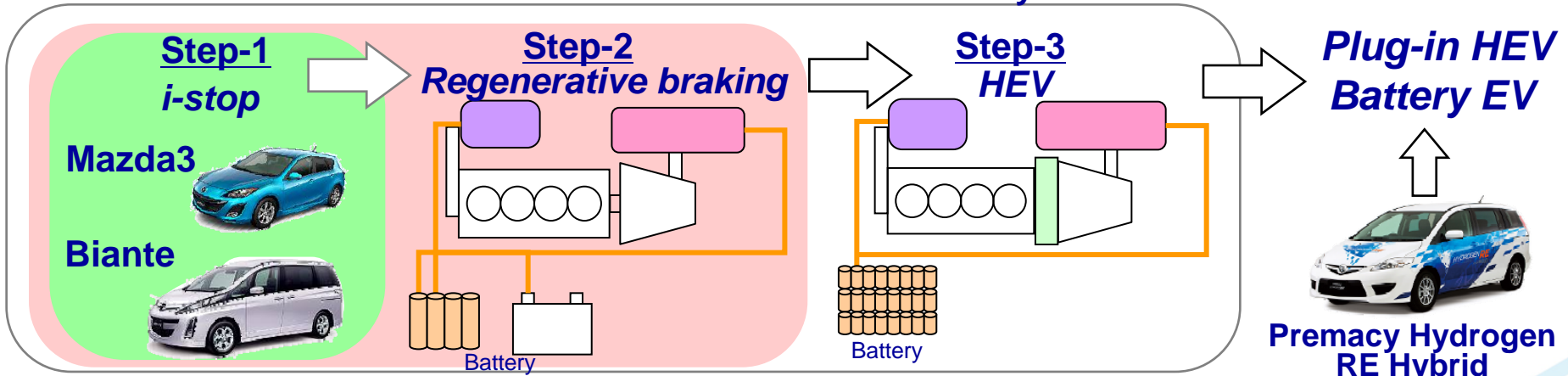
Outline of Medium- and Long-Term Outlook



BUILDING BLOCK STRATEGY UPDATES

Established environmental technology strategy from 2011 to 2015,
and moving toward introduction stages

- Provide “fun-to-drive” and “environmental and safety features” to all customers



Revolution of environmental technologies through a “building block” strategy

Step-3 Motor Drive Technology (HEV): - 2013

Step-2 Regenerative Braking Technology

Step-1 「i-stop」: 2009

Base Technology



Weight reduction



Next-generation platform



Next Generation GE
Mazda SKY-G*

2011: Japan, USA
2012: Europe, China



Next Generation AT
Mazda SKY-Drive*

2011: Japan, USA
2012: Europe, China



Next Generation Clean DE
Mazda SKY-D*

2012: Japan, USA, Europe

*Concept Name for engines and transmissions that are intended for launch from 2011 onward



APPENDIX

FY MARCH 2010 FOURTH QUARTER FINANCIAL METIRCS

(Billion yen)	Fourth Quarter		Change	
	<u>FY March 2010</u>	<u>FY March 2009</u>	<u>Amount</u>	<u>Pct.</u>
Revenue	616.0	448.0	168.0	38 %
Operating profit	20.5	(64.9)	85.4	-
Ordinary profit	23.5	(70.8)	94.3	-
Profit before tax	14.1	(101.2)	115.3	-
Net income	9.9	(100.4)	110.3	-
Operating ROS	3.3 %	(14.5) %	17.8 Pts	-
EPS (Yen/Share)	5.6	(76.5)	(82.1)	-

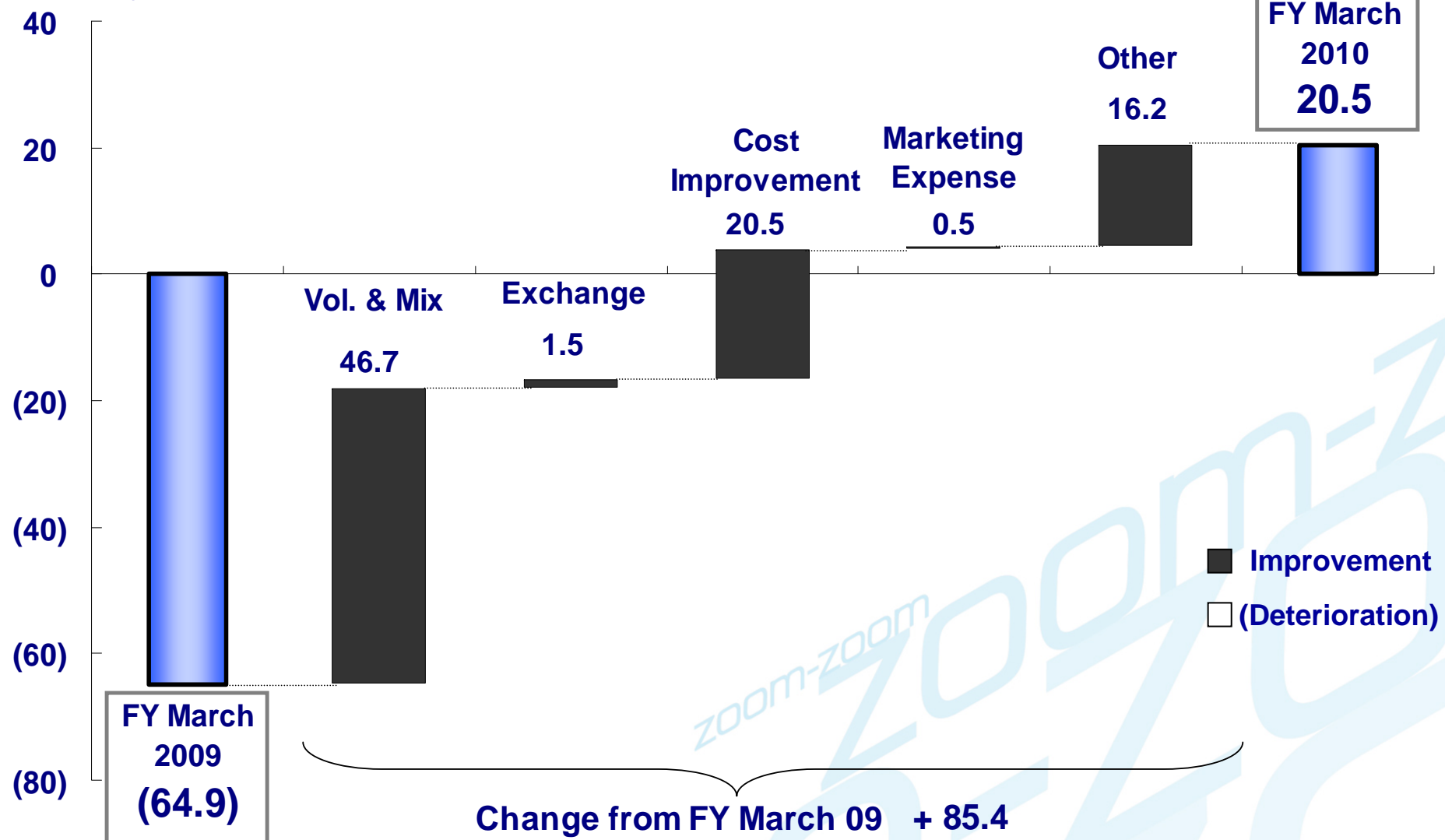
KEY DATA

(000)	Fourth Quarter		
	FY March 2010	FY March 2009	Change
Global sales volume			
Japan	71	55	16
North America	79	76	3
Europe	63	80	(17)
China	54	38	16
Other	62	48	14
Total	329	297	32
Consolidated wholesales			
Japan	69	54	15
North America	91	71	20
Europe	64	60	4
China	7	2	5
Other	58	38	20
Total	289	225	64

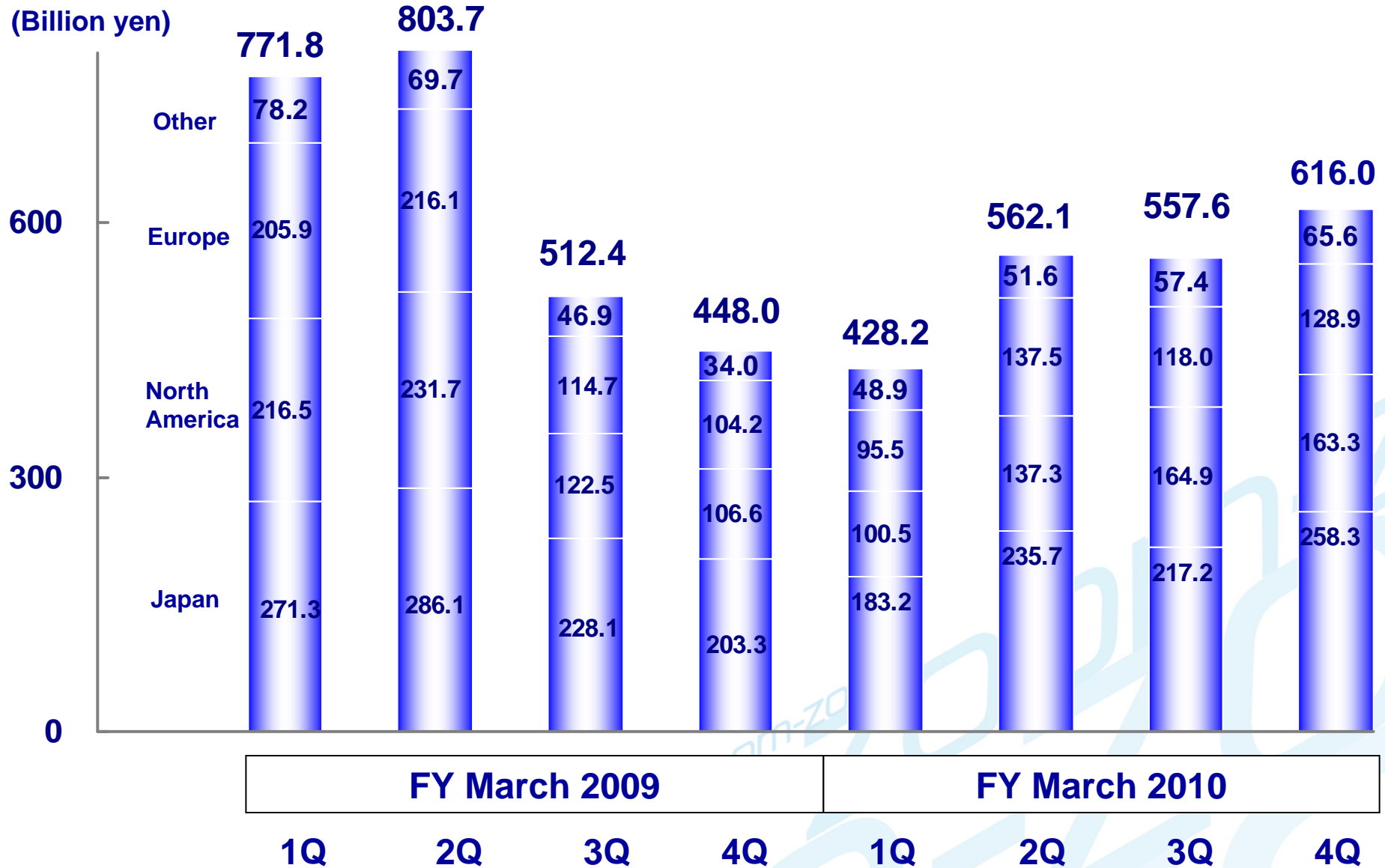
OPERATING PROFIT CHANGE

FY March 2010 4Q Compared With FY March 2009 4Q

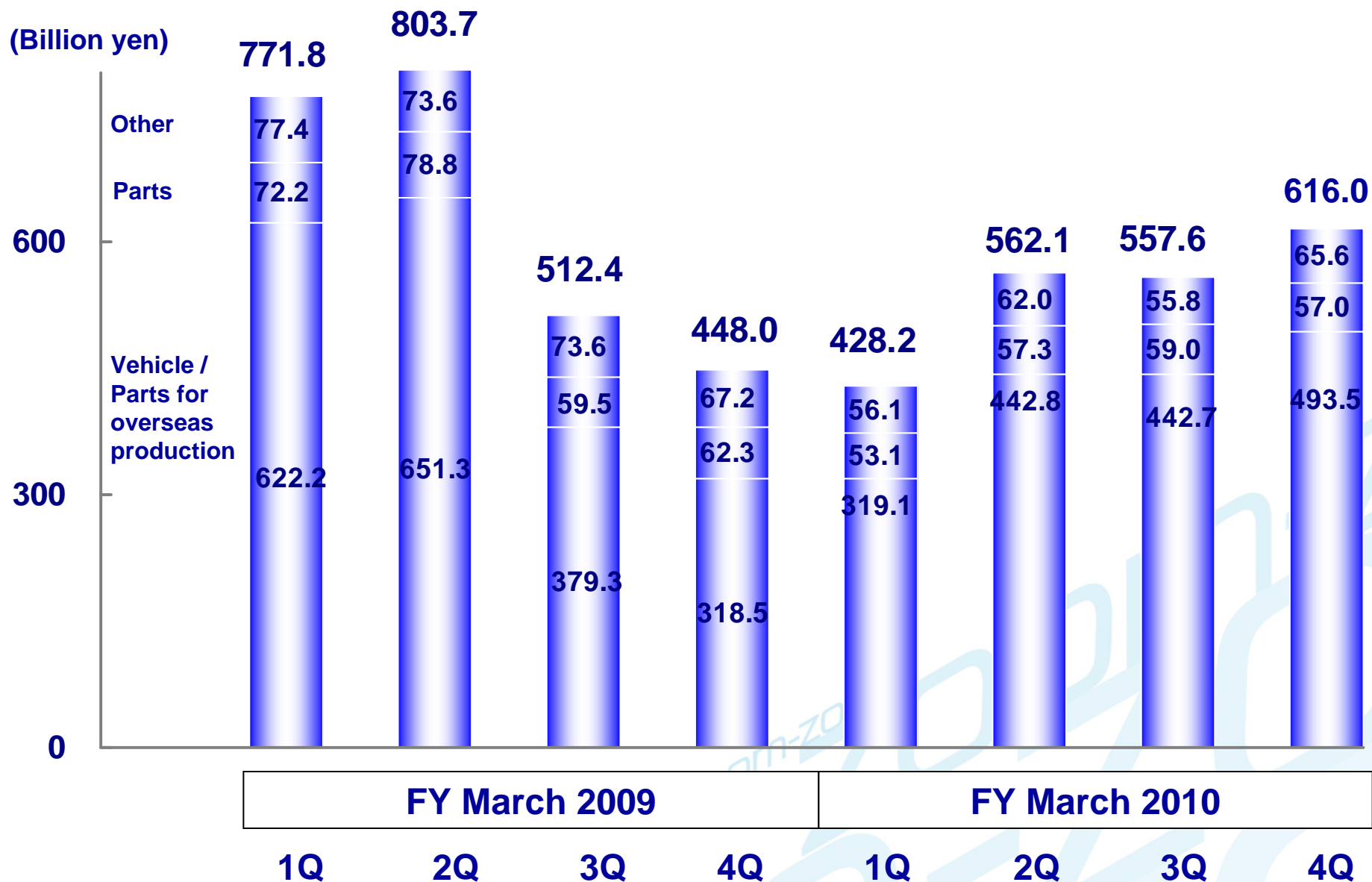
(Billion yen)



REVENUE BY GEOGRAPHIC AREA



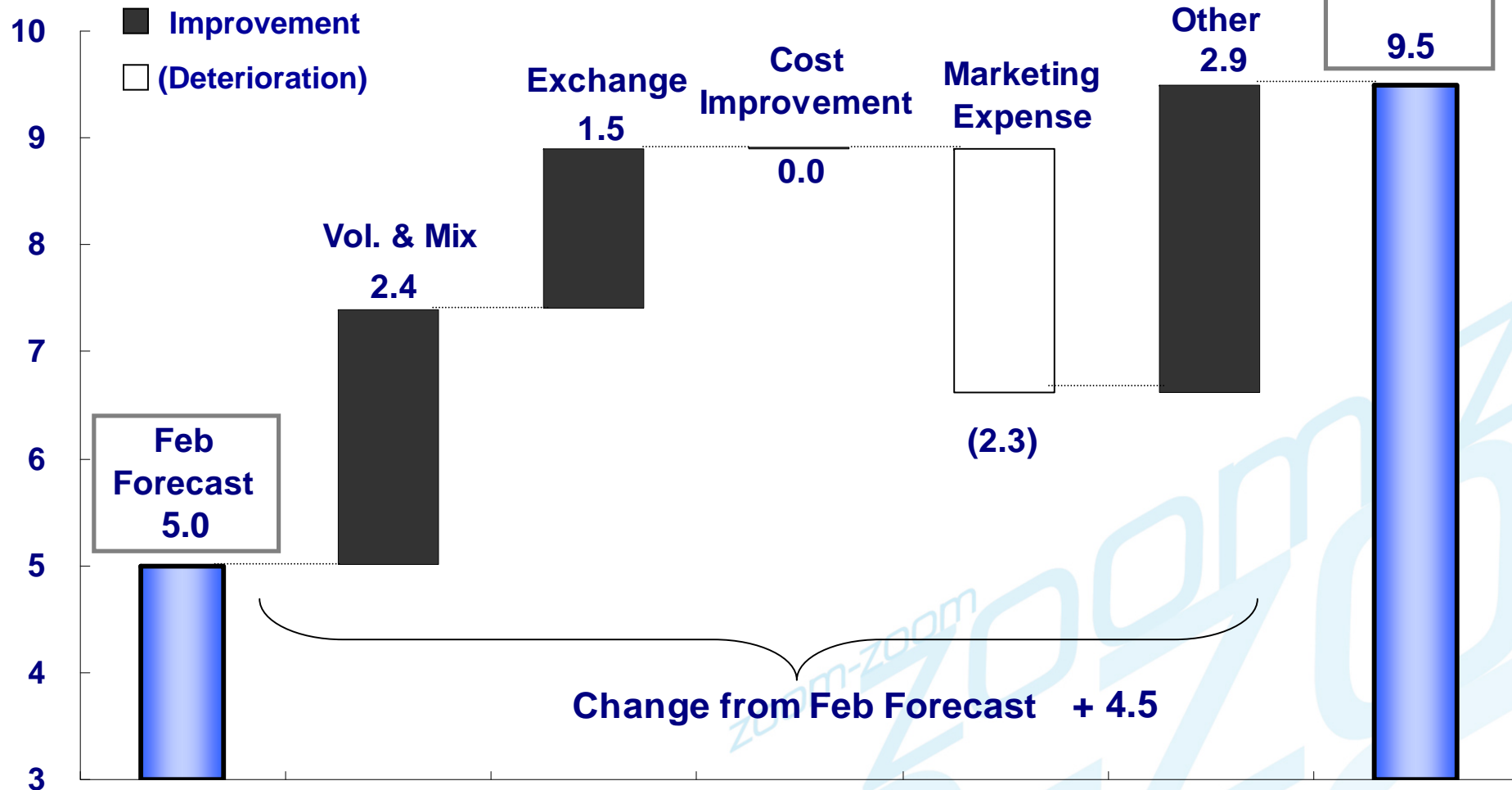
REVENUE BY PRODUCT



OPERATING PROFIT CHANGE

FY March 2010 Compared with Feb Forecast

(Billion yen)



KEY DATA

(000)	Full Year		Change
	FY March 2010	FY March 2009	
Consolidated Wholesales			
Japan	219	220	(1)
North America	304	348	(44)
Europe	227	293	(66)
China	15	17	(2)
Other	198	238	(40)
Total	963	1,116	(153)

KEY DATA

	FY March 2011			Change from Prior Year		
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year
Global sales volume (000)						
Japan	126	84	210	21	(32)	(11)
North America	181	177	358	23	28	51
Europe	118	108	226	(5)	(8)	(13)
China	108	122	230	23	11	34
Other	125	121	246	19	(3)	16
Total	658	612	1,270	81	(4)	77
Consolidated wholesales (000)						
Japan	126	85	211	21	(29)	(8)
North America	168	196	364	42	18	60
Europe	95	125	220	(14)	7	(7)
China	11	9	20	6	(1)	5
Other	127	113	240	41	1	42
Total	527	528	1,055	96	(4)	92

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.

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.