

FY2007 RESULTS AND FY2008 PROJECTIONS



Mazda Motor Corporation

April 25, 2008

PRESENTATION OUTLINE

- **Overview**
- **FY2007 Results**
- **FY2008 Projections**
- **In Summary**

OVERVIEW

FY2007 HIGHLIGHTS

➤ Business Highlights

- Introduced new Demio/Mazda2 in Japan, Europe, China and other markets, and new Atenza/Mazda6 in Japan, Europe and other markets. The models received high acclaim
- Completed capacity expansion at domestic plants
- Started production of new Mazda2 at the vehicle assembly plant in Nanjing, China

➤ Performance Evaluation

- Achieved sales and profit growth for 7 consecutive years, higher profits at all levels and record high profits; Operating profit at ¥162.1 billion (up 2% year-over-year), Net income at ¥91.8 billion (up 25%)
- Global retail volume at 1.363 million units (up 5%, or up 11% excluding discontinued production at Hainan)

FY2008 HIGHLIGHTS

Business Environment

- Reassessed exchange rate assumptions reflecting stronger yen mainly against substantially weaker US dollar
- Further raw material price hikes
- Deterioration of sales environments in mature markets such as North America

Financial Projections

- Accelerate cost innovation initiatives and promote brand value improvement
- Introduce new Mazda6 to North America, new Mazda2 3-hatch back to Europe and new Mazda2 sedan to China ; also introduce a new exclusive model in Japan
- Global retail volume projected at 1.48 million units (up 9% year-over-year)
- Financial targets include ¥115 billion operating profit (down 29%) and ¥70 billion net income (down 24%) considering deteriorations in external environment

FY2007 RESULTS

FY2007 FINANCIAL METRICS

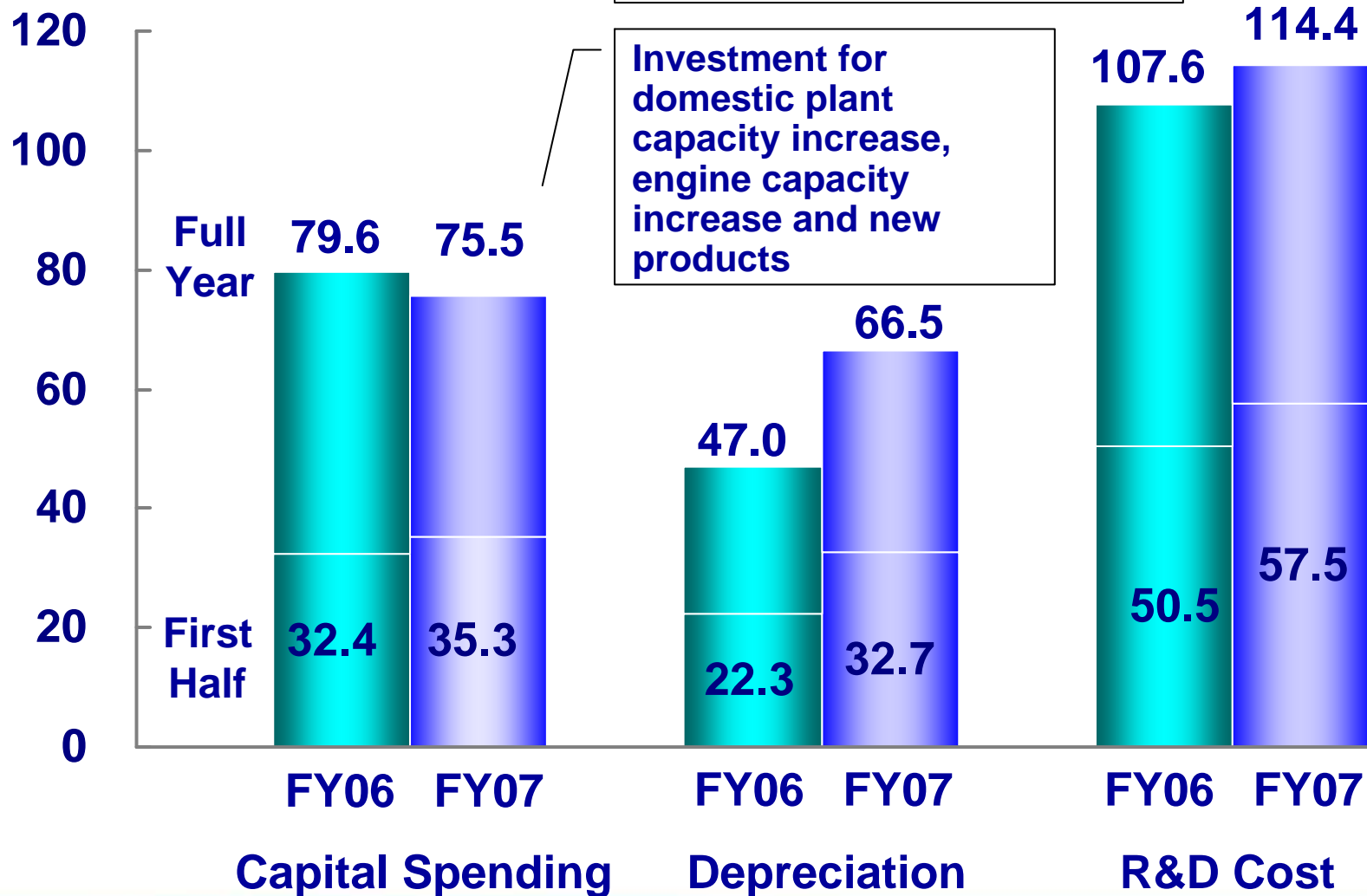
(Billion yen)	Full Year		Change	
	<u>FY2007</u>	<u>FY2006</u>	<u>Amount</u>	<u>Pct.</u>
Revenues	3,475.8	3,247.5	228.3	7 %
Operating Profit	162.1	158.5	3.6	2 %
Ordinary Profit	148.5	127.8	20.7	16 %
Profit Before Tax	143.1	118.5	24.6	21 %
Net Income	91.8	73.7	18.1	25 %
Operating ROS	4.7 %	4.9 %	(0.2) Pts	-
EPS (Yen/Share)	65.2	52.6	12.6	24 %

CASH FLOW & NET DEBT

(Billion yen)	<u>FY2007</u>	<u>FY2006</u>	<u>B/(W) Prior Year End</u>
Cash Flow			
- Operating C/F	103.0	116.4	-
- Investment C/F	(92.8)	(95.4)	-
- Free C/F	<u>10.2</u>	<u>21.0</u>	-
Net Debt	281.1	232.2	(48.9)
Net Debt-to-Equity	51 %	49 %	(2) Pts
Dividend (Yen/Share)	6	6	-

KEY DATA

(Billion yen)

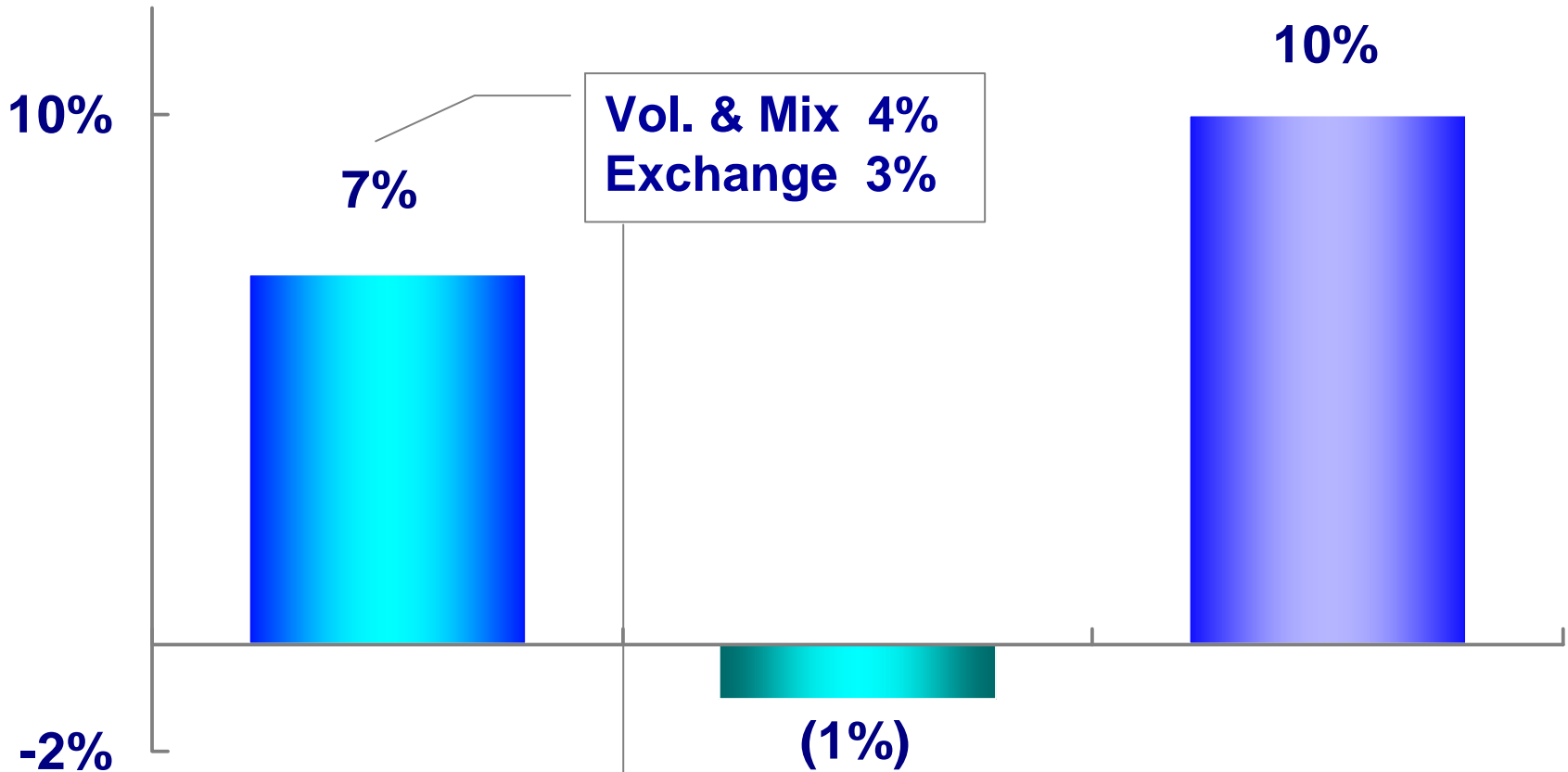


KEY DATA

	Full Year		Change
	FY2007	FY2006	
Global Retail Volume (000)	1,363	1,302	5 %
Excl. Volume Produced in Hainan	1,363	1,226	11 %
Exchange Rates			
Yen / U.S. Dollar	114	117	¥ (3)
Yen / Euro	162	150	¥ 12

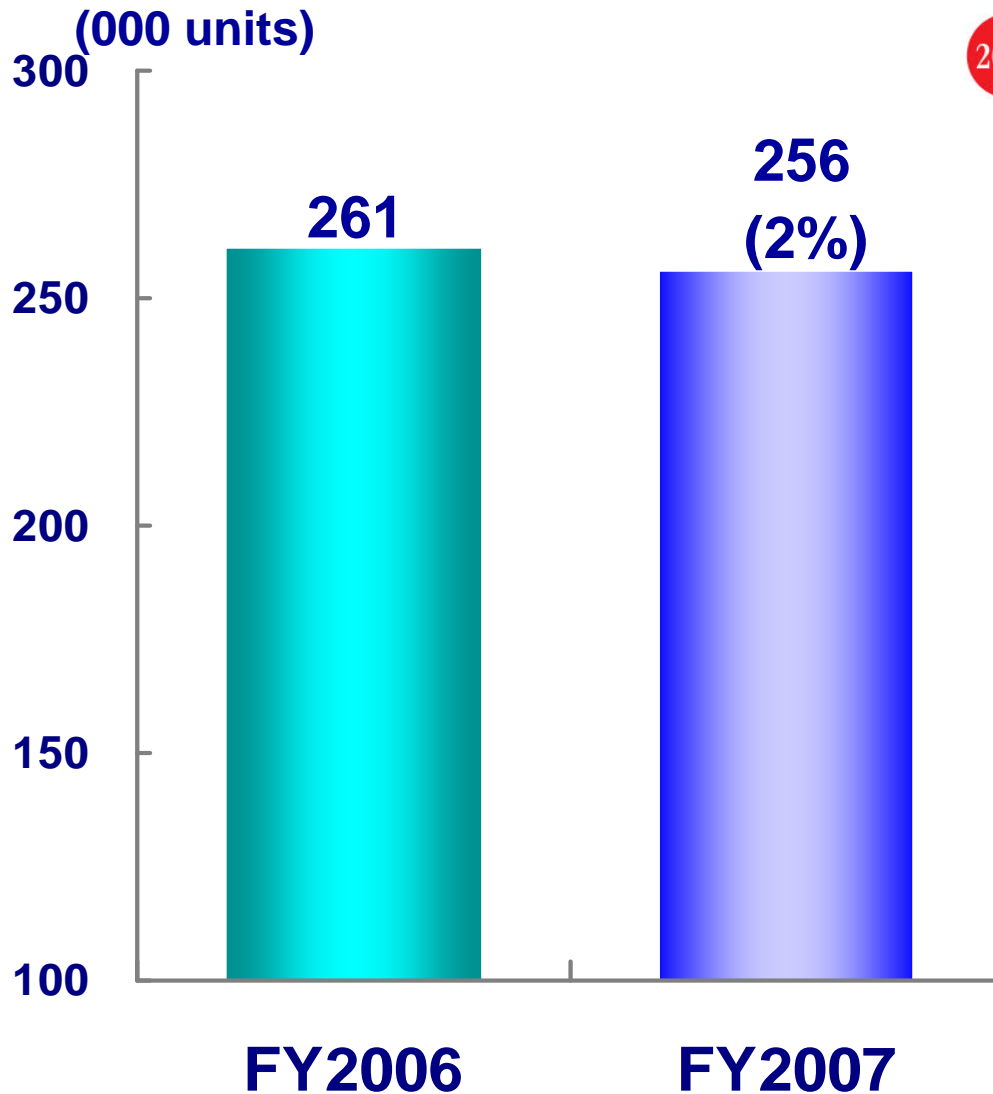
DOMESTIC & OVERSEAS REVENUE CHANGES

FY2007 Full Year Compared With FY2006 Full Year



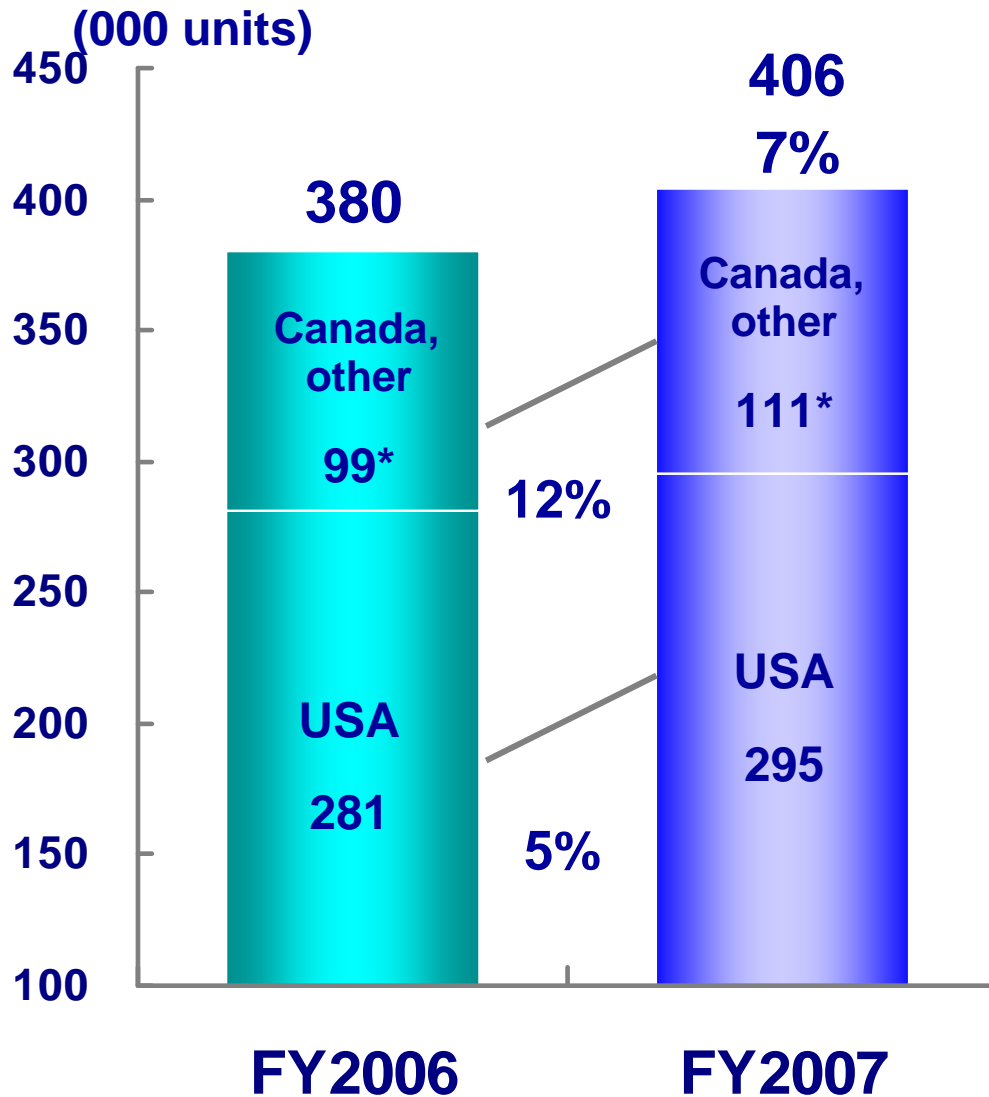
(Billion yen)	Total	Domestic	Overseas
FY07	3,475.8	880.1	2,595.7
FY06	3,247.5	887.3	2,360.2

JAPAN



- New Demio received high acclaim and added volume as planned
- New Atenza off to a strong start
- Share was up 0.2 percentage points

NORTH AMERICA



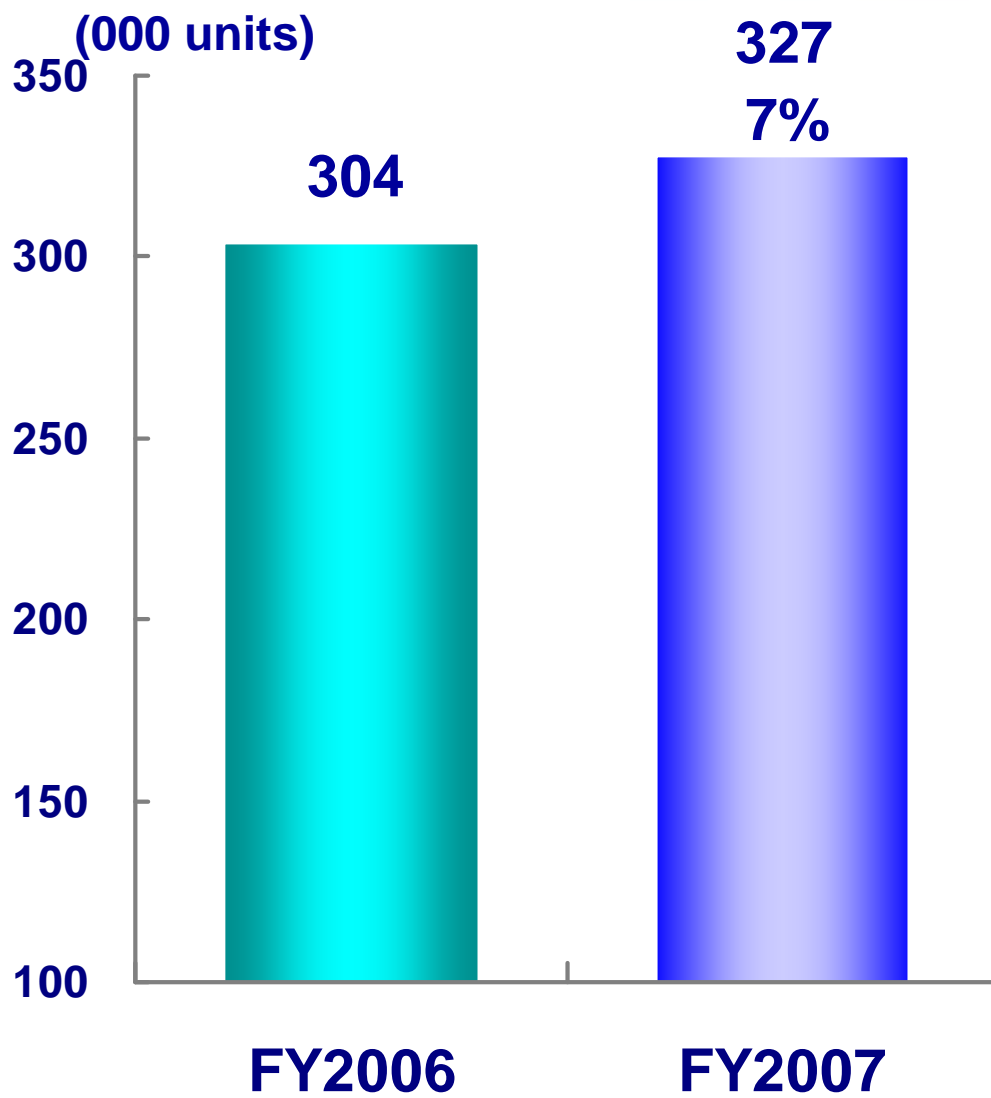
MOTOR TREND
SPORT/UTILITY OF THE YEAR™



- Inventory adjustment completed
- Mazda3 and highly-acclaimed CX-9 contributed to growth
- US sales environment is becoming more challenging

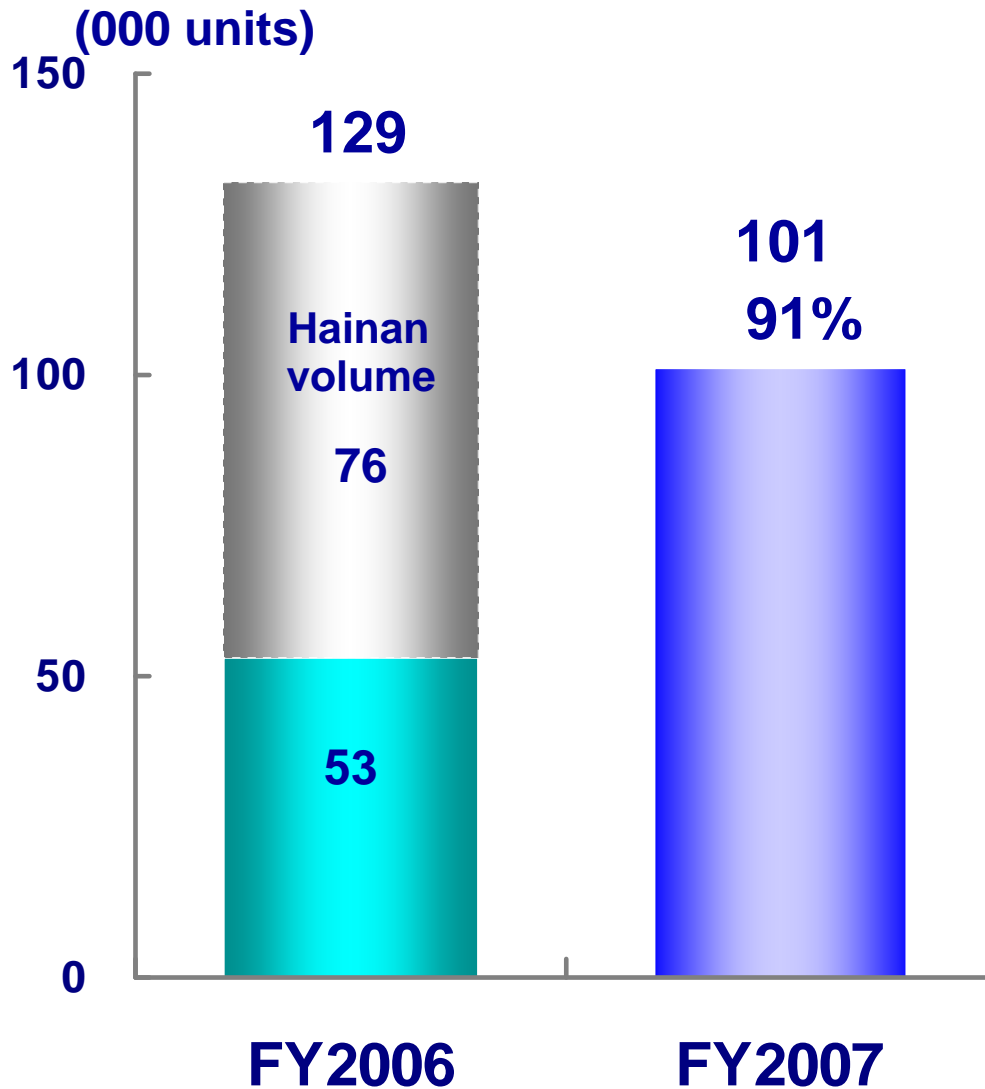
* Including Mexico and Puerto Rico

EUROPE



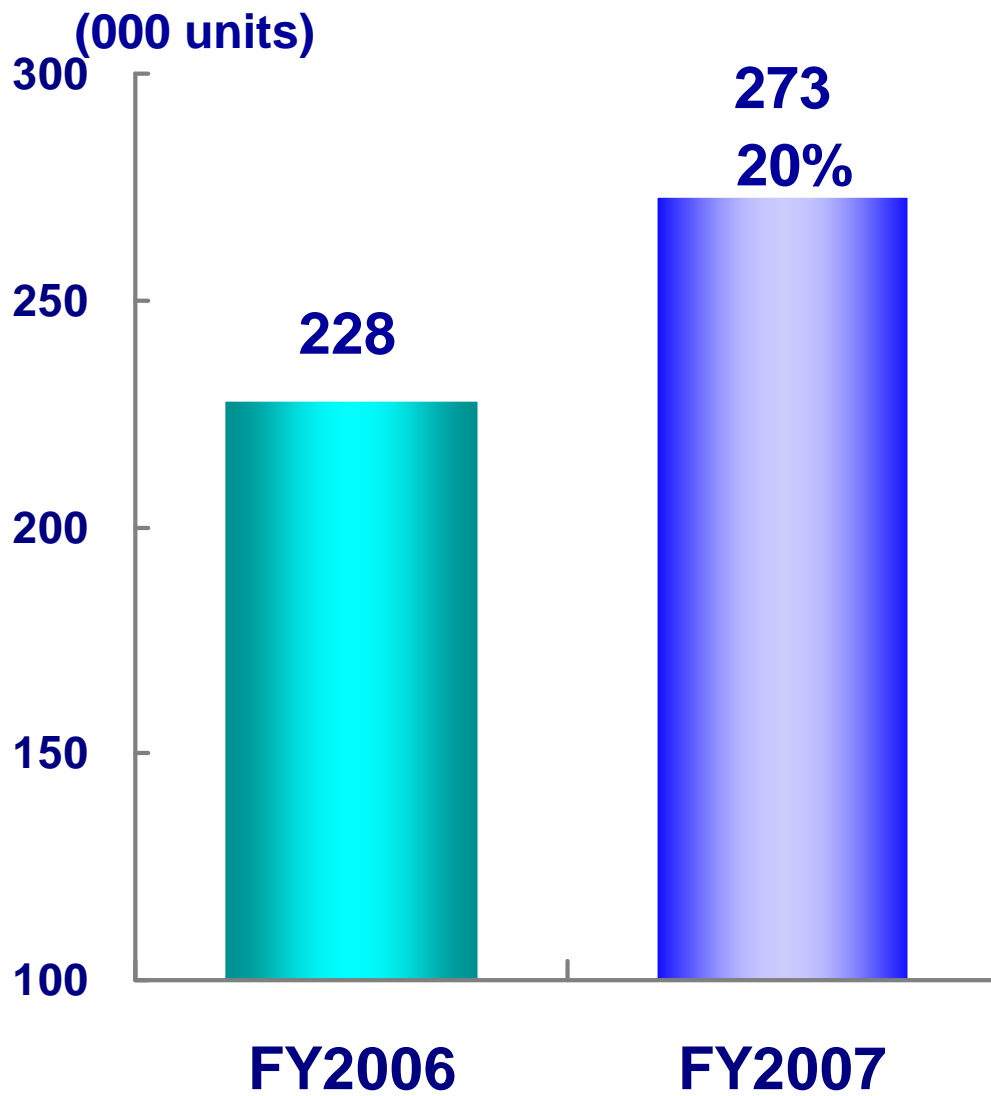
- **Russia – No.2 volume market**
- **New Mazda2 received high acclaim and added volume as planned**
- **Sales in Germany down due to lower industry**
- **New Mazda6 off to a good start**

CHINA



- Up 91% excluding volume produced in Hainan
- Sales of Mazda6, after the launch 5 years ago, continued strong
- Production of new Mazda2 started at the plant in Nanjing
- Improved sales network and 175 outlets in operation as of March end

OTHER MARKETS

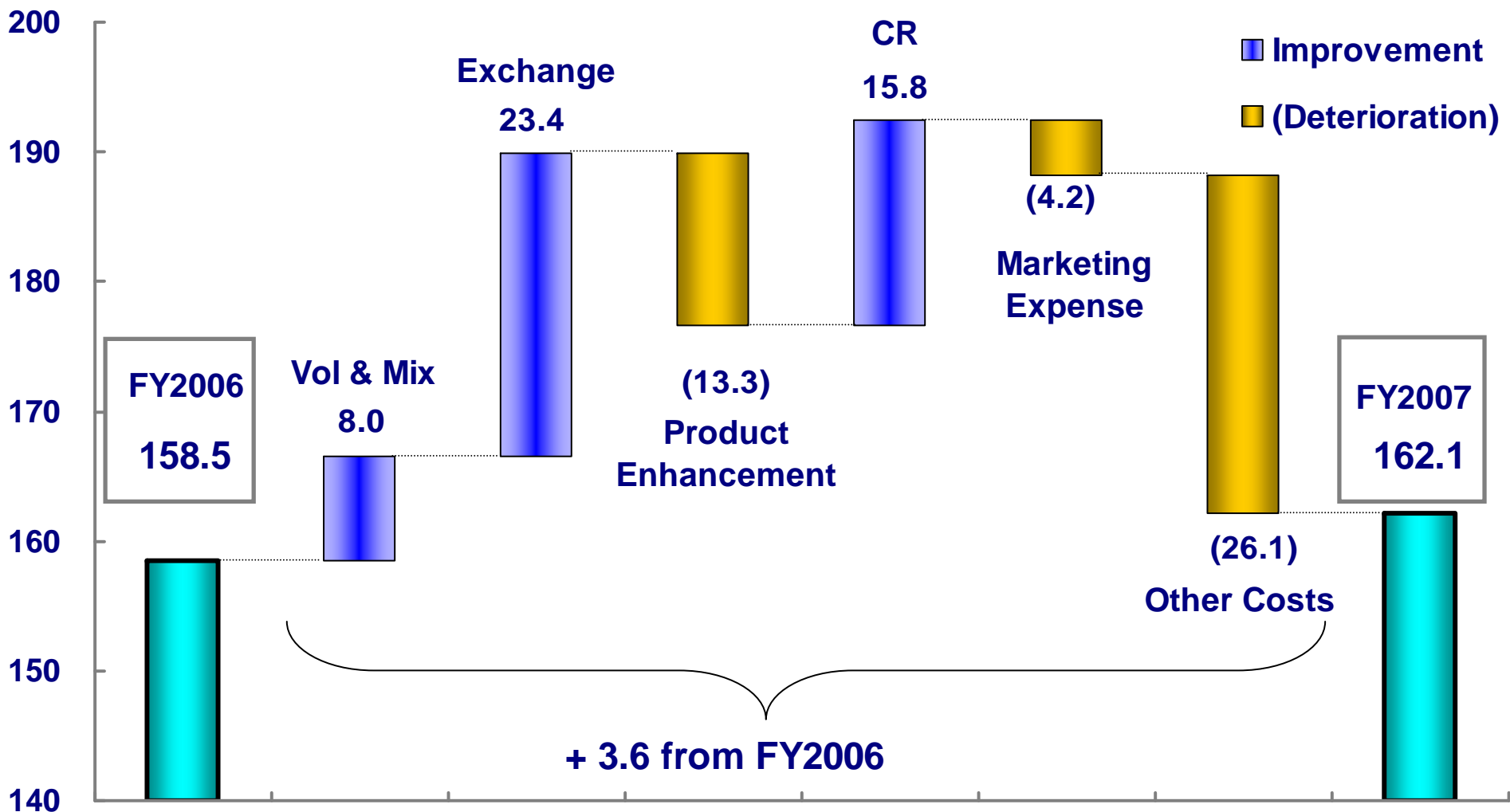


- Sales in Australia up 18%. Share expanded
- Best-selling brand in Israel
- Record high sales in 7 countries including Venezuela
- Sales of CX-7 continued strong

OPERATING PROFIT CHANGES

FY2007 Full Year Compared With FY2006 Full Year

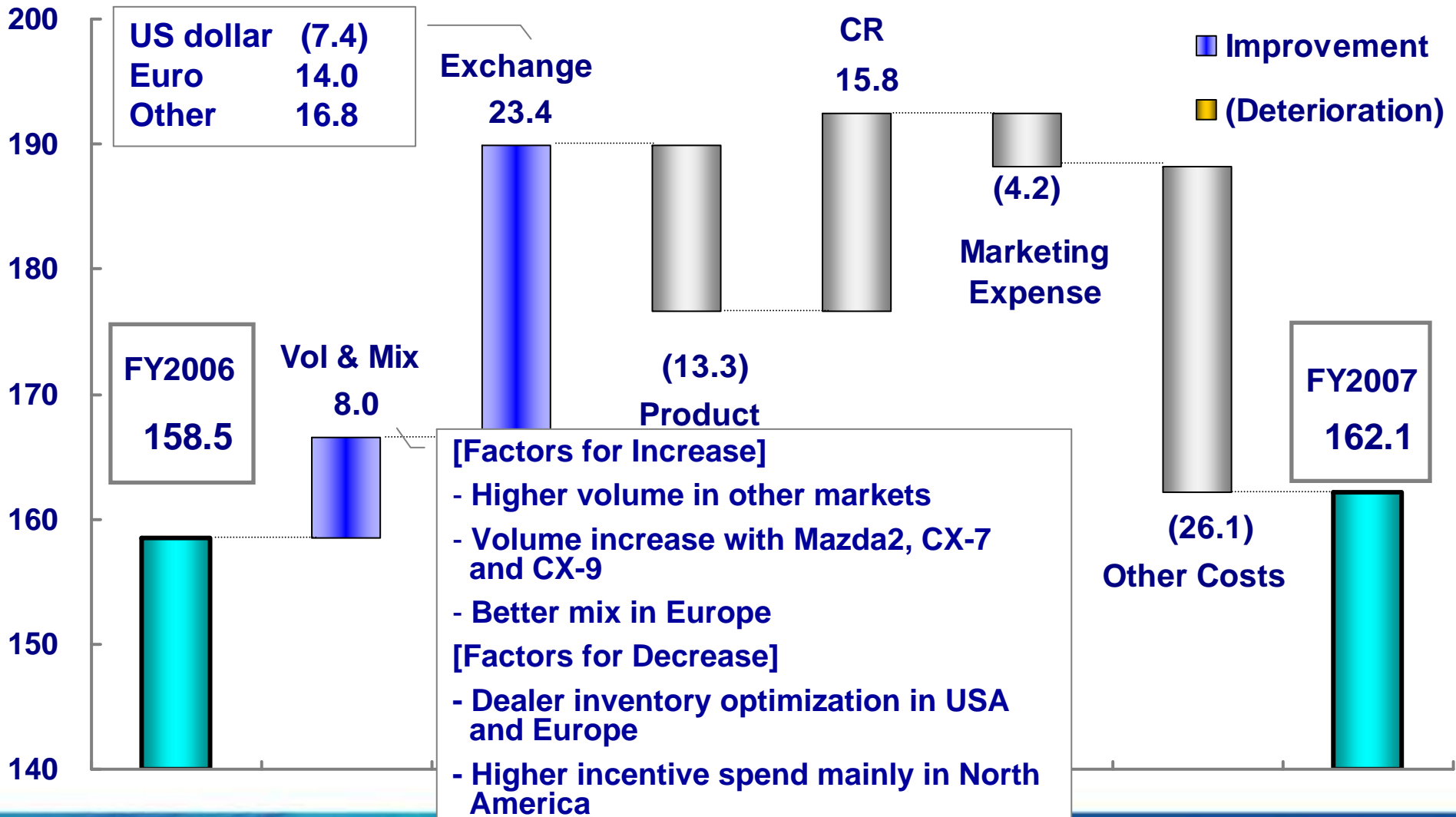
(Billion yen)



OPERATING PROFIT CHANGES

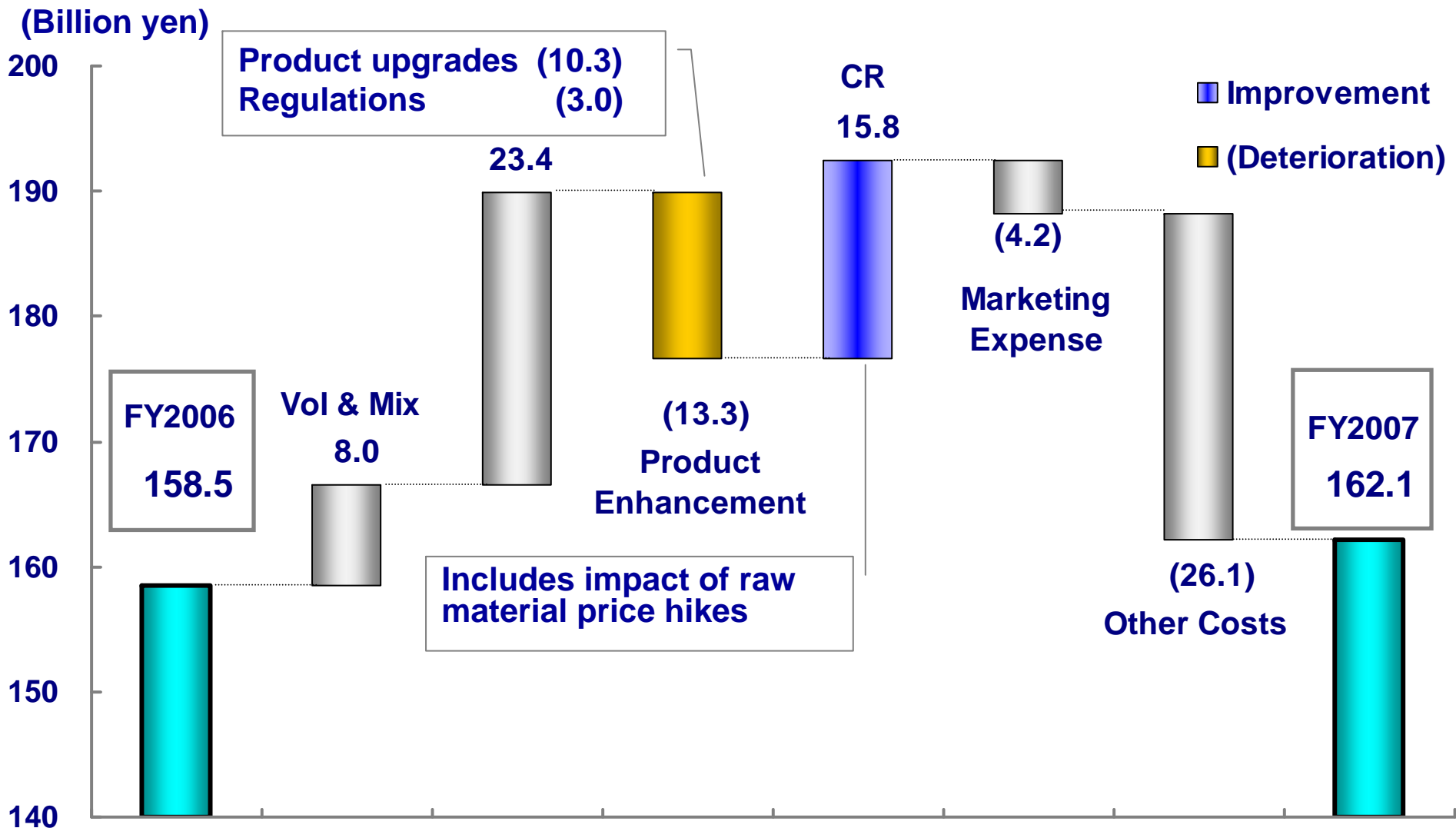
FY2007 Full Year Compared With FY2006 Full Year

(Billion yen)



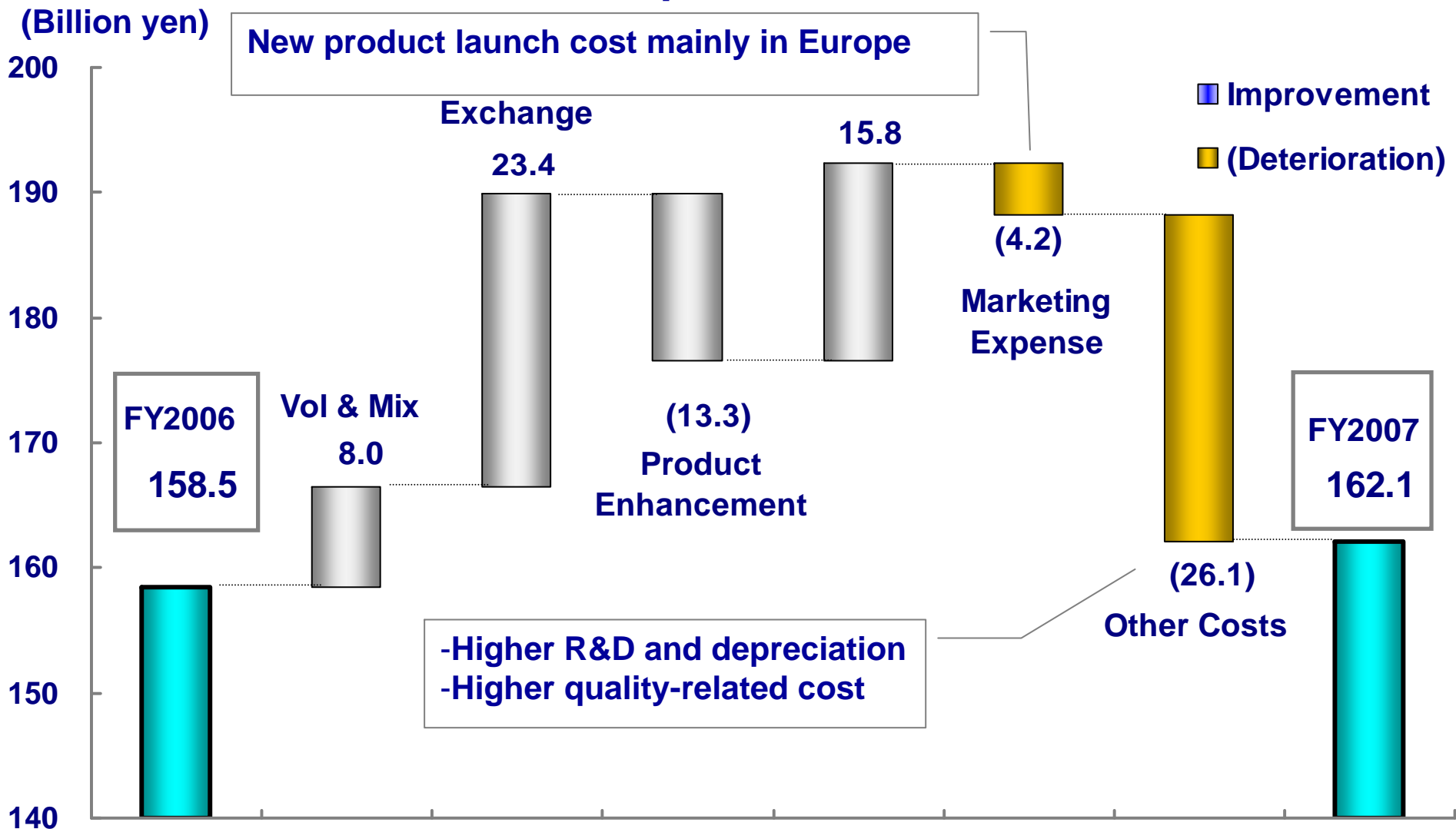
OPERATING PROFIT CHANGES

FY2007 Full Year Compared With FY2006 Full Year



OPERATING PROFIT CHANGES

FY2007 Full Year Compared With FY2006 Full Year



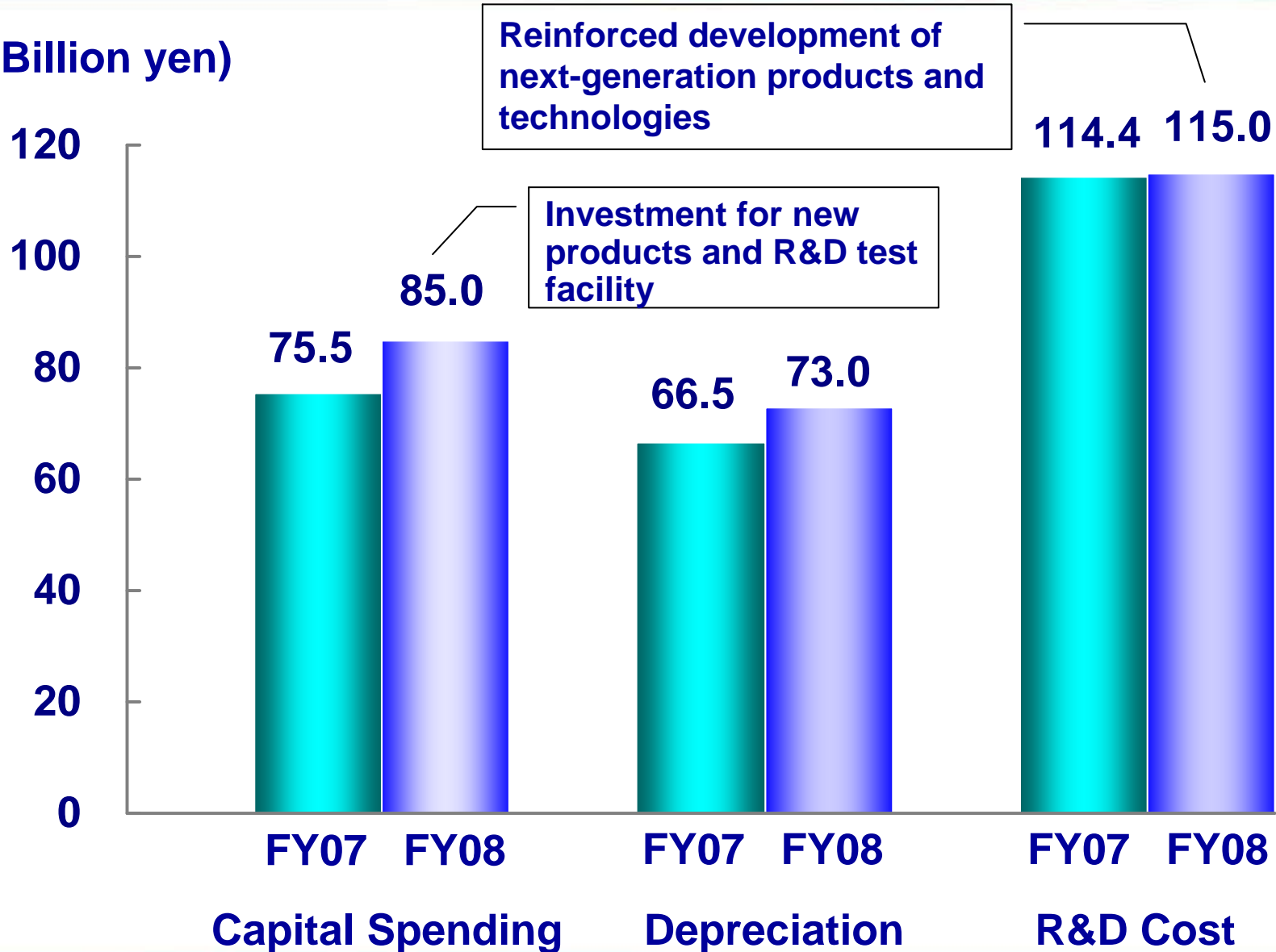
FY2008 PROJECTIONS

FY2008 FINANCIAL METRICS

(Billion yen)	Full Year		Change	
	<u>FY2008</u>	<u>FY2007</u>	<u>Amount</u>	<u>Pct.</u>
Revenues	3,000.0	3,475.8	(475.8)	(14) %
Operating Profit	115.0	162.1	(47.1)	(29) %
Ordinary Profit	110.0	148.5	(38.5)	(26) %
Profit Before Tax	100.0	143.1	(43.1)	(30) %
Net Income	70.0	91.8	(21.8)	(24) %
Operating ROS	3.8 %	4.7 %	(0.9) Pts	-
EPS (Yen/Share)	49.7	65.2	(15.5)	(24) %

KEY DATA

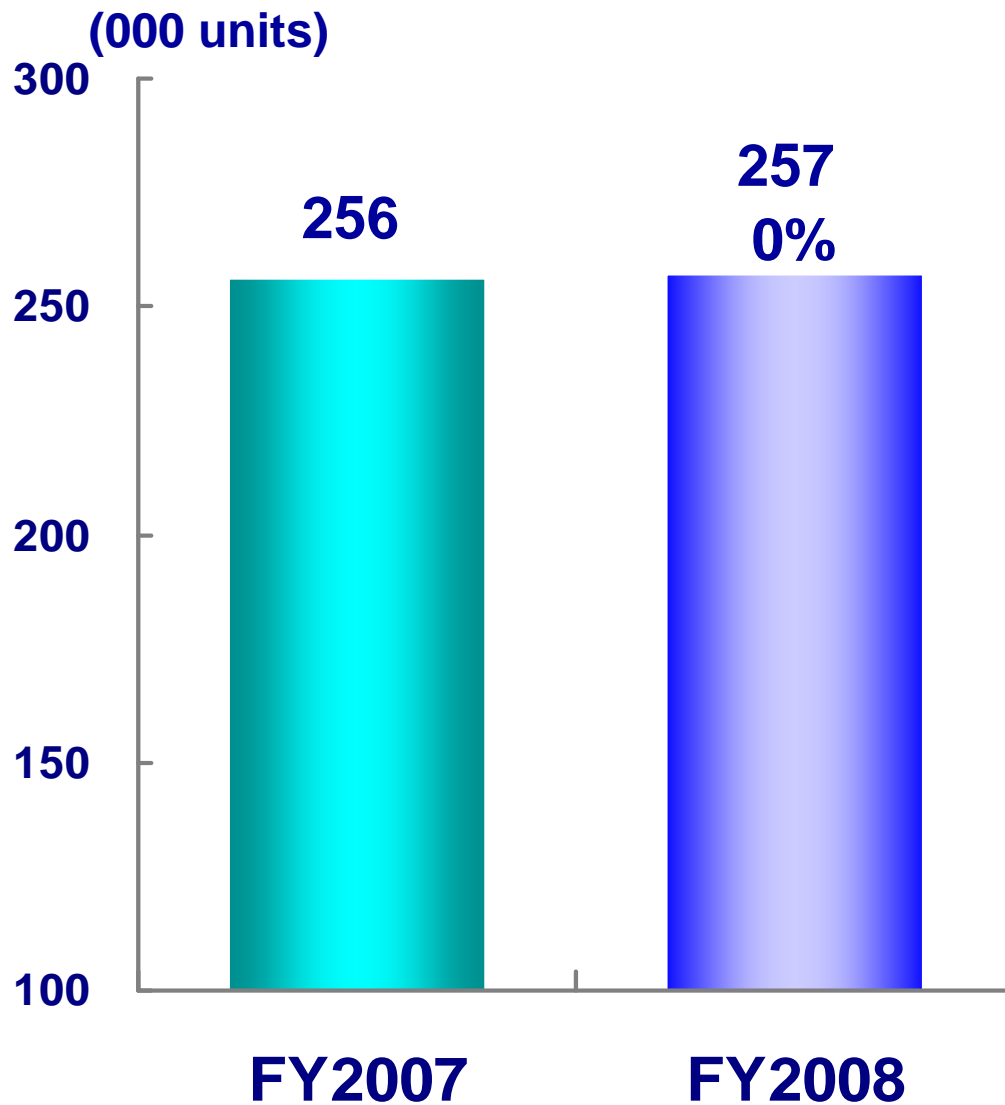
(Billion yen)



KEY DATA

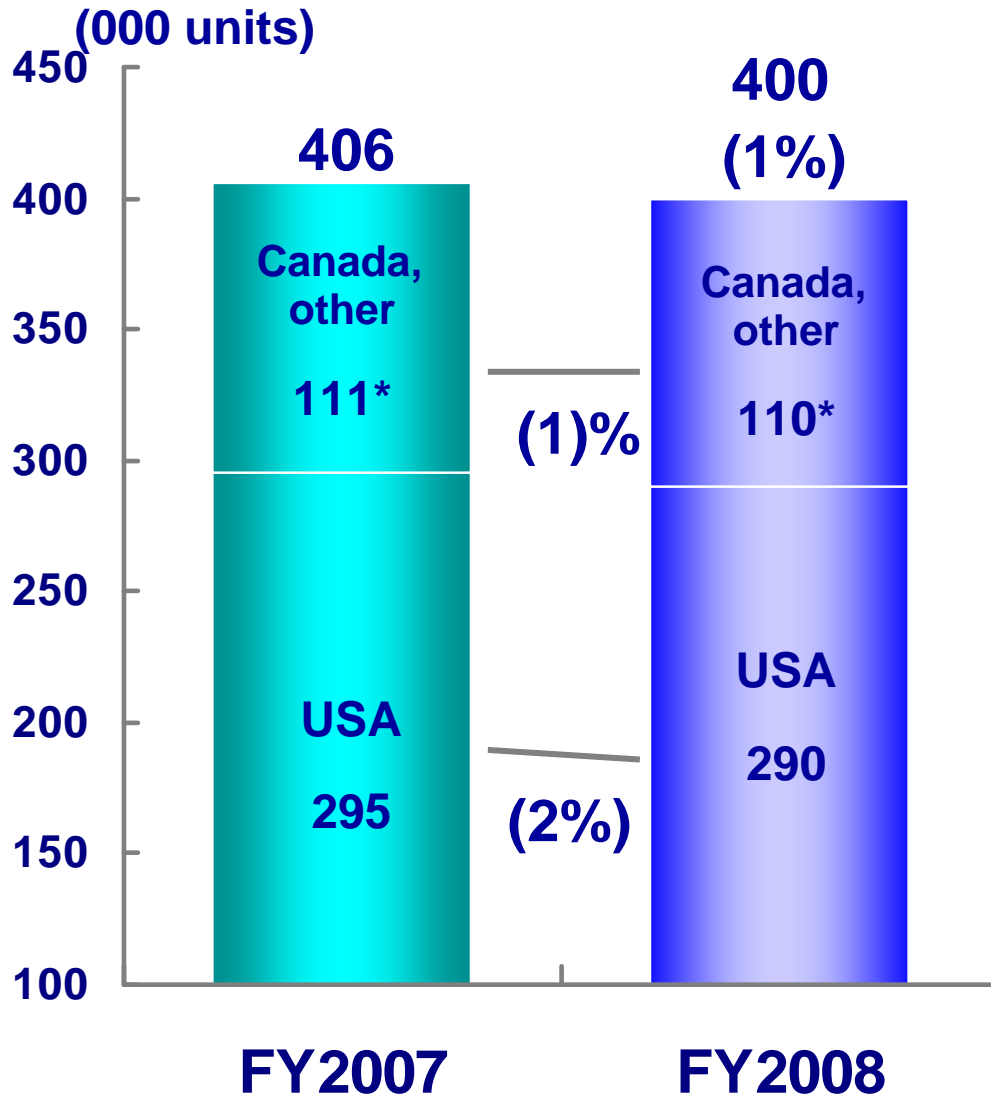
	Full Year		<u>Change</u>
	<u>FY2008</u>	<u>FY2007</u>	
Global Retail Volume (000)	1,480	1,363	9 %
Exchange Rates			
Yen / U.S. Dollar	100	114	¥ (14)
Yen / Euro	150	162	¥ (12)

JAPAN



- Additional volume from new Atenza
- Introduce new Japan exclusive model

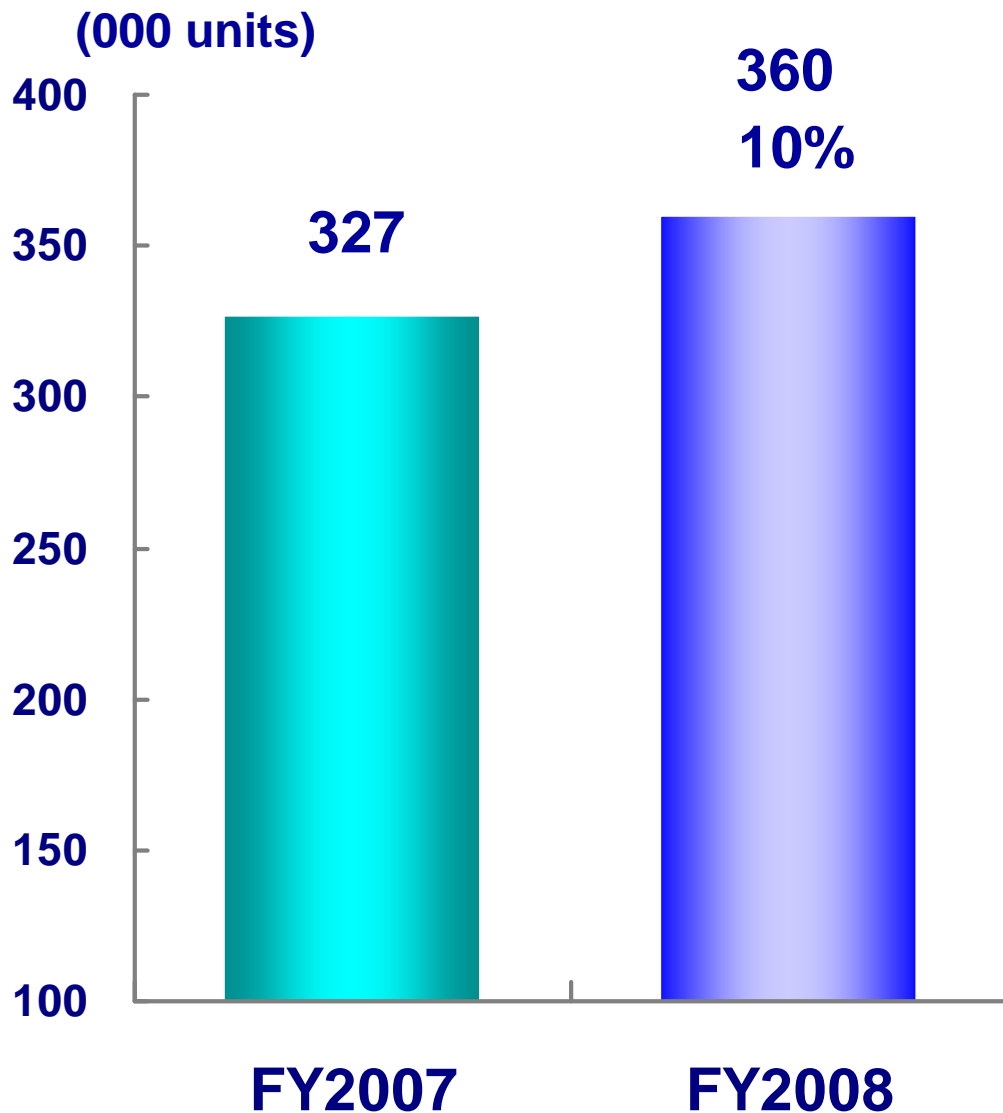
NORTH AMERICA



- Launch new Mazda6, unique model to North America
- Improve brand value by reducing fleet sales in the US

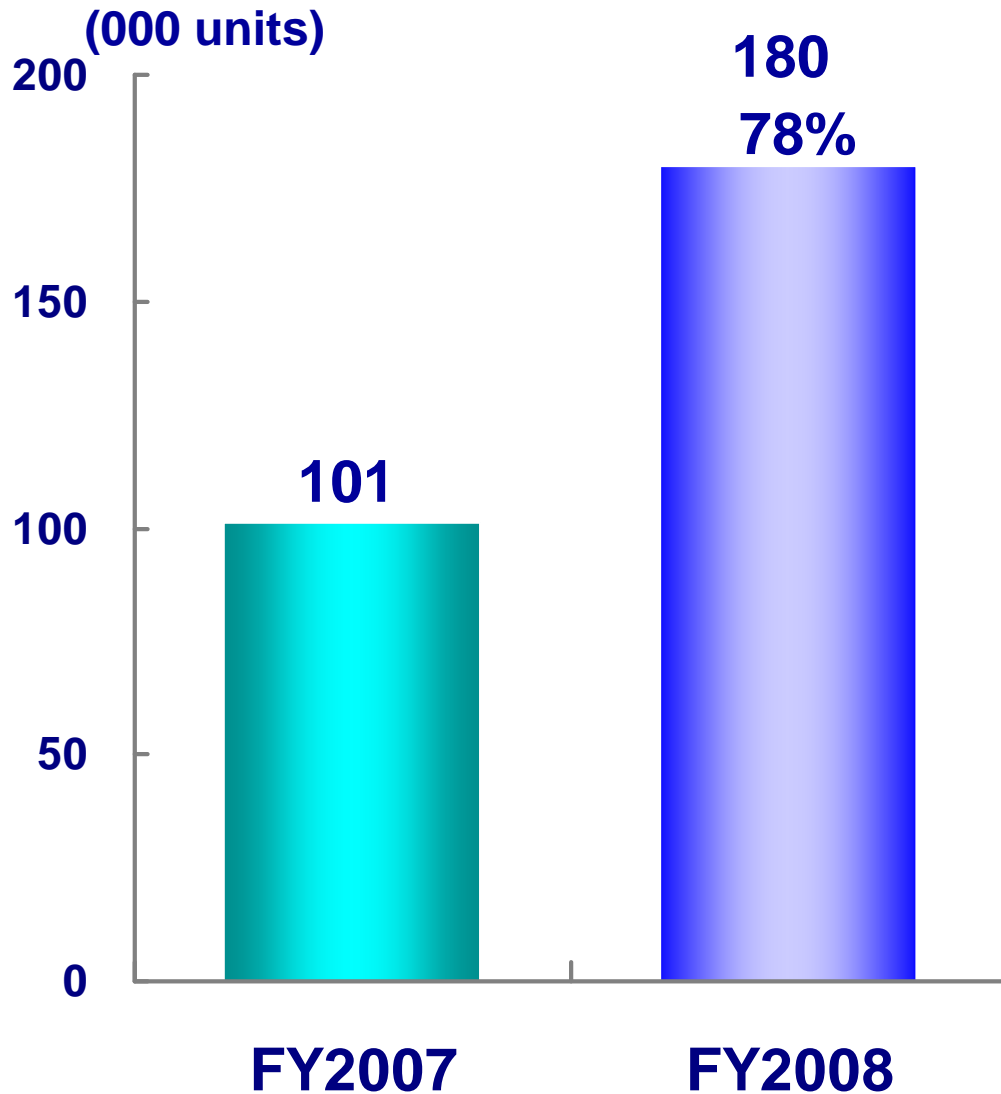
* Including Mexico and Puerto Rico

EUROPE



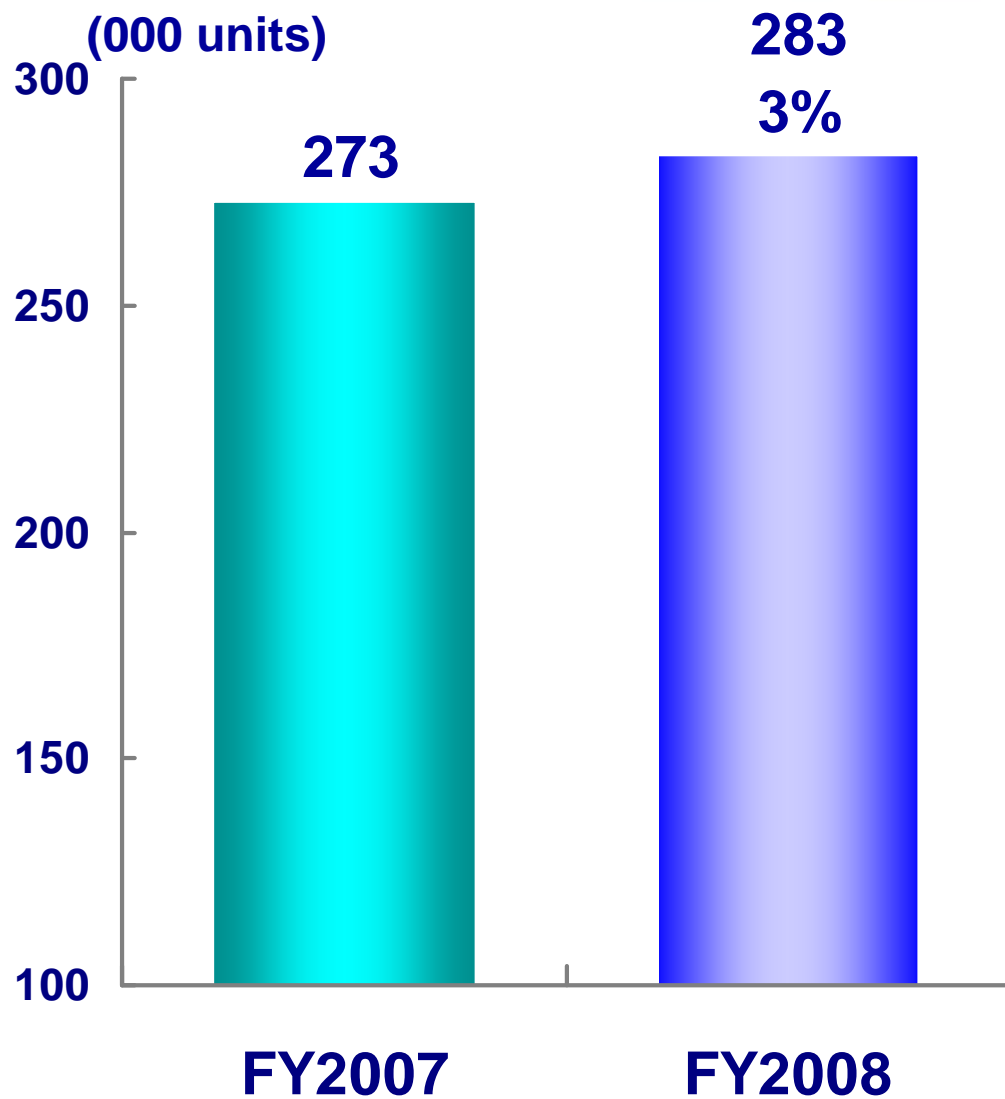
- Record high volume with launch of Mazda2 3-door and diesel models, and sales of full line-up of Mazda6
- Russia will be the top-selling country

CHINA



- Sales will double with full key model line-up
- Full start of sales through 2 channels
- Reinforce brand image with RX-8 and MX-5

OTHER MARKETS

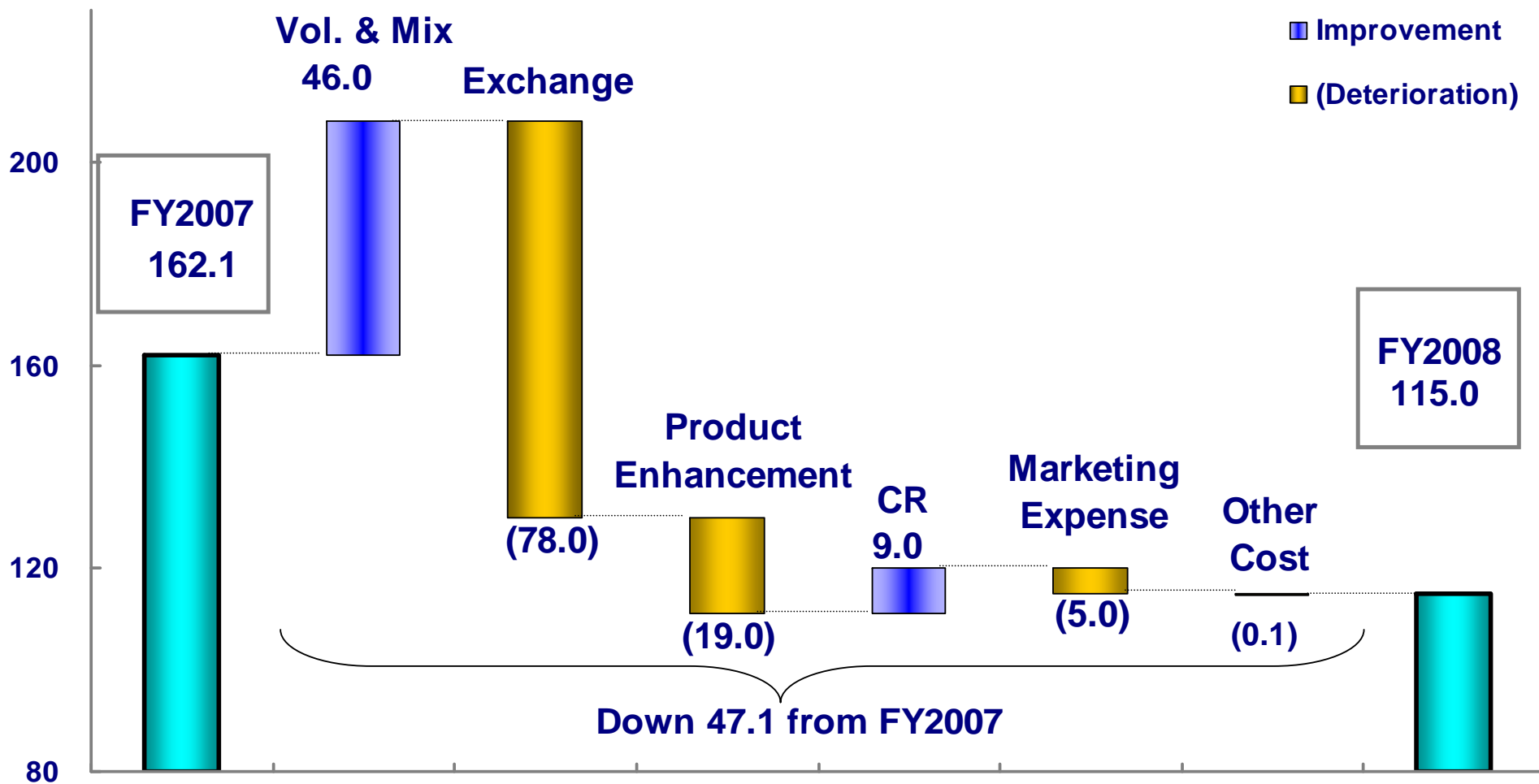


- Plan to achieve sales up 4% in Australia
- Volume down in Venezuela due to import regulations
- BT-50 is selling well

OPERATING PROFIT CHANGES

FY2008 Full Year Compared With FY2007 Full Year

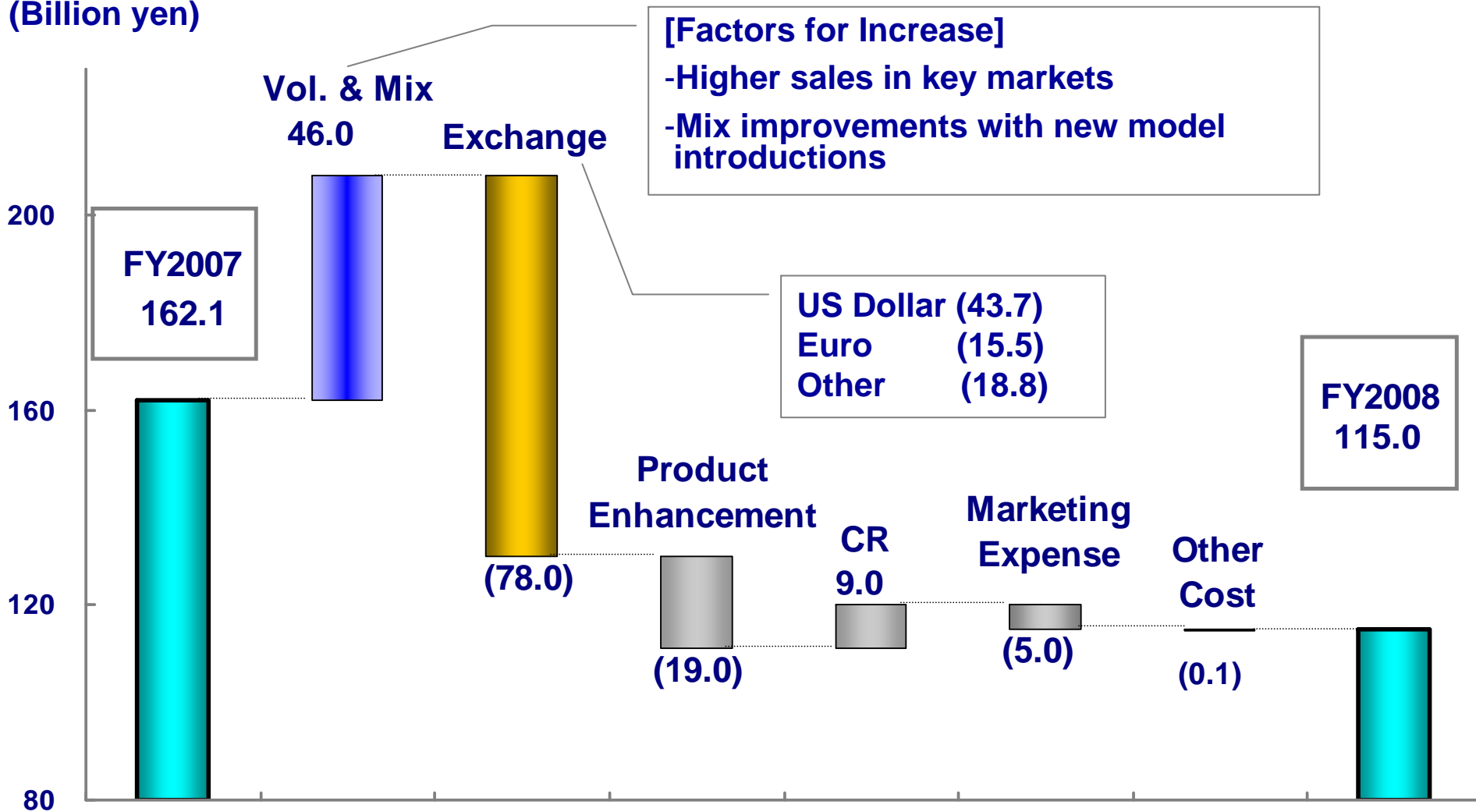
(Billion yen)



OPERATING PROFIT CHANGES

FY2008 Full Year Compared With FY2007 Full Year

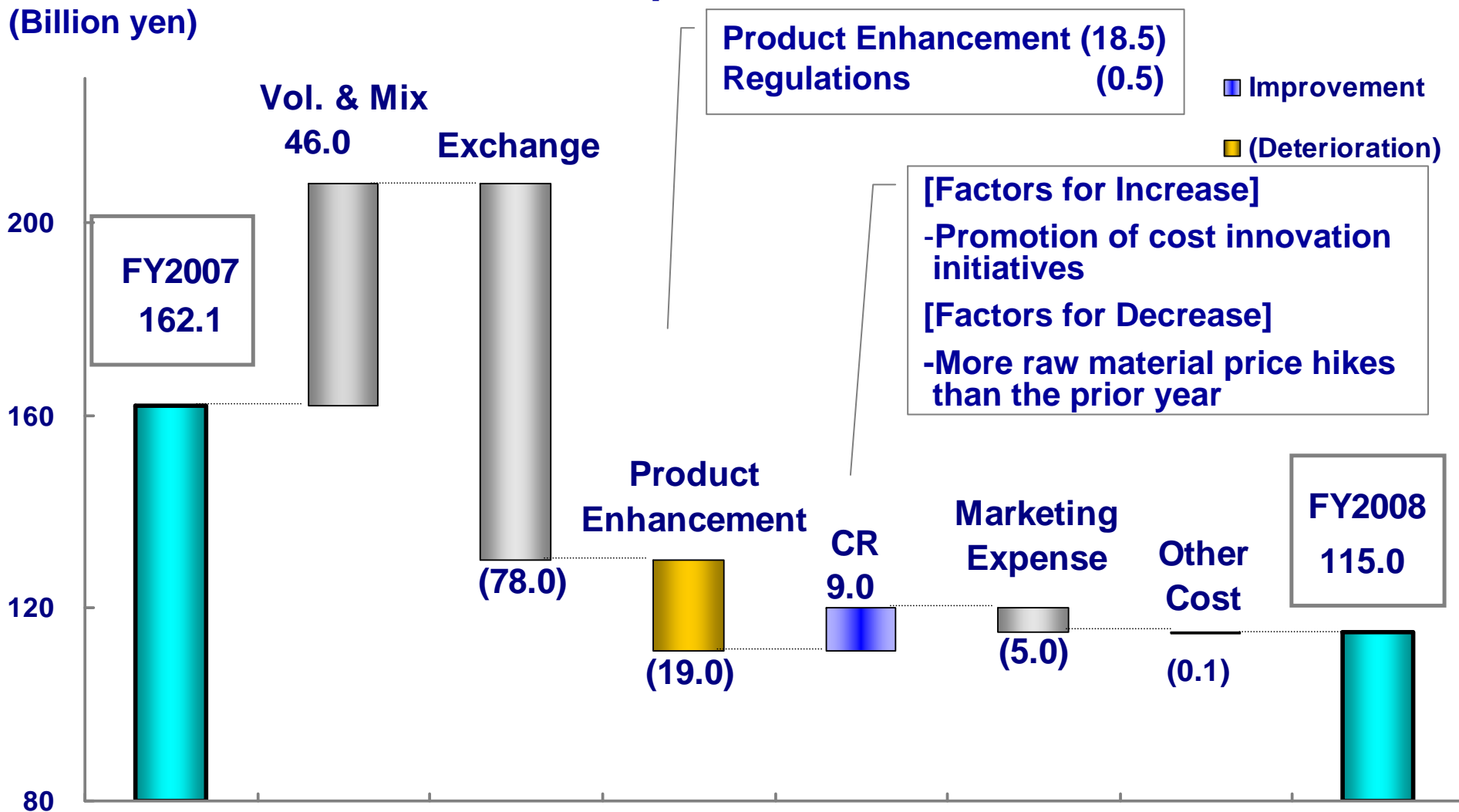
(Billion yen)



OPERATING PROFIT CHANGES

FY2008 Full Year Compared With FY2007 Full Year

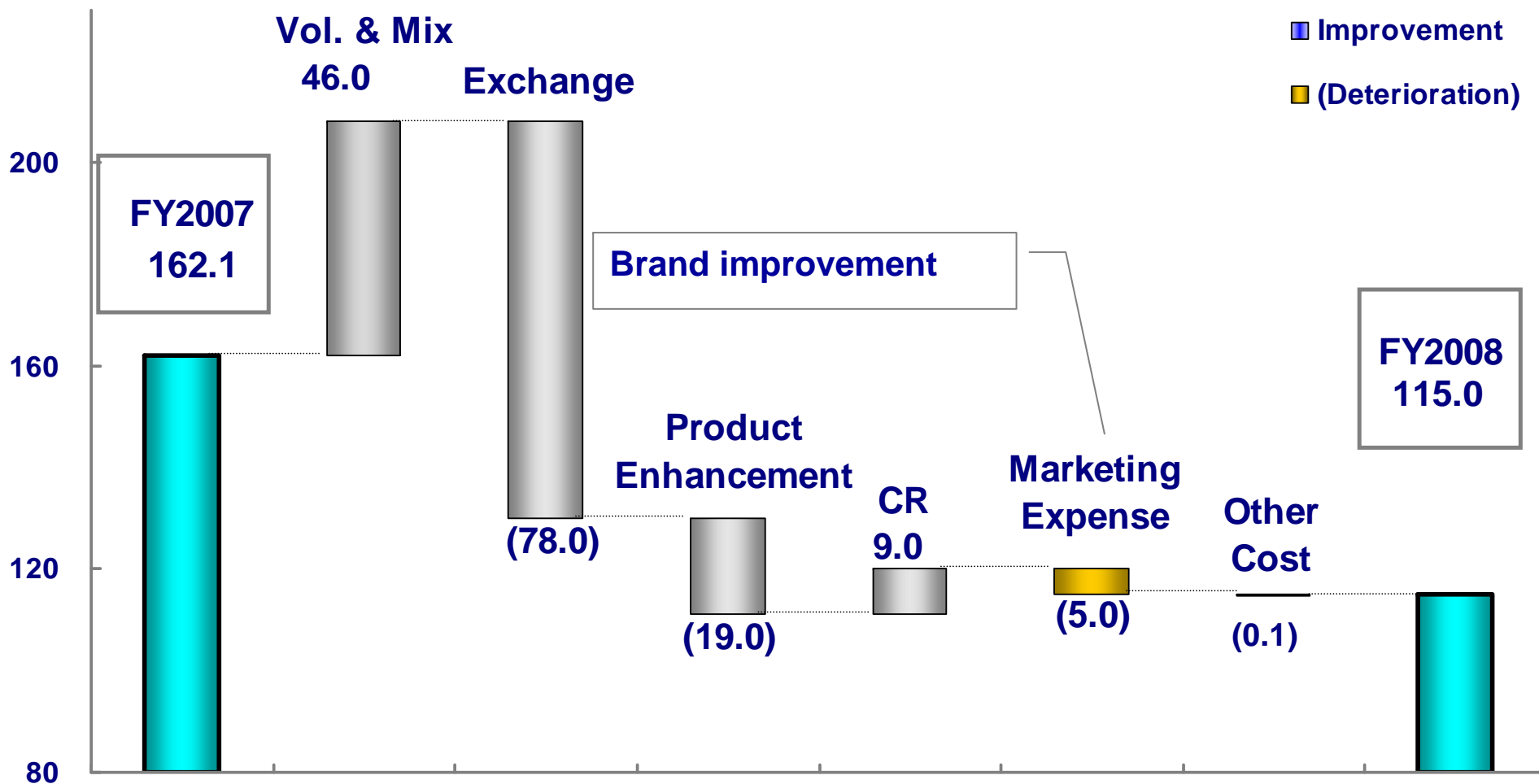
(Billion yen)



OPERATING PROFIT CHANGES

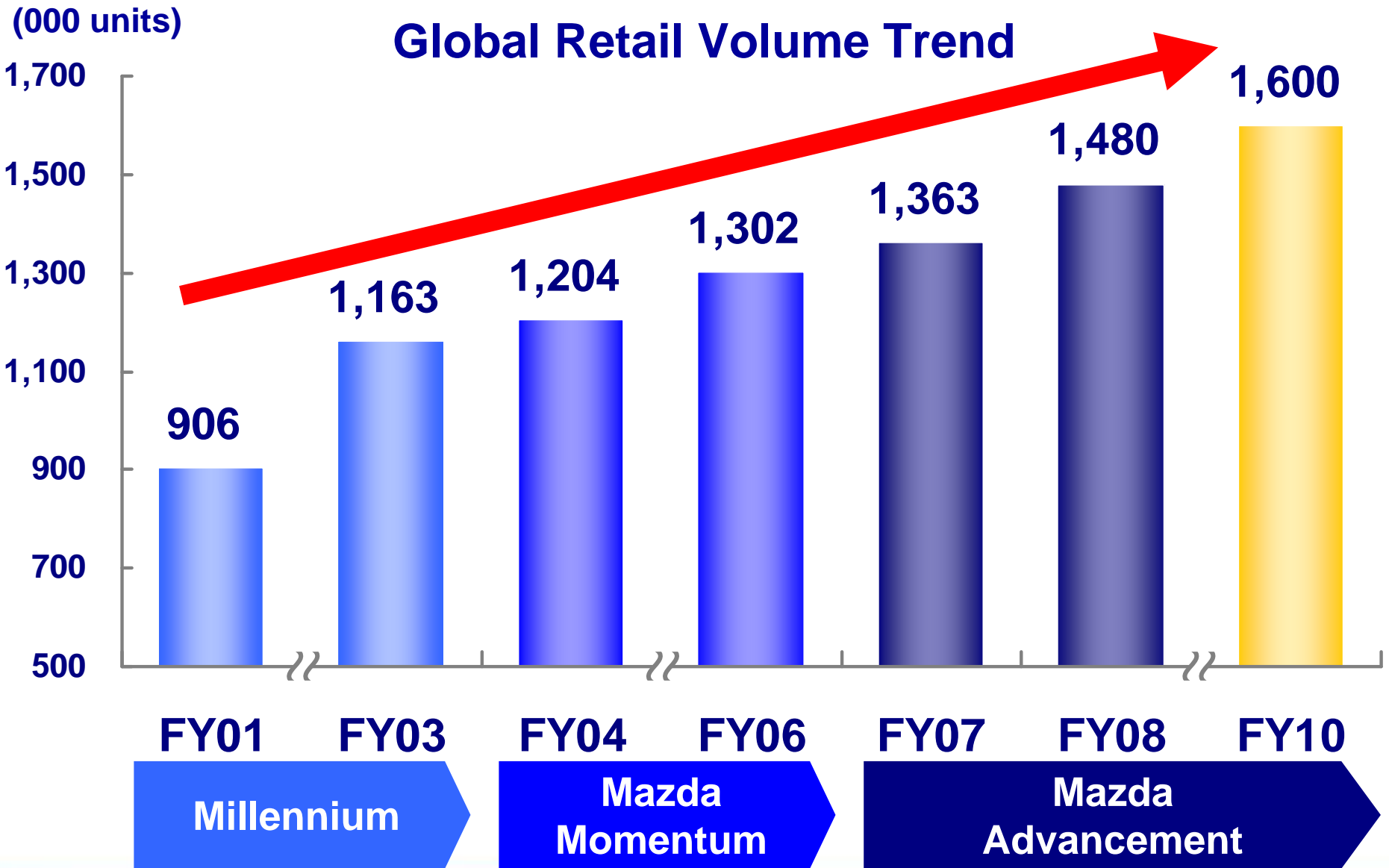
FY2008 Full Year Compared With FY2007 Full Year

(Billion yen)



IN SUMMARY

IN SUMMARY (1)



IN SUMMARY (2)

➤ FY2007

- Achieved sales and profit growth for 7 consecutive years, record high profits and profits exceeded our original plans at all levels
- Successfully introduced two key models
- Continued preparation for the future

• FY2008

- Accelerate cost innovation initiatives and promote brand value improvement
- Product-led growth to be offset by deteriorations in external environment
- Expand sales globally except for USA where industry demand is projected to decline
- Continue to declare a dividend of ¥6 per share



mazda

APPENDIX

FY2007 FOURTH QUARTER FINANCIAL METRICS

(Billion yen)	4th Quarter		Change	
	<u>FY2007</u>	<u>FY2006</u>	<u>Amount</u>	<u>Pct.</u>
Revenues	969.5	957.9	11.6	1 %
Operating Profit	53.7	51.2	2.5	5 %
Ordinary Profit	58.8	43.9	14.9	34 %
Profit Before Tax	56.8	41.8	15.0	36 %
Net Income	46.8	31.6	15.2	48 %
Operating ROS	5.5 %	5.3 %	0.2 Pts	-
EPS (Yen/Share)	33.2	22.5	10.7	48 %

KEY DATA

	4th Quarter		Change
	FY2007	FY2006	
Global Retail Volume (000)	388	360	8 %
Excl. Volume Produced in Hainan	388	346	12 %
Exchange Rates			
Yen / U.S. Dollar	105	119	¥ (14)
Yen / Euro	158	156	¥ 2

KEY DATA

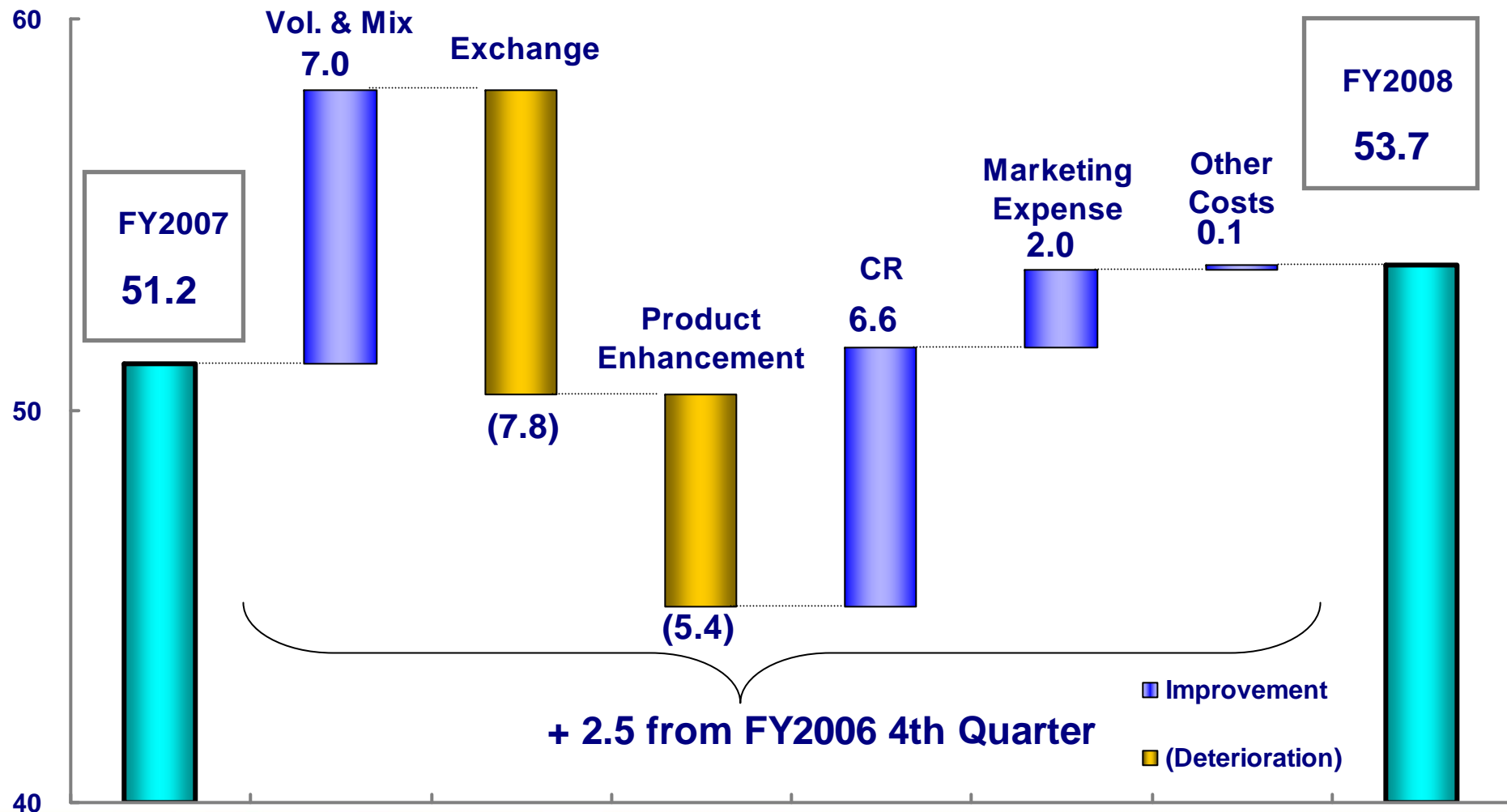
	4th Quarter		
	<u>FY2007</u>	<u>FY2006</u>	<u>Change</u>
Consol. Wholesales (000)			
Japan	80	77	3
North America*	106	125	(19)
Europe	105	83	22
China	7	1	6
Other Markets	66	63	3
Total	<u>364</u>	<u>348</u>	<u>16</u>
Global Retail Volume (000)			
Japan	81	79	2
North America*	104	102	2
Europe	99	83	16
China	30	31	(1)
Other Markets	74	65	9
Total	<u>388</u>	<u>360</u>	<u>28</u>

* Including Mexico and Puerto Rico

OPERATING PROFIT CHANGES

FY2007 4th Quarter Compared With FY2006 4th Quarter

(Billion yen)

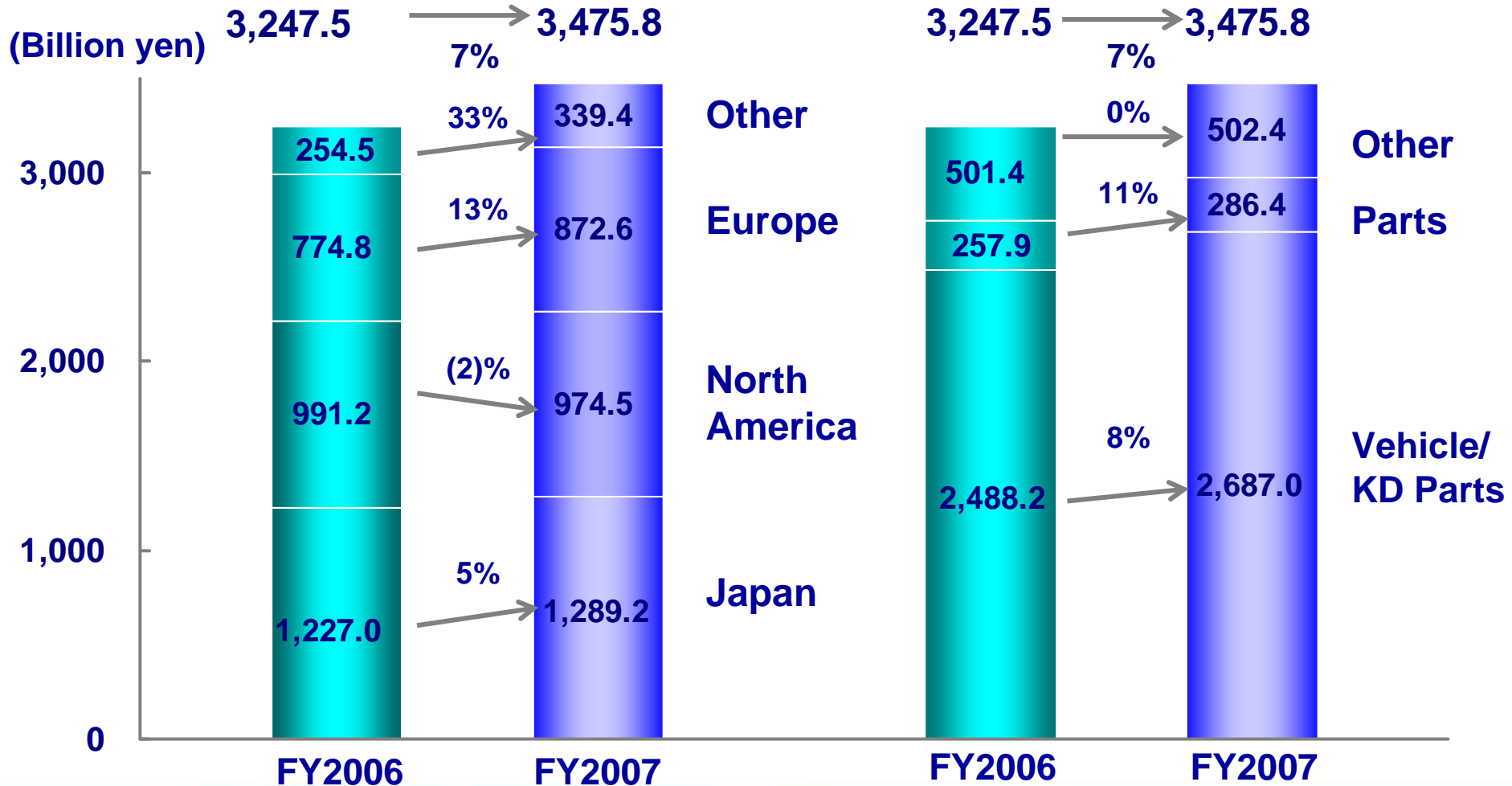


REVENUE BY REGION AND BY SEGMENT

FY2007 Full Year Compared With FY2006 Full Year

By Region

By Segment



KEY DATA

	Full Year		
	FY2008	FY2007	Change
Consol. Wholesales (000)			
Japan	260	257	3
North America*	393	386	7
Europe	350	323	27
China	29	9	20
Other Markets	258	265	(7)
Total	1,290	1,240	50
Global Retail Volume (000)			
Japan	257	256	1
North America*	400	406	(6)
Europe	360	327	33
China	180	101	79
Other Markets	283	273	10
Total	1,480	1,363	117

* Including Mexico and Puerto Rico

KEY DATA

(Billion yen)	FY2008		
	<u>1st Half</u>	<u>2nd Half</u>	<u>Full Year</u>
Revenues	1,450.0	1,550.0	3,000.0
Operating Profit	50.0	65.0	115.0
Ordinary Profit	50.0	60.0	110.0
Profit Before Tax	45.0	55.0	100.0
Net Income	32.0	38.0	70.0
Operating ROS	3.4 %	4.2 %	3.8 %
EPS(Yen/Share)	22.7	27.0	49.7

KEY DATA

	FY2008		
	<u>1st Half</u>	<u>2nd Half</u>	<u>Full Year</u>
Global Retail Volume (000)			
Japan	124	133	257
North America	197	203	400
Europe	179	181	360
China	85	95	180
Other Markets	145	138	283
Total	<u>730</u>	<u>750</u>	<u>1,480</u>
Exchange Rates			
Yen / U.S. Dollar	100	100	100
Yen / Euro	150	150	150

KEY DATA

	FY2008		
	<u>1st Half</u>	<u>2nd Half</u>	<u>Full Year</u>
Consol. Wholesales (000)			
Japan	126	134	260
North America	182	211	393
Europe	161	189	350
China	15	14	29
Other Markets	132	126	258
Total	<u><u>616</u></u>	<u><u>674</u></u>	<u><u>1,290</u></u>

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.