

Mazda Motor Corporation

FY2003 RESULTS & FY2004 PROJECTIONS

May 13, 2004

OUTLINE

- ◆ **Highlights**
- ◆ **FY2003 Results**
- ◆ **FY2004 Projections**
- ◆ **U.S. Market Actions**
- ◆ **Close**

FY2003 HIGHLIGHTS

- ◆ **Profits up Sharply; Operating Profit at 10-Year High**
- ◆ **Further Growth in Sales and Revenue**
- ◆ **China Sales Strong**
- ◆ **U.S. Market Actions in Place**
- ◆ **ABC Cost Reduction Initiative Succeeding**
- ◆ **Successful Launches of Mazda2, RX-8 and Axela/Mazda3**

FY2004 OUTLOOK

- ◆ **Strong Sales and Revenue Growth in All Key Markets**
- ◆ **Wholesales up 10%**
- ◆ **Continued Strong Focus on Cost Reduction**
- ◆ **Adverse Impact from Exchange Rates and Raw Material Prices**
- ◆ **Profits in Line with FY2003**

FY2003 RESULTS

FY2003 CONSOLIDATION CHANGE

	Whole- sales <hr/> (000)	Revenue <hr/> (¥ Bils.)	Operating Profit <hr/> (¥ Bils.)
Prior Method	1,076	2,574.7	70.3
Change Overseas Subsidiary Fiscal Year Ends from Dec. to March	149	341.4	(0.1)
Reported Results	<hr/> <hr/> 1,225	<hr/> <hr/> 2,916.1	<hr/> <hr/> 70.2

FY2003 FINANCIAL METRICS

(Billion yen)	<u>FY2003</u>	<u>FY2002</u>	<u>Change</u>	
			<u>Amount</u>	<u>Pct.</u>
Operating Profit	70.2	50.6	19.6	39 %
Ordinary Profit	58.0	40.7	17.3	43 %
Profit Before Tax	54.1	28.1	26.0	92 %
Net Income	33.9	24.1	9.8	41 %
Return on Sales	1.2%	1.0%	0.2 Pts	-
EPS (Yen/Share)	27.84	19.80	8.04	41 %

CASH FLOW & NET DEBT

(Billion yen)			FY2003
	<u>FY2003</u>	<u>FY2002</u>	<u>B/(W)</u> <u>FY2002</u>
Cash Flow	49.1	47.0	NA
Net Debt	358.1	403.5	45.4
Net Debt-to-Equity	161%	208%	47 Pts
Capital Spending	45.6	44.0	(1.6)
Dividend (Yen/Share)	2	2	0

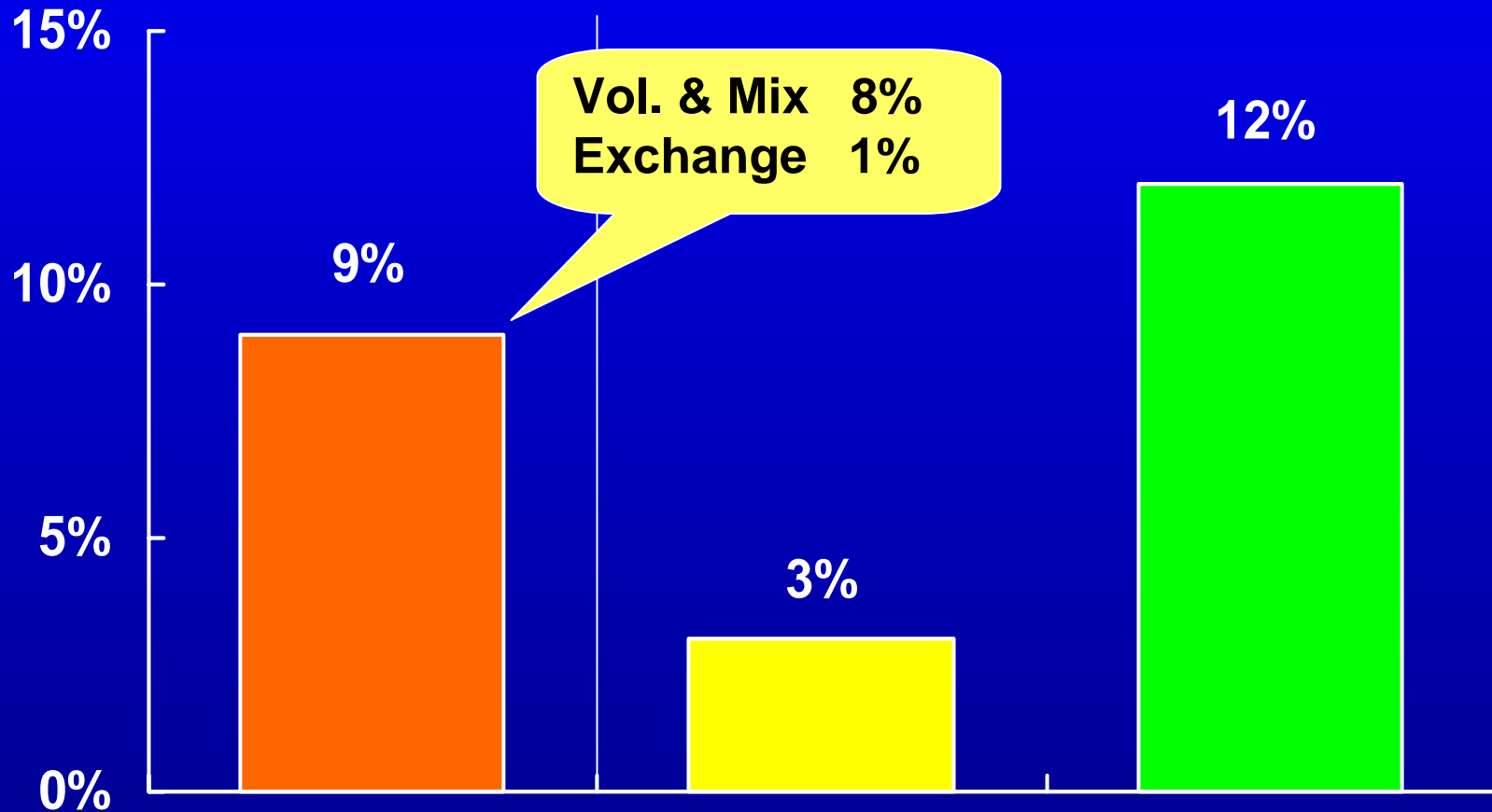
KEY ASSUMPTIONS

	<u>FY2003</u>	<u>FY2002</u>	<u>Change</u>
<u>WHOLESALES (000)</u>			
Consolidated	1,076 *	1,017	6 %
<u>REVENUE (¥ Bils.)</u>	2,574.7 *	2,364.5	9 %
<u>EXCHANGE RATES</u>			
Yen / U.S. Dollar	113	124	¥ (11)
Yen / Euro	133	119	¥ 14

* Based on Prior Method of Consolidation

REVENUE CHANGES BY DESTINATION

FY2003 Compared with FY2002

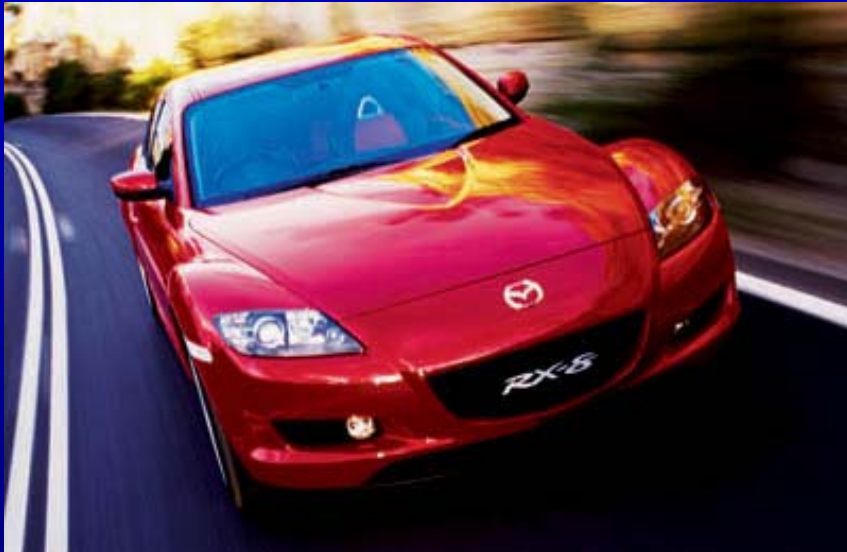


(Billion yen)	Total	Domestic	Overseas
FY03	2,574.7	846.2	1,728.5
FY02	2,364.5	818.3	1,546.2

JAPAN

	<u>FY2003</u>	<u>FY2002</u>	<u>Change</u>
Retail Volume (000)	279	270	3 %
Market Share	4.7 %	4.6 %	0.1 Pts

Successful Introduction of RX-8 and Axela



UNITED STATES

	<u>CY2003</u>	<u>CY2002</u>	<u>Change</u>
Retail Volume (000)	259	258	0 %
Market Share	1.6 %	1.6 %	0 Pts

Sales Up in Second Half



EUROPE

	<u>CY2003</u>	<u>CY2002</u>	<u>Change</u>
Retail Volume (000)	229	182	26 %
Market Share	1.3 %	1.1 %	0.2 Pts

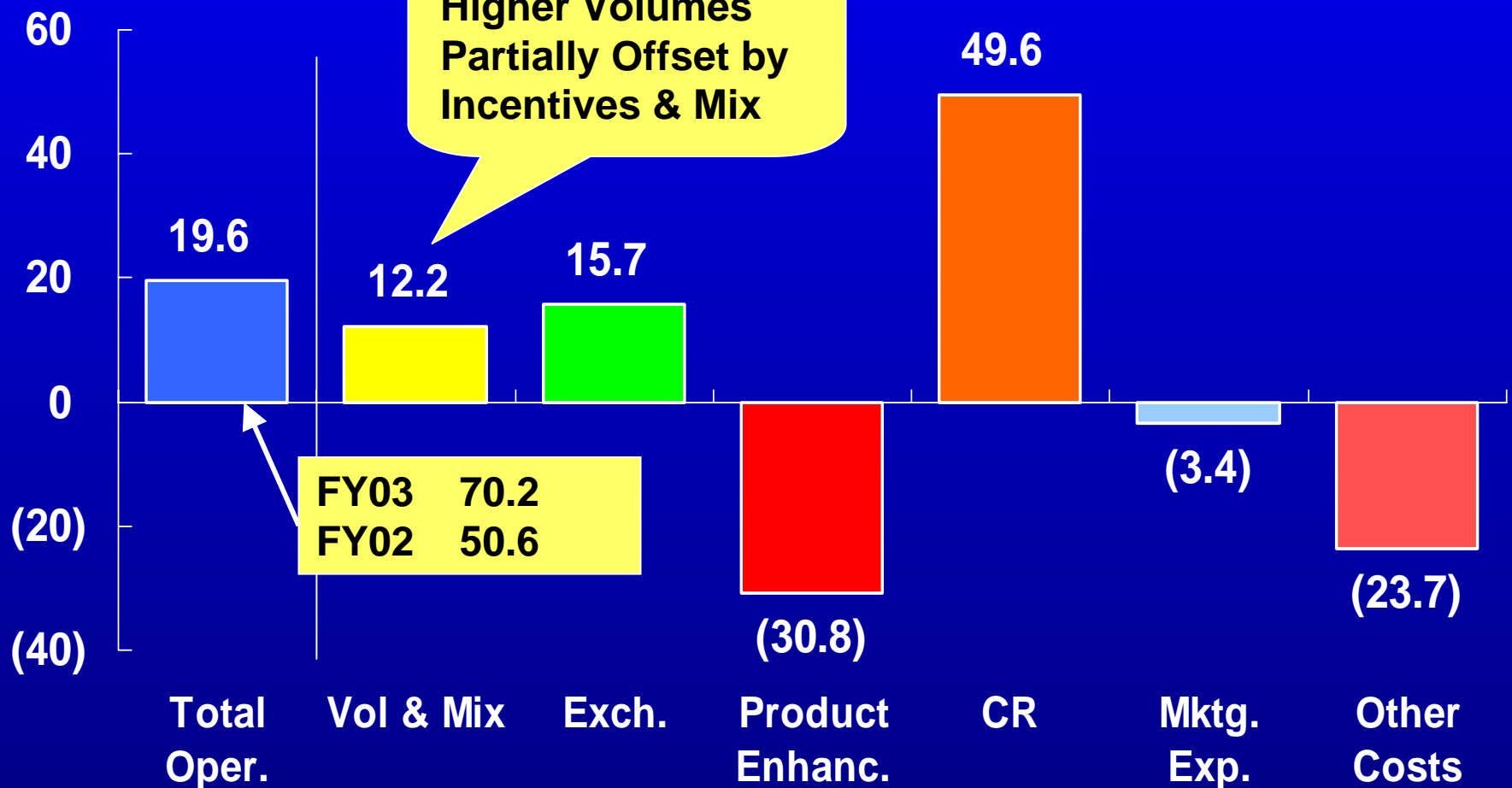
Record Sales in Four Countries



OPERATING PROFIT CHANGES

FY2003 Compared with FY2002

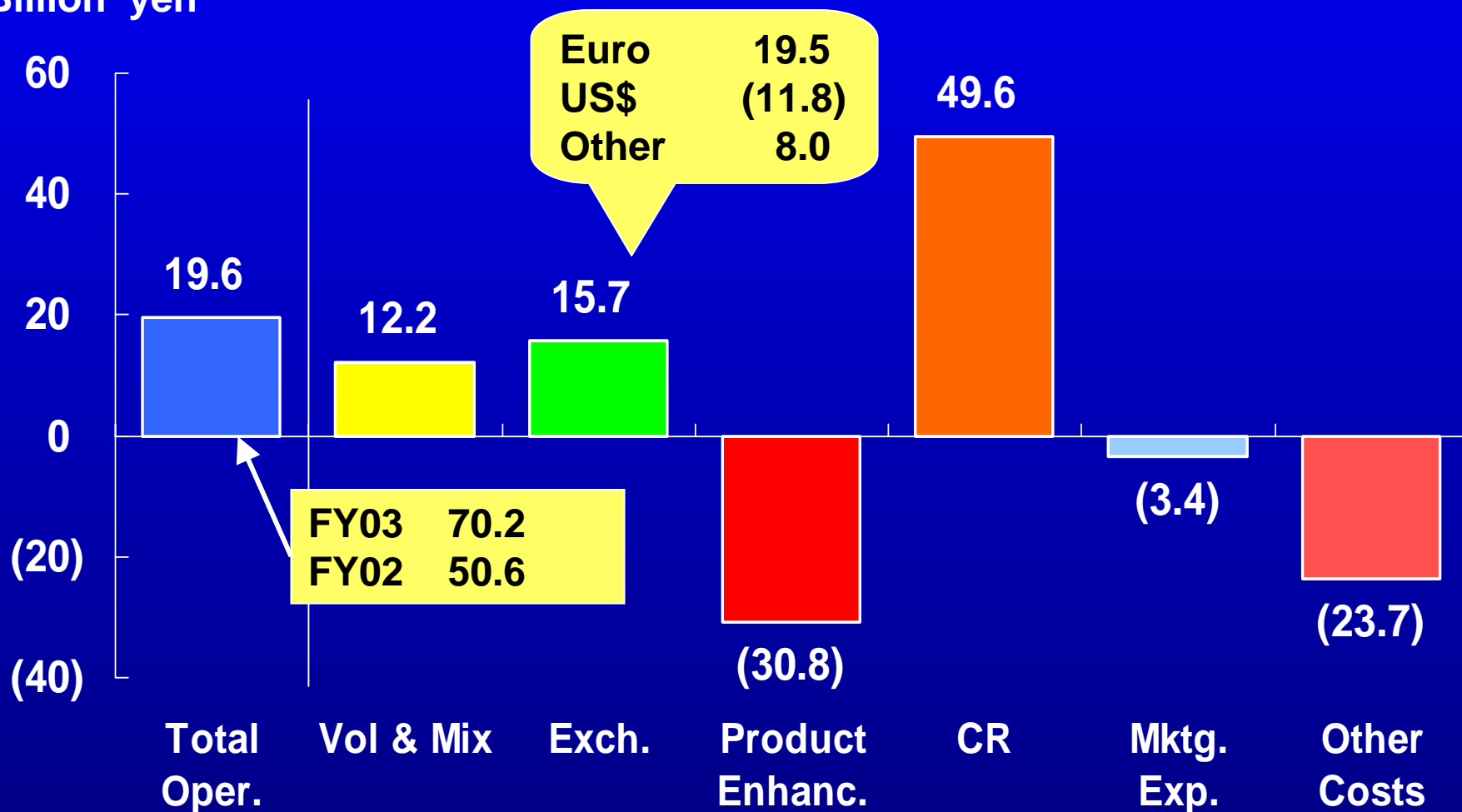
Billion yen



OPERATING PROFIT CHANGES

FY2003 Compared with FY2002

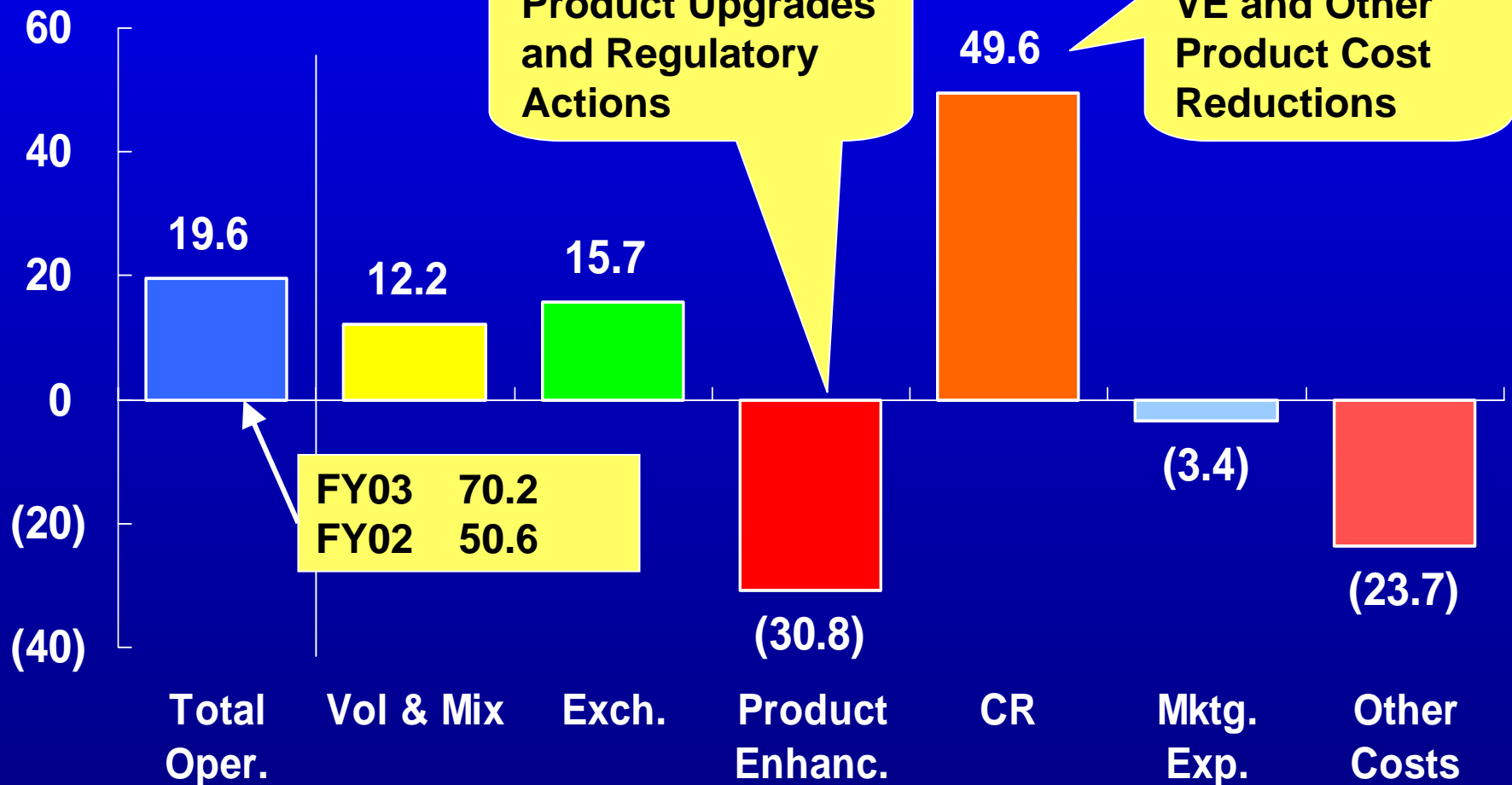
Billion yen



OPERATING PROFIT CHANGES

FY2003 Compared with FY2002

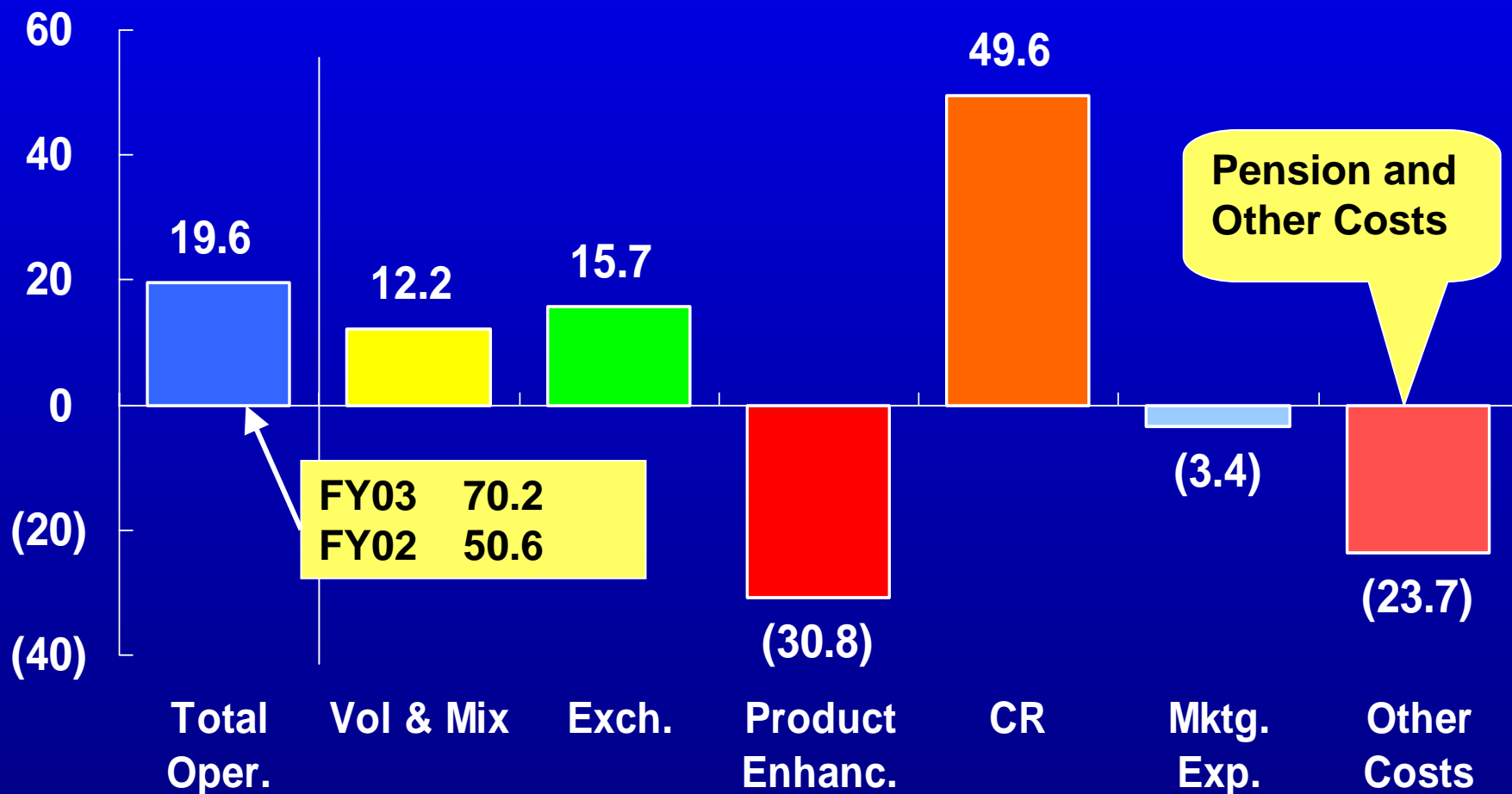
Billion yen



OPERATING PROFIT CHANGES

FY2003 Compared with FY2002

Billion yen



FY2004 PROJECTIONS

FY2004 FINANCIAL METRICS

(Billion yen)	<u>FY2004</u>	<u>FY2003</u>	<u>Change</u>	
			<u>Amount</u>	<u>Pct.</u>
Operating Profit	70.0	70.2	(0.2)	0 %
Ordinary Profit	65.0	58.0	7.0	12 %
Profit Before Tax	55.0	54.1	0.9	2 %
Net Income	34.0	33.9	0.1	0 %
Return on Sales	1.3%	1.2%	0.1 Pts	-
EPS (Yen/Share)	27.94	27.84	0.1	0 %

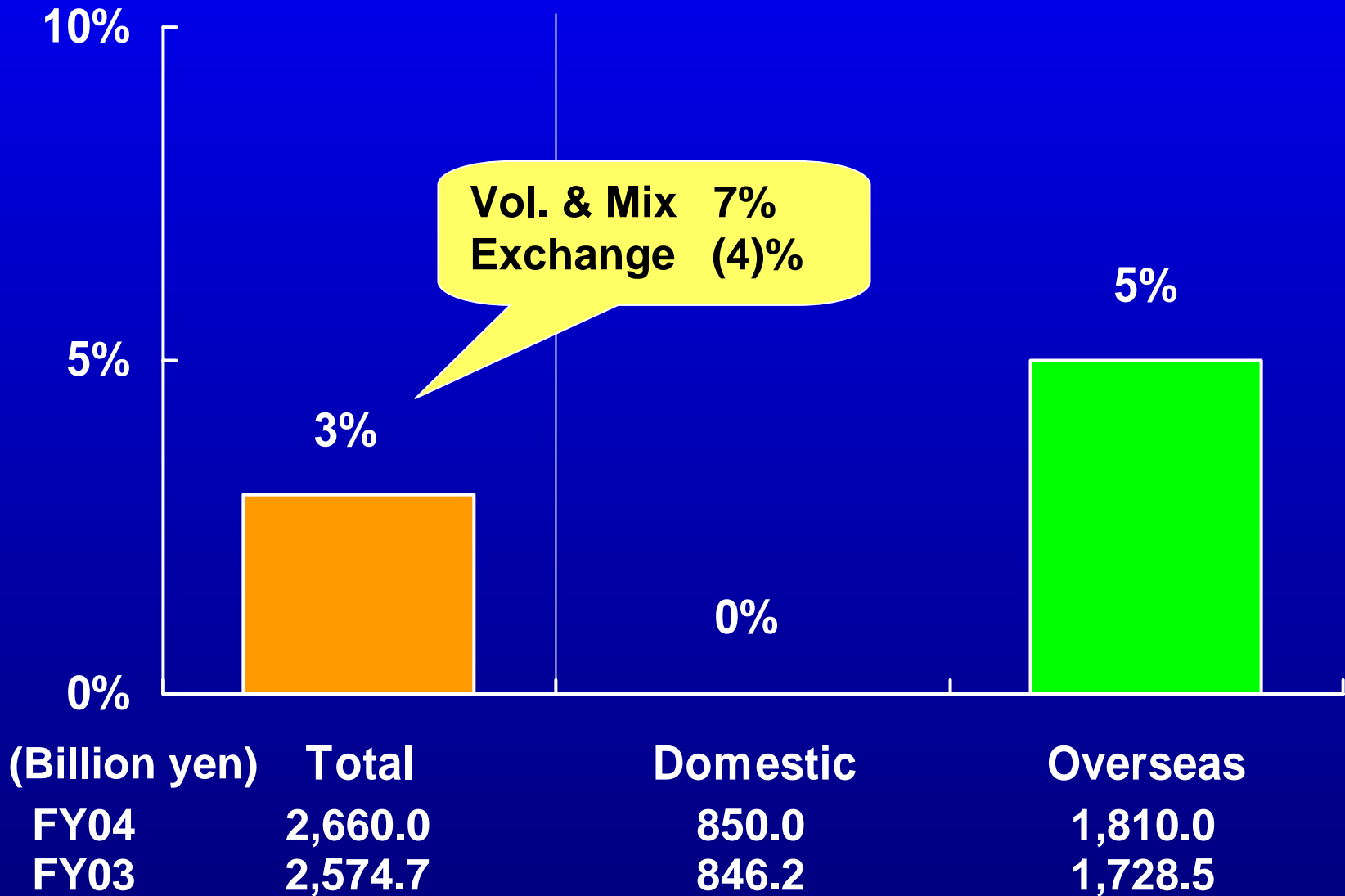
KEY ASSUMPTIONS

	<u>FY2004</u>	<u>FY2003</u>	<u>Change</u>
<u>WHOLESALES (000)</u>			
Consolidated	1,180	1,076 *	10 %
<u>REVENUE (¥ Bils.)</u>	2,660.0	2,574.7 *	3 %
<u>EXCHANGE RATES</u>			
Yen / U.S. Dollar	105	113	¥ (8)
Yen / Euro	125	133	¥ (8)

* Based on Prior Method of Consolidation

REVENUE CHANGES BY DESTINATION

FY2004 Compared with FY2003



JAPAN

	<u>FY2004</u>	<u>FY2003</u>	<u>Change</u>
Retail Volume (000)	295	279	6 %
Market Share	5.0 %	4.7 %	0.3 Pts

Sales Growth with New Models



UNITED STATES

	<u>FY2004</u>	<u>FY2003</u>	<u>Change</u>	<u>Memo: CY2003</u>
Retail Volume (000)	300	273	10 %	259
Market Share	1.8 %	1.6 %	0.2 Pts	1.6 %

Market Actions Driving Higher Sales



EUROPE

	<u>FY2004</u>	<u>FY2003</u>	<u>Change</u>	<u>Memo: CY2003</u>
Retail Volume (000)	270	250	8 %	229
Market Share	1.6 %	1.5 %	0.1 Pts	1.3 %

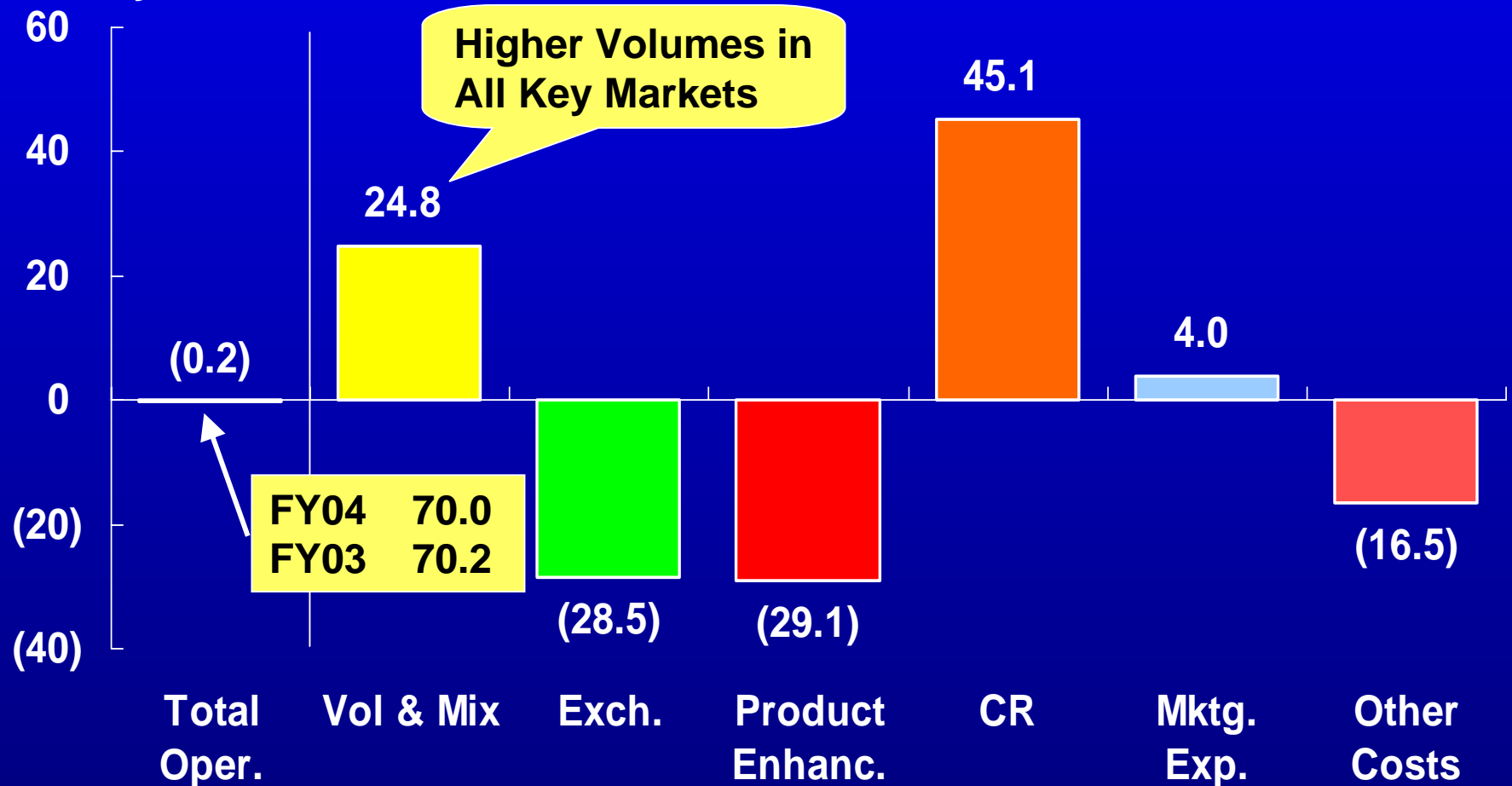
Strong Start for Mazda3 and RX-8



OPERATING PROFIT CHANGES

FY2004 Compared with FY2003

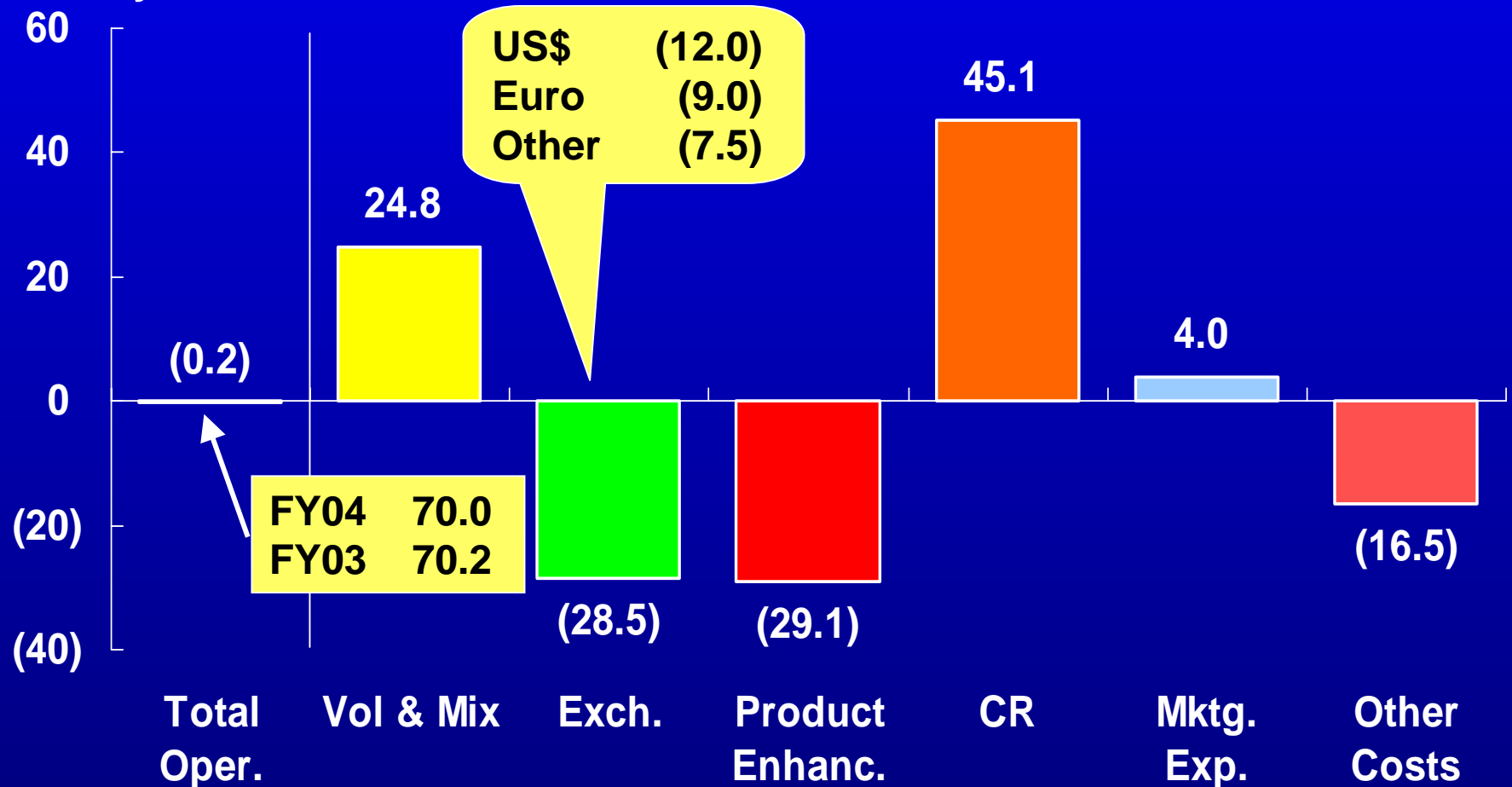
Billion yen



OPERATING PROFIT CHANGES

FY2004 Compared with FY2003

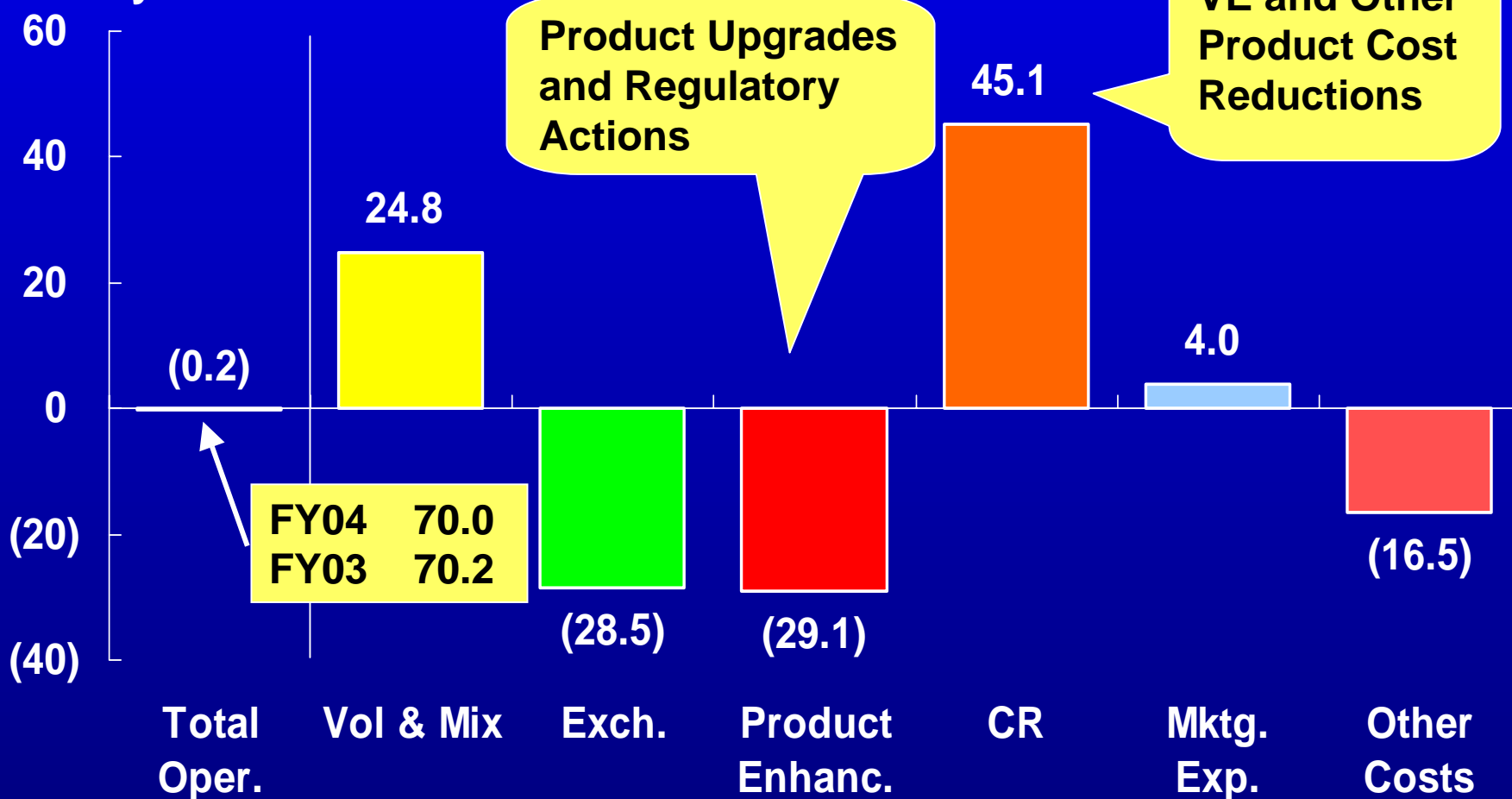
Billion yen



OPERATING PROFIT CHANGES

FY2004 Compared with FY2003

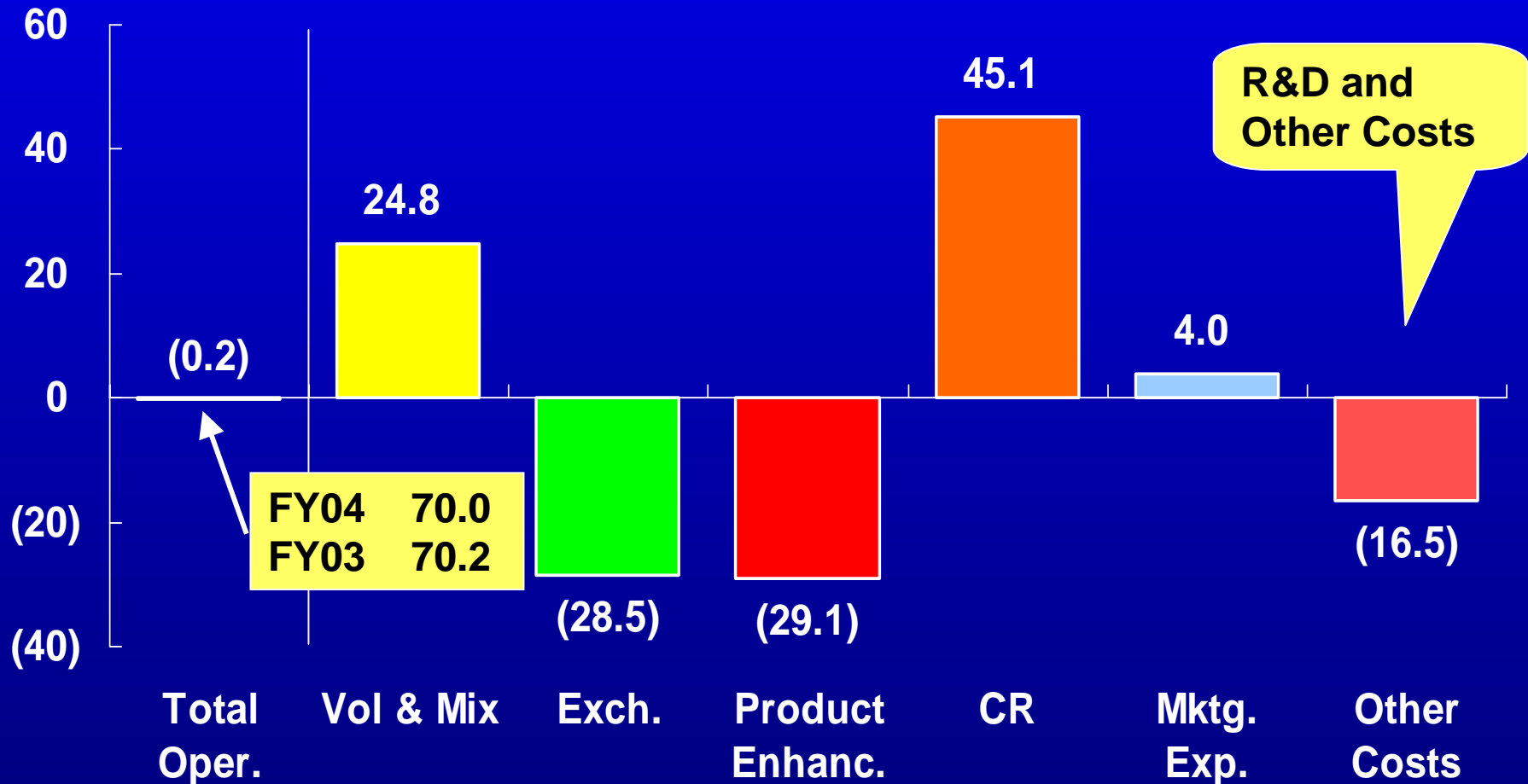
Billion yen



OPERATING PROFIT CHANGES

FY2004 Compared with FY2003

Billion yen



IN SUM

FY2003

- ◆ **Operating Profit at 10-Year High**
- ◆ **Strong Sales Performance in Europe, Australia and China**
- ◆ **Successful New Model Launches**

FY2004

- ◆ **Strong Sales and Revenue Growth in All Key Markets**
- ◆ **Adverse Impact From Exchange Rates and Raw Material Prices**
- ◆ **Maintain Profits in Line with FY2003**

U.S. MARKET ACTIONS

U.S. MARKET ACTIONS

- ◆ **Recent Product Actions**
- ◆ **Exclusive Dealer Plan**
- ◆ **Dealer Facility Upgrades**
- ◆ **Other Profit Actions**
- ◆ **Future Products**

RECENT PRODUCT ACTIONS



MEDIA ACCOLADES

Mazda3

**“2004 Driver’s Choice Award for Best Small Car”
– *Motor Week***

**“For the Price, Mazda’s New Sedan and Hatchback
will Top Anything Else” – *Chicago Tribute***

Mazda6

“A Recommended Buy” – *Consumer Reports*

“Best Mid-Size Sedan” – *Money Magazine*

RX-8

“The Experience is Like No Other” – *Car and Driver*

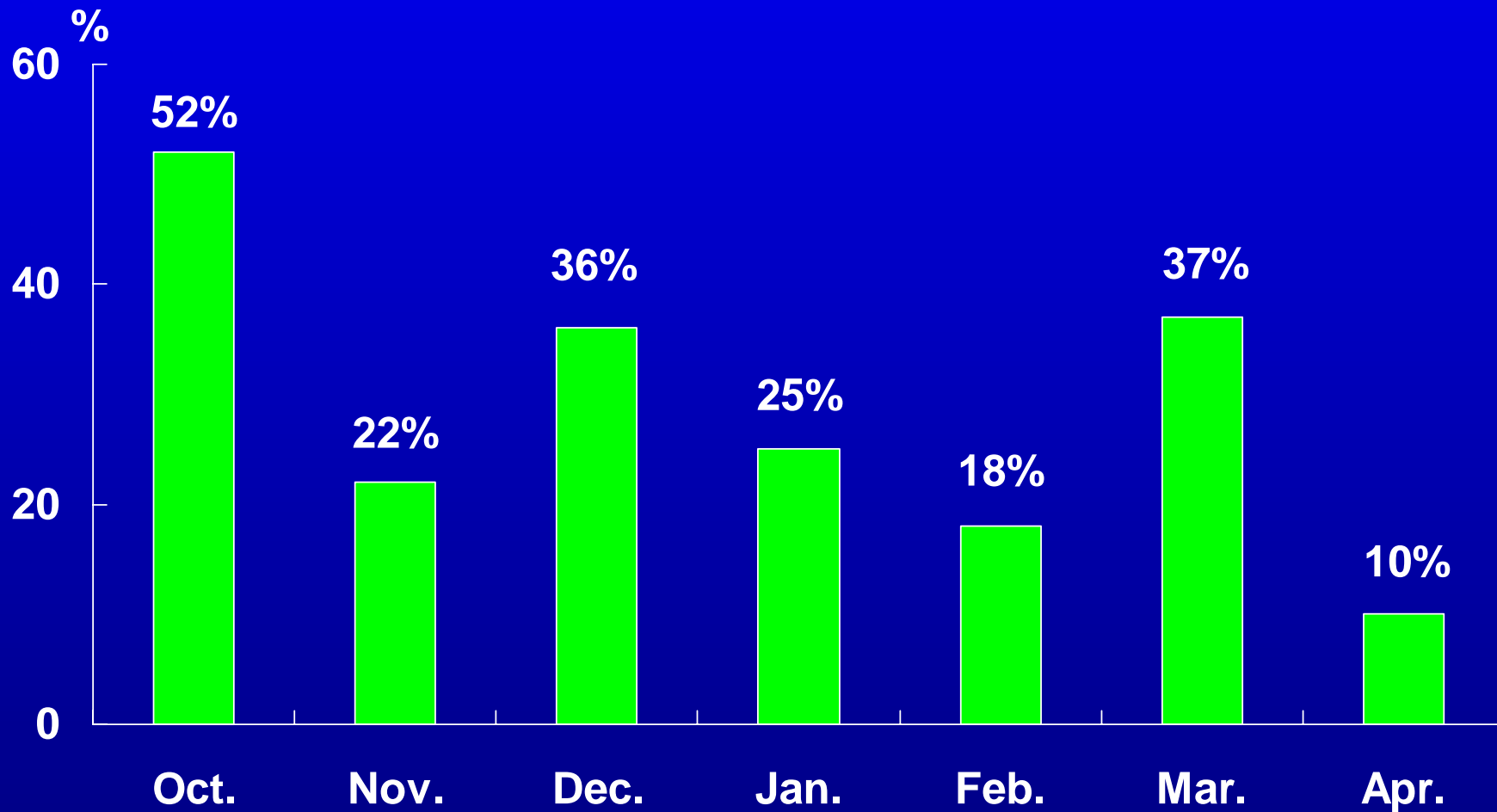
Miata

“Ten Best” - *Car and Driver*

“All Stars” List for 12th Straight Year - *Automobile Magazine*

SALES GROWTH

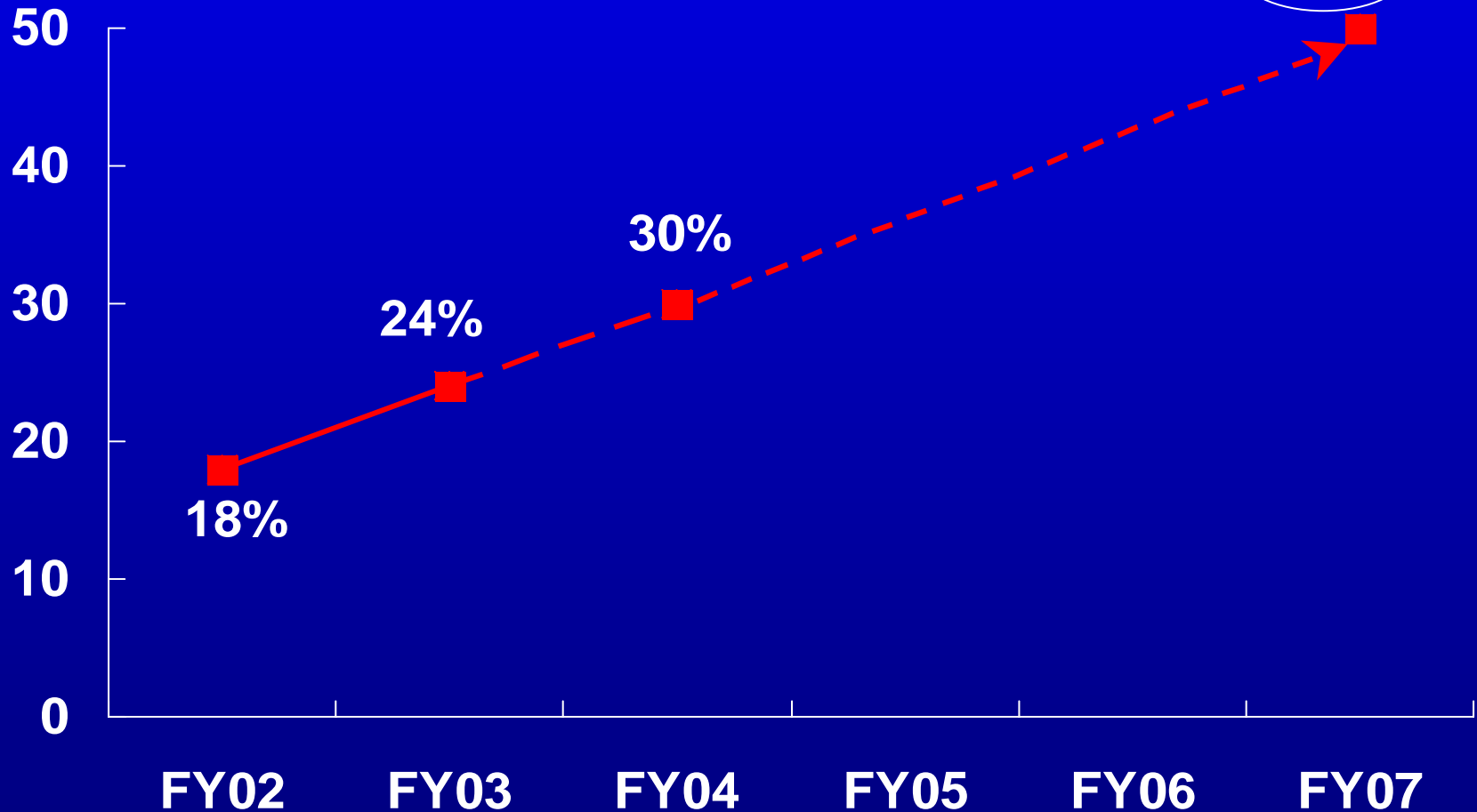
Year-Over-Year Percentage Increase



EXCLUSIVE DEALERS

Sales and Service Points - % Exclusive

Percent



RETAIL REVOLUTION



PROFIT IMPROVEMENT ACTIONS

- ◆ **Better Retail/Fleet Sales Mix**
- ◆ **Lower Incentive Spending**
- ◆ **Vehicle Residual Values**
- ◆ **Leveraging Our Marketing Expense**
- ◆ **Improved Capacity Utilization**

PHASE IV PRODUCT STRATEGY

- ◆ **All-New Core Products**
- ◆ **New Entries in Growth Segments**
- ◆ **Vehicles More Appropriate for U.S. Market**
- ◆ **U.S. Consumer Design Preferences**

CLOSE

KEY PRIORITIES

- ◆ **United States**
- ◆ **China**
- ◆ **Cost Reduction**
- ◆ **Product Development**

MAZDA MX - MICRO SPORT



MAZDA MX - FLEXA





mazda

DISCLAIMER

The projections for FY 2004 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.