

FY2000 FINANCIAL RESULTS & FY2001 FORECAST

May 25, 2001



PRESENTATION OUTLINE

- **FY2000 Results**
- **FY2001 Forecast**
- **Millennium Plan – FY2001
Deliverables & Outlook**
- **Attachments**



FY2000 RESULTS OVERVIEW

- **In Line With April Earnings Revision**
- **Consolidated Revenue Down 7% & Volume Down 5% Vs. Prior Year**
- **Operating & Ordinary Losses -- Adverse Volume & Mix and Strong Yen**
- **Record Net Loss Driven By Restructuring Initiatives & Pension Write-off**
- **Strongly Positive Consolidated Cash Flow**
- **Subsidiaries-- Profitable & Positive Cash Flow**
- **Japan Dealers – Profitable (2nd Year In Row)**
- **Tribute Launched**



FY2000 KEY METRICS

	<u>Actual</u>	<u>B/(W) Prior Year</u>
<u>Industry Volume (000)</u>		
Japan	5,973	1.5 %
U.S.	17,193	2.1
Western Europe	17,016	(0.7)
<u>Market Shares (Pct.)</u>		
Japan	5.1 %	(0.4) Pts.
U.S.	1.5	0.1
Western Europe	1.2	(0.1)
<u>Wholesales & Production (000)</u>		
Consolidated Wholesales	964	(49)
Consolidated Production	969	(61)
<u>Exchange Rates</u>		
Yen Per U.S. Dollar	110.5	(1.1)
Yen Per Euro	100.3	(15.1)



FY2000 CONSOLIDATED FINANCIAL RESULTS

	Actual	Better/(Worse)	
		Apr. Plan	Prior Year
	(Oku yen)	(Oku yen)	(Oku yen)
Revenue	20,158	(142)	(1,457)
Operating Profit	(149)	11	(400)
Ordinary Profit	(297)	3	(358)
Profit Before Tax	(2,424)	21	(2,650)
Net Income	(1,552)	13	(1,813)
Return On Sales	(7.7) %	0.0 Pts	(8.9) Pts
Return On Assets	(9.9) %	0.2 Pts	(11.6) Pts
Cash Flow	522	22	NA
Net Debt	4,846	24	524



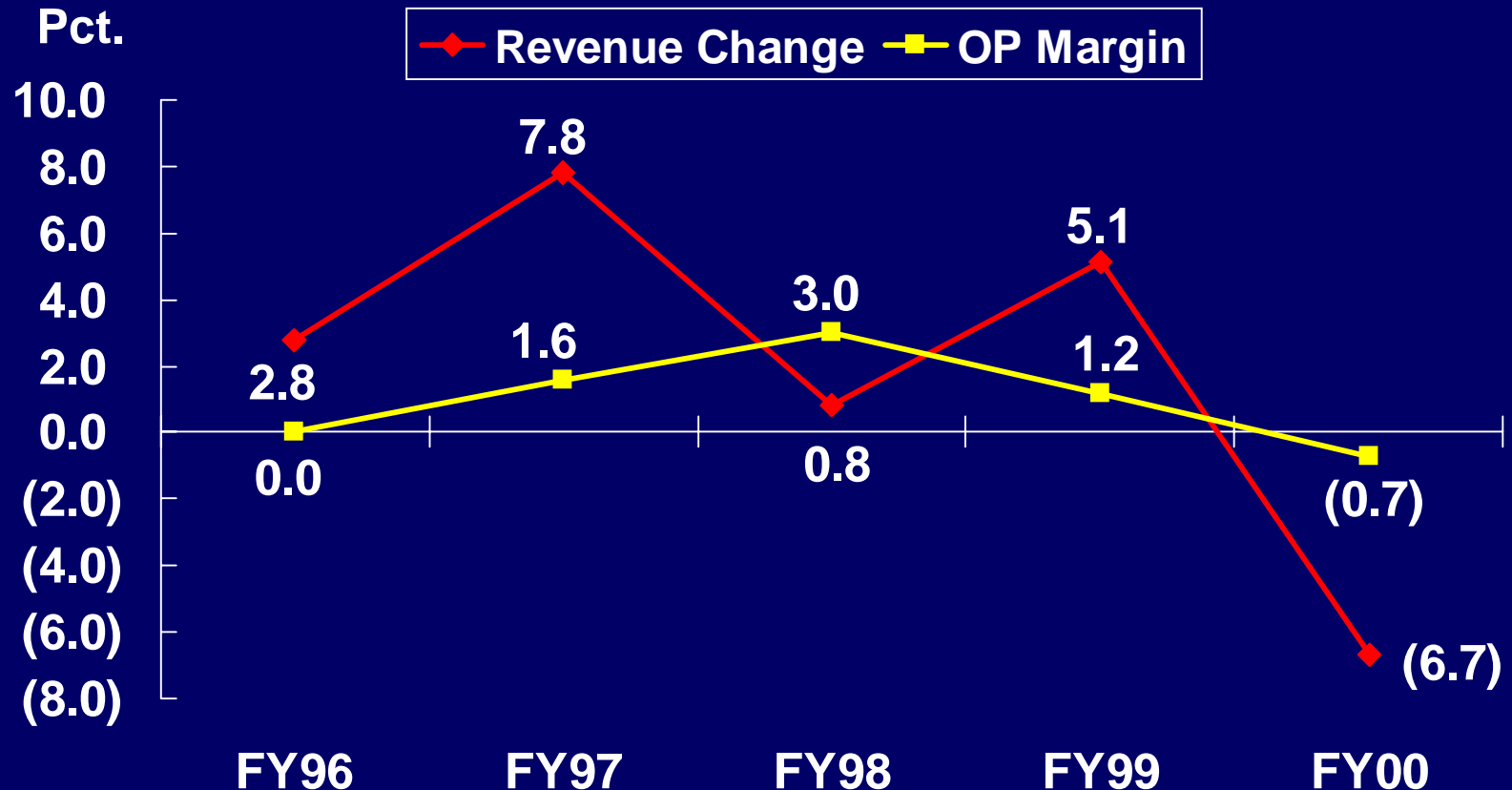
FY2000 CONSOLIDATED NET INCOME BY GEOGRAPHIC SEGMENT

	<u>Actual</u>	<u>B/(W) Prior Year</u>
	(Oku yen)	(Oku yen)
Japan		
Parent	(1,275)	(1,326)
Other	(100)	(167)
Total Japan*	<u>(1,496)</u>	<u>(1,765)</u>
North America	(31)	(104)
Europe	(42)	(43)
Rest Of World	17	99
Total	<u><u>(1,552)</u></u>	<u><u>(1,813)</u></u>

* Including Consolidation Adjustments



TREND OF REVENUE GROWTH & OPERATING PROFIT MARGINS



EXPLANATION OF PROFIT CHANGES

(Oku yen)	Better/(Worse)	
	Apr. Plan	Prior Year
Volume & Mix	6	(399)
Exchange Rates Net Of FOB Changes	13	(578)
Cost Reductions	7	337
Fixed Costs & Other	(14)	197
Operating Profit	12	(443)
Non-Operating Items	(10)	43
Ordinary Profit	2	(400)
One-Time Pension Writeoff	0	(1,309)
Early Retirement & Other	2	(564)
Extraordinary Items	2	(1,873)
Profit Before Tax	4	(2,273)
Corporate Income Tax	6	947
Uncons. Net Income Changes	10	(1,326)
Pension Writeoff At Subsidiaries	40	(235)
Other Consolidated Changes	(37)	(252)
Consolidated Net Income Changes	13	(1,813)



FY2000 EXTRAORDINARY ITEMS

	Better/(Worse)		
	Actual	Apr. Plan	Prior Year
	(Oku yen)	(Oku yen)	(Oku yen)
Restructuring			
Parent	(396)	(1)	(396)
Subsidiaries	(83)	3	254
Subtotal	(479)	2	(142)
Asset Sales & Valuation Changes	(45)	(10)	(454)
One-Time Pension Writeoff	(1,309)	-	(1,309)
Other	(30)	10	32
Unconsolidated Items	(1,863)	2	(1,873)
One-Time Pension Writeoff	(237)	38	(237)
Other	(27)	(22)	(182)
Cons. Extraordinary Items	(2,127)	18	(2,292)



FY2000 CONSOLIDATED NET DEBT AND CASH FLOW

	<u>Actual</u> (Oku yen)	<u>Better/(Worse)</u>	
		<u>Apr. Plan</u> (Oku yen)	<u>Prior Year End</u> (Oku yen)
Cash & Cash Equivalents	2,926	28	590
Borrowing	7,772	(4)	(66)
Net Debt	<u>4,846</u>	<u>24</u>	<u>524</u>
Cash Flow	522	22	NA
Net Debt-To-Equity	305 %	4 Pts	(87) Pts



FY2000 CASH FLOW BY GEOGRAPHIC SEGMENT

	<u>Actual</u>
	(Oku yen)
Japan	
Parent	59
Other	143
Subtotal Japan	<u>202</u>
North America	60
Europe	204
Rest Of World	56
Total	<u><u>522</u></u>



FY2000 IN PERSPECTIVE

- **A Year Of Challenge and Dramatic Change**
- **Disappointing Results Overall But Corrective Measures Identified and In Place With Millennium Plan**
- **Initial Milestones Met Or Exceeded**
- **Future Results Driven By Operating Performance**



FY2001 FINANCIAL FORECAST



FY2001 FORECAST OVERVIEW

- **Transition Year**
- **Consolidated Revenue Up 6% -- Weaker Yen and Growth In North America, Australia & Rest Of World**
- **Consolidated Operating Profit Of ¥170 Oku & Margin Of 0.8%**
- **Consolidated Net Breakeven**
- **North America & ROW Profitable**
- **Consolidated Positive Cash Flow (But Negative On Unconsolidated Basis – ERSP Impact)**



FY2001 KEY ASSUMPTIONS

	<u>Full Year Forecast</u>	<u>B/(W) Prior Year</u>
<u>Industry Volume (000)</u>		
Japan	6,000	0.5 %
U.S.	16,350	(4.9)
Western Europe	16,600	(2.4)
<u>Market Shares (Pct.)</u>		
Japan	4.7 %	(0.4) Pts.
U.S.	1.7	0.2
Western Europe	1.0	(0.2)
<u>Wholesales & Production (000)</u>		
Consolidated Wholesales	978	14
Consolidated Production	968	(1)
<u>Exchange Rates</u>		
Yen Per U.S. Dollar	115.0	4.5
Yen Per Euro	110.0	9.7



FY2001 CONSOLIDATED FINANCIAL FORECAST

	<u>Full Year Forecast</u>	<u>B/(W) Prior Year</u>
	(Oku yen)	(Oku yen)
Revenue	21,400	1,242
Operating Profit	170	319
Ordinary Profit	20	317
Profit Before Tax	20	2,444
Net Income	0	1,552
Return On Sales	0 %	7.7 Pts
Return On Assets	0 %	9.9 Pts
Cash Flow	50	NA
Net Debt	4,720	126



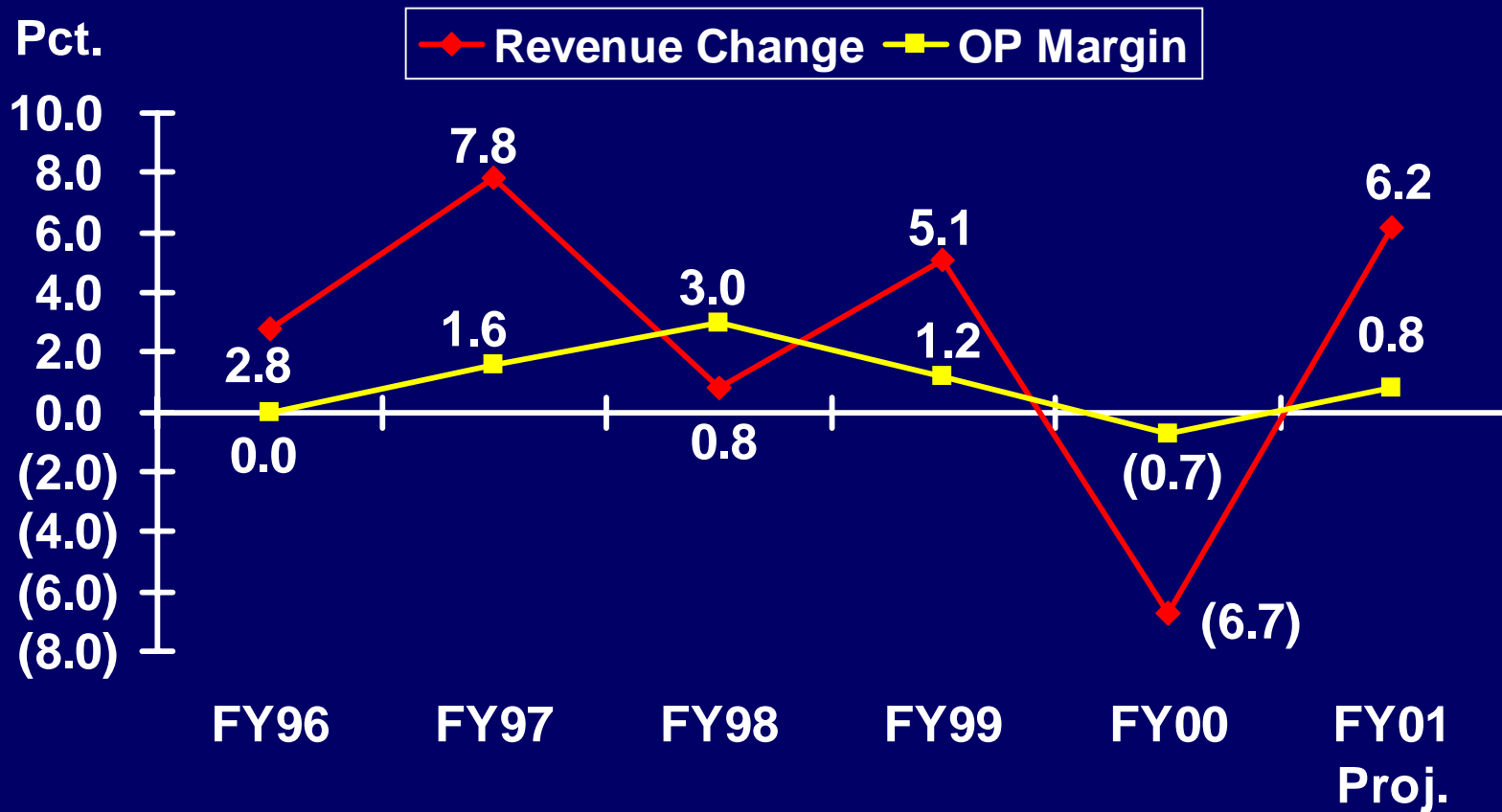
PROJECTED FY2001 CONSOLIDATED NET INCOME FORECAST BY GEOGRAPHIC SEGMENT

	<u>Full Year Forecast</u> (Oku yen)	<u>B/(W) Prior Year</u> (Oku yen)
Japan		
Parent	60	1,335
Other	90	190
Total Japan*	<u>(50)</u>	<u>1,446</u>
North America	20	51
Europe	0	42
Rest of World	30	13
Total	<u><u>0</u></u>	<u><u>1,552</u></u>

* Including Consolidation Adjustments



TREND OF REVENUE GROWTH & OPERATING PROFIT MARGINS



EXPLANATION OF PROFIT CHANGES

(Oku yen)	B/(W) Prior Year
Volume & Mix	(285)
Exchange Rates Net of FOB Changes	190
Cost Reductions	225
Fixed Costs & Other	243
<i>Operating Profit</i>	<i>373</i>
Non-Operating Items	10
<i>Ordinary Profit</i>	<i>383</i>
Extraordinary Items	1,883
<i>Profit Before Tax</i>	<i>2,266</i>
Corporate Income Tax	(931)
<i>Uncons. Net Income Changes</i>	<i>1,335</i>
Pension Write-Off At Subsidiaries	235
Other Consolidated Changes	(18)
<i>Consolidated Net Income Changes</i>	<i>1,552</i>



FY2001 PROJECTED CONSOLIDATED NET DEBT AND CASH FLOW

	<u>Full Year Forecast</u> (Oku yen)	<u>B/(W) Prior Year End</u> (Oku yen)
Cash & Cash Equivalents	2,468	(458)
Borrowing	7,188	584
Net Debt	<u>4,720</u>	<u>126</u>
Cash Flow	50	NA
Net Debt-To-Equity	297 %	8 Pts



PROJECTED FY2001 CASH FLOW BY GEOGRAPHIC SEGMENT

	Full Year Forecast <u>(Oku yen)</u>
Japan	
Parent	(560)
Other	170
Subtotal Japan	<u>(390)</u>
North America	280
Europe	120
Rest of World	40
Total	<u><u>50</u></u>



MILLENNIUM PLAN – FY2001 DELIVERABLES

<i>METRIC</i>	<i>DELIVERABLE</i>
Uncons. Net Income	Profitable
Cons. Operating Income	Profitable
Cons. Net Income	Breakeven
Cons. Cash Flow	Positive
Customer Satisfaction	YOY Improvement
Growth & Revenue	Achieve May Forecast



MILLENNIUM PLAN – FY2001 DELIVERABLES

<i>METRIC</i>	<i>DELIVERABLE</i>
Product	Launch Mid-Size Vehicle & Hiroshima New I4
Distribution	Europe -- Control 70%+ Japan – Profitable/CF+
Capacity	Close Ujina 2
People	MBLD II Stock Options 360° Reviews



MILLENNIUM PLAN OUTLOOK

- ✓ Profit & Cash Flow** **On Track**
- ✓ Customer Satisfaction** **Plans In Place**
- ✓ Product Plans** **On Track**
- ✓ Distribution Initiatives** **On Track**
- ✓ Reform & Restructuring** **On Track**
- ✓ European Production** **On Track**
- ✓ People Transformation** **On Track**



ATTACHMENTS – FY2000



FY2000 UNCONSOLIDATED FINANCIAL RESULTS

	<u>Actual</u>	<u>Better/(Worse)</u>	
		<u>Apr. Plan</u>	<u>Prior Year</u>
	(Oku yen)	(Oku yen)	(Oku yen)
Revenue	13,227	27	(1,434)
Operating Profit	(313)	12	(443)
Ordinary Profit	(323)	2	(400)
Profit Before Tax	(2,186)	4	(2,273)
Net Income	(1,275)	10	(1,326)
Return On Sales	(9.6) %	0.1 Pts	(10.0) Pts
Return On Assets	(10.1) %	0.1 Pts	(10.6) Pts
Cash Flow	59	0	NA
Net Debt	2,305	0	35



FY2000 MARKET DATA -- JAPAN

<u>Registered</u>	<u>Actual</u>	<u>Over/(Under)</u> <u>Prior Year</u>
Industry (000)		
Sedan	1,553	3.1 %
RV	1,709	5.9
Other	857	(0.4)
Total	4,119	3.5 %
Mazda Market Share	6.5 %	(0.5) Pts
Mazda Retail (000)	267	(3.9) %
 <u>Micro</u>		
Industry (000)	1,854	(2.5) %
Mazda Market Share	2.1 %	(0.3) Pts
Mazda Retail (000)	40	(12.9) %
 <u>Total</u>		
Industry (000)	5,973	1.6 %
Mazda Market Share	5.1 %	(0.4) Pts
Mazda Retail (000)	307	(5.2) %



FY2000 Results & FY2001 Forecast

FY2000 MARKET DATA – U.S.A. (CY2000)

	<u>Actual</u>	<u>Over Prior Year</u>
Industry (000)	17,193	2.1 %
Mazda Market Share	1.5 %	0.1 Pts
Mazda Retail (000)	256	4.8 %



FY2000 MARKET DATA – WESTERN EUROPE (CY2000)

	<u>Actual</u>	<u>(Under) Prior Year</u>
Industry (000)	17,016	(0.7) %
Mazda Market Share	1.2 %	(0.1) Pts
Mazda Retail (000)	198	(12.7) %
Memo: Total Europe Retail	211	(12.6) %



FY2000 UNCONSOLIDATED WHOLESALES & PRODUCTION

	Actual	Over/(Under)
	(000)	Prior Year
	(000)	(000)
<u>Wholesales</u>		
Japan	337	(7)
North America	178	1
Europe	158	(78)
Rest of World	154	32
Total	827	(52)
Memo:		
Excluding Outsourced Vehicles	744	(62)
<u>Production</u>		
Domestic	287	(10)
Export	451	(57)
Subtotal In-House	738	(67)
Purchased	84	10
Total	822	(57)



FY2000 CONSOLIDATED WHOLESALES & PRODUCTION

	Over/(Under)		
	Actual	Nov. Plan	Prior Year
	(000)	(000)	(000)
<u>Wholesales</u>			
Japan	334	(14)	(11)
North America	300	(11)	3
Europe	175	(11)	(66)
Rest Of World	155	(9)	25
Total	964	(45)	(49)
<u>Production</u>			
Japan	333	(6)	(15)
North America	308	(5)	3
Europe	173	(11)	(75)
Rest Of World	155	(8)	26
Total	969	(30)	(61)



ATTACHMENTS – FY2001 FORECAST



PROJECTED FY2001 UNCONSOLIDATED FINANCIAL RESULTS

	<u>1st Half Forecast</u>	<u>2nd Half Forecast</u>	<u>Full Year Forecast</u>	<u>B/(W) Year Ago</u>
	(Oku yen)	(Oku yen)	(Oku yen)	(Oku yen)
Revenue	6,600	7,500	14,100	873
Operating Profit	(60)	120	60	373
Ordinary Profit	(50)	110	60	383
Profit Before Tax	(60)	140	80	2,266
Net Income	(20)	80	60	1,335
Return On Sales	(0.3) %	1.1 %	0.4 %	10.0 Pts
Return On Assets	(0.1) %	0.6 %	0.4 %	10.5 Pts
Cash Flow	(760)	200	(560)	NA
Net Debt	3,065	2,865	2,865	(560)



PROJECTED FY2001 CONSOLIDATED FINANCIAL RESULTS

	<u>1st Half Forecast</u>	<u>2nd Half Forecast</u>	<u>Full Year Forecast</u>	<u>B/(W) Year Ago</u>
	(Oku yen)	(Oku yen)	(Oku yen)	(Oku yen)
Revenue	10,700	10,700	21,400	1,242
Operating Profit	(70)	240	170	319
Ordinary Profit	(140)	160	20	317
Profit Before Tax	(180)	200	20	2,444
Net Income	(95)	95	0	1,552
Return On Sales	(0.9) %	0.9 %	0.0 %	7.7 Pts
Return On Assets	(0.5) %	0.6 %	0.0 %	9.9 Pts
Cash Flow	(850)	900	50	NA
Net Debt	5,660	4,720	4,720	126



PROJECTED FY2001 MARKET DATA -- JAPAN

<u>Registered</u>	<u>1st Half Forecast</u>	<u>2nd Half Forecast</u>	<u>Full Year Forecast</u>	<u>Over/(Under) Prior Year</u>
Industry (000)				
Sedan	717	795	1,512	(2.6) %
RV	822	941	1,763	6.7
Other	483	442	925	0.9
Total	2,022	2,178	4,200	2.0 %
Mazda Market Share	6.1 %	5.4 %	5.8 %	(0.7) Pts
Mazda Retail (000)	124	118	242	(9.4) %
 <u>Micro</u>				
Industry (000)	848	952	1,800	(2.9) %
Mazda Market Share	2.3 %	2.0 %	2.1 %	0.0 Pts
Mazda Retail (000)	19	19	38	(5.0) %
 <u>Total</u>				
Industry (000)	2,870	3,130	6,000	0.5 %
Mazda Market Share	5.0 %	4.4 %	4.7 %	(0.4) Pts
Mazda Retail (000)	143	137	280	(8.8) %

FY2000 Results & FY2001 Forecast



PROJECTED FY2001 MARKET DATA – U.S.A. (CY2001)

	<u>1st Half Forecast</u>	<u>2nd Half Forecast</u>	<u>Full Year Forecast</u>	<u>O/(U) Prior Year</u>
Industry (000)	8,535	7,815	16,350	(4.9) %
Mazda Market Share	1.7 %	1.6 %	1.7 %	0.2 Pts
Mazda Retail (000)	142	128	270	5.5 %



PROJECTED FY2001 MARKET DATA – WESTERN EUROPE (CY2001)

	<u>1st Half Forecast</u>	<u>2nd Half Forecast</u>	<u>Full Year Forecast</u>	<u>Over/(Under) Prior Year</u>
Industry (000)	9,064	7,536	16,600	(2.4) %
Mazda Market Share	1.0 %	0.9 %	1.0 %	(0.2) Pts
Mazda Retail (000)	88	71	159	(19.6) %
Memo: Total Europe Retail	94	77	171	(19.0) %



PROJECTED FY2001 UNCONSOLIDATED WHOLESALES & PRODUCTION

	1st Half Forecast <u>(000)</u>	2nd Half Forecast <u>(000)</u>	Full Year Forecast <u>(000)</u>	Over/(Under) Prior Year <u>(000)</u>
<u>Wholesales</u>				
Japan	150	153	303	(34)
North America	99	99	198	20
Europe	73	105	178	20
Rest of World	90	89	179	25
Total	<u>412</u>	<u>446</u>	<u>858</u>	<u>31</u>
Memo:				
Excluding Outsourced Vehicles	366	398	764	20
<u>Production</u>				
Domestic	128	132	260	(27)
Export	238	269	507	56
Subtotal In-House	<u>366</u>	<u>401</u>	<u>767</u>	<u>29</u>
Purchased	45	48	93	9
Total	<u>411</u>	<u>449</u>	<u>860</u>	<u>38</u>

FY2000 Results & FY2001 Forecast



PROJECTED FY2001 CONSOLIDATED WHOLESALES & PRODUCTION

	1st Half Forecast (000)	2nd Half Forecast (000)	Full Year Forecast (000)	Over/(Under) Prior Year (000)
<u>Wholesales</u>				
Japan	150	153	303	(31)
North America	177	149	326	26
Europe	77	85	162	(13)
Rest Of World	91	96	187	32
Total	495	483	978	14
<u>Production</u>				
Japan	148	154	302	(31)
North America	175	133	308	0
Europe	71	95	166	(7)
Rest Of World	95	97	192	37
Total	489	479	968	(1)





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FY2000 Results & FY2001 Forecast