MAZDA MOTOR CORPORATION

FY2004 RESULTS AND FY2005 PROJECTIONS

April 28, 2005
OUTLINE

◆ Overview
◆ FY2004 Results
◆ FY2005 Projections
◆ China Strategy
◆ Close
FY2004 HIGHLIGHTS

- All-time Record Operating Profit
- Reopened Ujina No.2 Plant
- ABC Cost Target Achieved
- Verisa and New Premacy Introductions
- Dividend Increase Planned
FY2005 OUTLOOK

❖ Continue Progress and Foundation Building under Mazda Momentum

❖ New Mazda5, MX5/Roadster and Mazdaspeed6

❖ Revenues Up 5%

❖ Escalating Raw Material Prices a Significant Challenge

❖ Operating Profit of 90 Billion Yen
MAZDA MOMENTUM KEY MEASURES

- Strengthen Key Markets
- Reinforce Research & Development
- Enhance Global Efficiencies & Synergies
- Leverage Human Resources
STRENGTHEN KEY MARKETS

- Accelerate US Dealer Exclusivity
- Establish ASEAN Regional Office
- Open 20 Sales Outlets in Japan
- Expand Distribution Network in Russia
RESEARCH & DEVELOPMENT

- Increased R&D Capacity
  - Manpower Increase of 15%

- Technology
  - Expansion of Zero Prototype Product Development Initiative

- Environment
  - Tribute HEV Development Commenced
GLOBAL EFFICIENCIES & SYNERGIES

- Launch ABC Phase 2 Program
- Create and Implement Commodity Cycle Plans
- Greater Emphasis on Commonality
- Synergies with Ford a Key Element
PEOPLE/MANAGEMENT

◆ People Initiative
  - Recruit/Position Best Personnel
  - Develop/Utilize World-Class Personnel
  - Provide Best Support To Encourage Individual Creativity

◆ Strengthen Executive Officer System

◆ Increase Outside Corporate Auditors
FY2004 RESULTS
## FY2004 FINANCIAL METRICS

(Billion yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2004</th>
<th>FY2003</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Pct.</td>
<td></td>
</tr>
<tr>
<td>Operating Profit</td>
<td>82.9</td>
<td>70.2</td>
<td>12.7</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>73.1</td>
<td>58.0</td>
<td>15.1</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>73.8</td>
<td>54.1</td>
<td>19.7</td>
</tr>
<tr>
<td>Net Income</td>
<td>45.8</td>
<td>33.9</td>
<td>11.9</td>
</tr>
<tr>
<td>Operating ROS</td>
<td>3.1%</td>
<td>2.4%</td>
<td>0.7</td>
</tr>
<tr>
<td>EPS (Yen/Share)</td>
<td>37.6</td>
<td>27.8</td>
<td>9.8</td>
</tr>
</tbody>
</table>
### CASH FLOW & NET DEBT

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2004</th>
<th>FY2003</th>
<th>B/(W) Prior Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Operating</td>
<td>133.7</td>
<td>92.4</td>
<td>-</td>
</tr>
<tr>
<td>- Investment</td>
<td>(97.8)</td>
<td>(43.3)</td>
<td>-</td>
</tr>
<tr>
<td>- Free Cash Flow</td>
<td>35.9</td>
<td>49.1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>313.5</td>
<td>358.1</td>
<td>44.6</td>
</tr>
<tr>
<td><strong>Net Debt-to-Equity</strong></td>
<td>117%</td>
<td>161%</td>
<td>44 Pts</td>
</tr>
<tr>
<td><strong>Capital Spending</strong></td>
<td>67.9</td>
<td>45.6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Dividend (Yen/Share)</strong></td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>FY2004</td>
<td>FY2003</td>
<td>Change</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td><strong>WHOLESALES (000)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated</td>
<td>1,104</td>
<td>1,076</td>
<td>3%</td>
</tr>
<tr>
<td><strong>REVENUE (¥Bils.)</strong></td>
<td>2,695.6</td>
<td>2,574.7</td>
<td>5%</td>
</tr>
<tr>
<td><strong>EXCHANGE RATES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yen / U.S. Dollar</td>
<td>108</td>
<td>113</td>
<td>¥ (5)</td>
</tr>
<tr>
<td>Yen / Euro</td>
<td>135</td>
<td>133</td>
<td>¥ 2</td>
</tr>
</tbody>
</table>

* Restated on a 12-month Basis
FY2004 Compared With FY2003

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>Total</th>
<th>Domestic</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04</td>
<td>2,695.6</td>
<td>845.6</td>
<td>1,850.0</td>
</tr>
<tr>
<td>FY03</td>
<td>2,574.7</td>
<td>846.2</td>
<td>1,728.5</td>
</tr>
</tbody>
</table>

Vol. & Mix 6%
Exchange (1)%

7%
Facility Restored and Painting of Vehicles Restarted on April 27

Extraordinary Items Include Insurance Income as well as Loss on Facilities and Downtime

Operating Profits Improved with Lower Cost and Favorable Exchange

New Paint Facility Built for ¥10.7 bln
## Japan

<table>
<thead>
<tr>
<th></th>
<th>FY2004</th>
<th>FY2003</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Volume (000)</td>
<td>286</td>
<td>279</td>
<td>2 %</td>
</tr>
<tr>
<td>Market Share</td>
<td>4.9 %</td>
<td>4.7 %</td>
<td>0.2 Pts</td>
</tr>
</tbody>
</table>

Introduction of Verisa and New Premacy
<table>
<thead>
<tr>
<th></th>
<th>FY2004</th>
<th>FY2003</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Volume (000)</td>
<td>264</td>
<td>273</td>
<td>(3) %</td>
</tr>
<tr>
<td>Market Share</td>
<td>1.6 %</td>
<td>1.6 %</td>
<td>0.0 Pts</td>
</tr>
</tbody>
</table>

Higher Car Sales Offset by Lower Truck Sales
## EUROPE

**Continued Strong Momentum**

<table>
<thead>
<tr>
<th></th>
<th>FY2004</th>
<th>FY2003</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Volume (000)</td>
<td>273</td>
<td>250</td>
<td>9 %</td>
</tr>
<tr>
<td>Market Share</td>
<td>1.5 %</td>
<td>1.4 %</td>
<td>0.1 Pts</td>
</tr>
</tbody>
</table>

*FY2004 Results & FY2005 Projections*
CHINA

<table>
<thead>
<tr>
<th></th>
<th>FY2004</th>
<th>FY2003</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Volume (000)</td>
<td>96</td>
<td>91</td>
<td>6 %</td>
</tr>
<tr>
<td>Market Share</td>
<td>1.9 %</td>
<td>1.9 %</td>
<td>0.0 Pts</td>
</tr>
</tbody>
</table>

Sales Growth Maintained
Wholesales up 3%. Strong Growth in Europe

Total Oper. 82.9
Vol & Mix 70.2
Exch. 2.0
Product Enhanc. 28.7
CR 44.3
Mktg. Exp. 0.7
Other Costs 12.4

FY2004 Compared with FY2003
OPERATING PROFIT CHANGES

FY2004 Compared with FY2003

Billion yen

FY04  82.9  
FY03  70.2  

US$ (6.1)  
Euro  3.9  
Other  0.2  

44.3  
0.7  
(12.4)  

12.7  
10.8  

(2.0)  
(28.7)  

Total Oper.  
Vol & Mix  
Exch.  
Product Enhanc.  
CR  
Mktg. Exp.  
Other Costs  

22  FY2004 Results & FY2005 Projections
FY2004 Compared with FY2003

<table>
<thead>
<tr>
<th>Category</th>
<th>FY04 (Billion yen)</th>
<th>FY03 (Billion yen)</th>
<th>Change (Billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Oper.</td>
<td>82.9</td>
<td>70.2</td>
<td>12.7</td>
</tr>
<tr>
<td>Vol &amp; Mix</td>
<td></td>
<td></td>
<td>10.8</td>
</tr>
<tr>
<td>Exch.</td>
<td>(2.0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Enhanc.</td>
<td>(28.7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CR</td>
<td>44.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mktg. Exp.</td>
<td>0.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Costs</td>
<td>(12.4)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

OPERATING PROFIT CHANGES

ABC Cost Initiative

Product Upgrades incl. Safety & Emissions
FY2004 Compared with FY2003

<table>
<thead>
<tr>
<th>Component</th>
<th>FY2004 (Billion yen)</th>
<th>FY2003 (Billion yen)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Oper.</td>
<td>82.9</td>
<td>70.2</td>
<td>12.7</td>
</tr>
<tr>
<td>Vol &amp; Mix</td>
<td>10.8</td>
<td>10.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Exch.</td>
<td>44.3</td>
<td>44.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Product Enhanc.</td>
<td>(28.7)</td>
<td>(28.7)</td>
<td>0.0</td>
</tr>
<tr>
<td>CR</td>
<td>(12.4)</td>
<td>(12.4)</td>
<td>0.0</td>
</tr>
<tr>
<td>Mktg. Exp.</td>
<td>0.7</td>
<td>0.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Other Costs</td>
<td>(30)</td>
<td>(30)</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Quality Actions, R&D Spend and Other Costs

*Operating Profit Changes FY2004 Compared with FY2003*
FY2005 PROJECTIONS
### FY2005 FINANCIAL METRICS

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2005</th>
<th>FY2004</th>
<th>Change Amount</th>
<th>Change Pct.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit</td>
<td>90.0</td>
<td>82.9</td>
<td>7.1</td>
<td>9 %</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>82.0</td>
<td>73.1</td>
<td>8.9</td>
<td>12 %</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>96.0</td>
<td>73.8</td>
<td>22.2</td>
<td>30 %</td>
</tr>
<tr>
<td>Net Income</td>
<td>55.0</td>
<td>45.8</td>
<td>9.2</td>
<td>20 %</td>
</tr>
<tr>
<td>Operating ROS</td>
<td>3.2%</td>
<td>3.1%</td>
<td>0.1 Pts</td>
<td>-</td>
</tr>
<tr>
<td>EPS (Yen/Share)</td>
<td>45.2</td>
<td>37.6</td>
<td>7.6</td>
<td>20 %</td>
</tr>
</tbody>
</table>
## KEY ASSUMPTIONS

<table>
<thead>
<tr>
<th></th>
<th>FY2005</th>
<th>FY2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WHOLESALES (000)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated</td>
<td>1,178</td>
<td>1,104</td>
<td>7 %</td>
</tr>
<tr>
<td><strong>REVENUE (¥Bils.)</strong></td>
<td>2,840.0</td>
<td>2,695.6</td>
<td>5 %</td>
</tr>
<tr>
<td><strong>EXCHANGE RATES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yen / U.S. Dollar</td>
<td>105</td>
<td>108</td>
<td>¥ (3)</td>
</tr>
<tr>
<td>Yen / Euro</td>
<td>135</td>
<td>135</td>
<td>¥ 0</td>
</tr>
</tbody>
</table>
**REVENUE CHANGES BY DESTINATION**

FY2005 Compared With FY2004

- Vol. & Mix 6%
- Exchange (1)%

<table>
<thead>
<tr>
<th></th>
<th>Total (Billion yen)</th>
<th>Domestic (Billion yen)</th>
<th>Overseas (Billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY05</td>
<td>2,840.0</td>
<td>900.0</td>
<td>1,940.0</td>
</tr>
<tr>
<td>FY04</td>
<td>2,695.6</td>
<td>845.6</td>
<td>1,850.0</td>
</tr>
</tbody>
</table>
## JAPAN

<table>
<thead>
<tr>
<th></th>
<th>FY2005</th>
<th>FY2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Volume (000)</td>
<td>293</td>
<td>286</td>
<td>2 %</td>
</tr>
<tr>
<td>Market Share</td>
<td>5.0 %</td>
<td>4.9 %</td>
<td>0.1 Pts</td>
</tr>
</tbody>
</table>

New Premacy and Roadster

*US Spec*
## FY2004 Results & FY2005 Projections

### UNITED STATES

<table>
<thead>
<tr>
<th></th>
<th>FY2005</th>
<th>FY2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Volume (000)</td>
<td>268</td>
<td>264</td>
<td>2 %</td>
</tr>
<tr>
<td>Market Share</td>
<td>1.6 %</td>
<td>1.6 %</td>
<td>0.0 Pts</td>
</tr>
</tbody>
</table>

New Mazda5, Miata and Mazdaspeed6
### EUROPE

<table>
<thead>
<tr>
<th></th>
<th>FY2005</th>
<th>FY2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Volume (000)</td>
<td>300</td>
<td>273</td>
<td>10 %</td>
</tr>
<tr>
<td>Market Share</td>
<td>1.7 %</td>
<td>1.5 %</td>
<td>0.2 Pts</td>
</tr>
</tbody>
</table>

**New Mazda5 and MX-5**
<table>
<thead>
<tr>
<th></th>
<th>FY2005</th>
<th>FY2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Volume (000)</td>
<td>103</td>
<td>96</td>
<td>8 %</td>
</tr>
<tr>
<td>Market Share</td>
<td>1.9 %</td>
<td>1.9 %</td>
<td>0.0 Pts</td>
</tr>
</tbody>
</table>

Build Mazda Brand
OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

<table>
<thead>
<tr>
<th>Component</th>
<th>FY05 (Billion yen)</th>
<th>FY04 (Billion yen)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Oper.</td>
<td>90.0</td>
<td>83.0</td>
<td>7.1</td>
</tr>
<tr>
<td>Vol &amp; Mix</td>
<td>22.0</td>
<td>15.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Exch.</td>
<td>(3.2)</td>
<td>(3.2)</td>
<td></td>
</tr>
<tr>
<td>Product Enhanc.</td>
<td>(27.4)</td>
<td>(30.6)</td>
<td>3.2</td>
</tr>
<tr>
<td>CR</td>
<td>27.8</td>
<td>30.6</td>
<td>(2.8)</td>
</tr>
<tr>
<td>Mktg. Exp.</td>
<td>(5.7)</td>
<td>(3.2)</td>
<td>2.5</td>
</tr>
<tr>
<td>Other Costs</td>
<td>(11.4)</td>
<td>(10.8)</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Wholesales up 7% with New Products
OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

- **Total Oper.** (FY05: 90.0, FY04: 83.0)
- **Vol & Mix** (27.0)
- **Exch.** (3.2)
- **Product Enhanc.** (27.4)
- **CR** (27.8)
- **Mktg. Exp.** (5.7)
- **Other Costs** (11.4)

**US$**
- Other: 1.4
- (4.6)

**Billion yen**
- Other: 1.4
- (4.6)
OPERATING PROFIT CHANGES

FY2005 Compared with FY2004

FY05  90.0
FY04  83.0


(30)  (20)  (10)  0  10  20  30
Billon yen

(3.2)  27.0  (27.4)  27.8

Product Upgrades incl. New Features
Cost Reductions Net of Raw Material Price Increases

Cost Reductions
Net of Raw Material Price Increases

FY2004 Results & FY2005 Projections
FY2005 Compared with FY2004

- **Total Oper.:** 7.1 Billion yen (FY05 90.0, FY04 83.0)
- **Vol & Mix:** 27.0 Billion yen
- **Exch.:** (3.2) Billion yen
- **Product Enhanc.:** (27.4) Billion yen
- **CR:** 27.8 Billion yen
- **Mktg. Exp.:** (5.7) Billion yen
- **Other Costs:** (11.4) Billion yen

R&D Spend, Depreciation and Other Costs
CHINA STRATEGY
OUTLINE

◆ Achieve 300,000 Units in the Year 2010
◆ Launch Products Suitable for Chinese Market
◆ Expand Production System
◆ Establish Sales System
◆ Establish A Company to Manage China Operations
Launch 8 Models in the Next 3 Years

Mazda Brand Model Retail Sales Volume

(000 units)

'01 '02 '03 '04 '05 '10

6 26 90 96 103 300
EXPAND PRODUCTION SYSTEM

- **Vehicle**
  1. FAW Car Co. Ltd (Changchun) - Mazda6
  2. FAW Haima Motor Co. Ltd (Hainan) - 323/Premacy
  3. Changan Ford (Nanjing)
     - Manufacture Small-sized Cars Using Mazda’s Latest Production Technology
     - To Start Operation in 07

- **Engine**
  Changan Ford Mazda Engine Co Ltd (Nanjing)
  - Manufacture Engines for Small-sized Cars Using Mazda’s Latest Production Technology
  - To Start Operation in 07
SALES STRUCTURE & MANAGEMENT COMPANY

- FAW Mazda Motor Sales Co. Ltd
  - Joint-Venture Sales Company with First Auto Works/FAW Car Co. Ltd.
  - Started Operations in March 05
  - To Sell All Mazda Vehicles to Be Produced in China

- New Company to Manage China Operations
  - 100% Mazda-owned Mazda Motor (Shanghai) Business Management & Consulting Co. Ltd
  - Was Established
  - As a Headquarter in China, Take Quick and Consistent Actions
CLOSE
IN SUM

◆ All-time Record Operating Profit in FY2004
◆ ABC Cost Target Achieved
◆ Escalating Raw Material Prices a Significant Challenge
◆ Continue Progress and Foundation Building under Mazda Momentum in FY2005
The projections for FY 2005 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.