



FY2009 THIRD QUARTER RESULTS AND FULL YEAR FORECAST



Mazda2 (Produced at AAT)

Mazda Motor Corporation
February 5, 2010

OUTLINE

- **Highlights**
- **FY2009 Third Quarter Results**
- **FY2009 Full Year Forecast**
- **In Summary**
- **Initiatives for FY2010 and Onward**





HIGHLIGHTS



FY2009 THIRD QUARTER HIGHLIGHTS

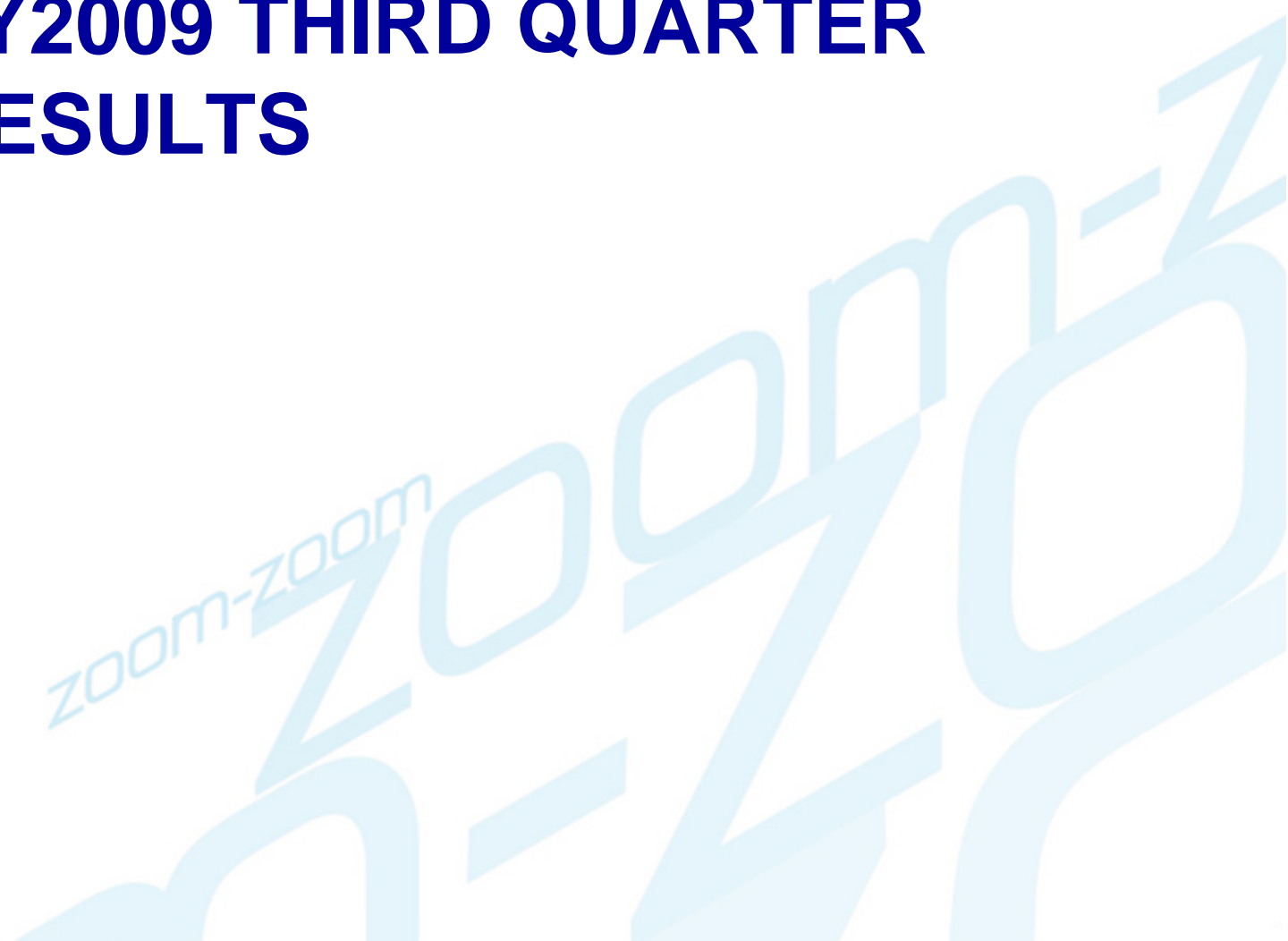
- **Third Quarter**
 - Revenue was ¥557.6 billion, up 9% year-over-year. Operating profit was ¥11.1 billion. Net income was ¥4.4 billion
 - Achieved profitability in all profit categories. These profit levels exceed the second quarter results
 - Achieved positive free cash flow of ¥15.2 billion
 - Due to healthy sales of the new Mazda3, Mazda2 and CX-7, the global retail volume totaled 287,000 units, up 9% year-over-year
- **Implemented a capital increase through a public offering and sale of treasury shares to strengthen the actions for the environment and product safety. Net debt-to-equity ratio also improved**
- **Mazda3 received the best residual value award (in the mid-compact car segment) from Automotive Lease Guide in the USA**
- **Mazda “i-stop” received the Eco-Products Award and won the 2010 RJC Technology of the Year Award in Japan**
- **Successfully launched the production of Mazda2 at the new AAT passenger car plant**

FY2009 FULL YEAR FORECAST HIGHLIGHTS

- Revenue of ¥2,150 billion and an operating profit of ¥5 billion are projected
- Operating profit is revised up by ¥17 billion, and return to profitability is projected
- Secure profitability and also higher profits in all profit categories from the second quarter through the year-end
- Reflecting the successful sales results in China and other markets, the global sales volume is forecasted to total 1,180,000 units, up 25,000 units from the October forecast
- Sales are forecasted to reach a record high in China where the market is growing
- “By changing to the cost structure which ensures profitability even with a strong yen and at 80% plant utilization in Japan”, steadily strengthening the business structure



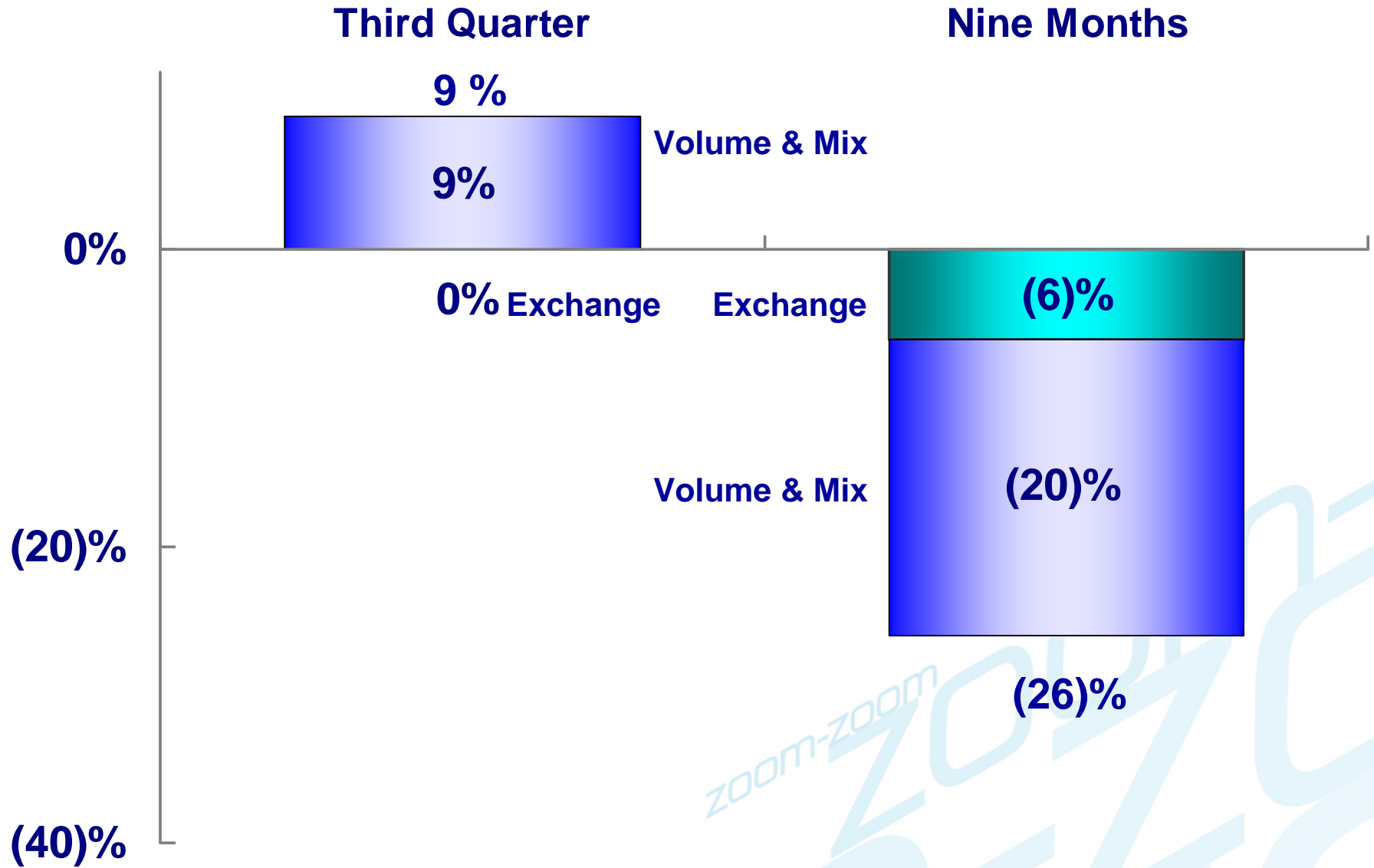
FY2009 THIRD QUARTER RESULTS



FY2009 THIRD QUARTER FINANCIAL METRICS

(Billion yen)	Third Quarter			Nine Months		
	Results	Change from FY2008		Results	Change from FY2008	
		Amount	(%)		Amount	(%)
Revenue	557.6	45.2	9	1,547.9	(540.0)	(26)
Operating profit	11.1	35.3	-	(11.0)	(47.5)	-
Ordinary profit	10.7	7.1	199	(18.9)	(71.0)	-
Profit before tax	10.2	7.1	228	(21.4)	(71.3)	-
Net income	4.4	5.1	-	(16.4)	(45.2)	-
Operating ROS	2.0 %	6.7 pts	-	(0.7) %	(2.4) pts	-
EPS (Yen/Share)	2.7	3.2	-	(11.3)	(32.1)	-

REVENUE CHANGE



ZOOM-ZOOM

CASH FLOW AND NET DEBT

(Billion yen)	FY2009			3Q end
	1-2Q TTL	3Q	1-3Q TTL	Change from FY2008 end
Cash Flow				
- Operating C/F	26.1	20.6	46.7	-
- Investing C/F	(15.9)	(5.4)	(21.3)	-
- Free C/F	10.2	15.2	25.4	-
Net debt	(521.6)	(418.4)	(418.4)	114.2
Net debt-to-equity ratio	129 %	84 %	84 %	45 pts

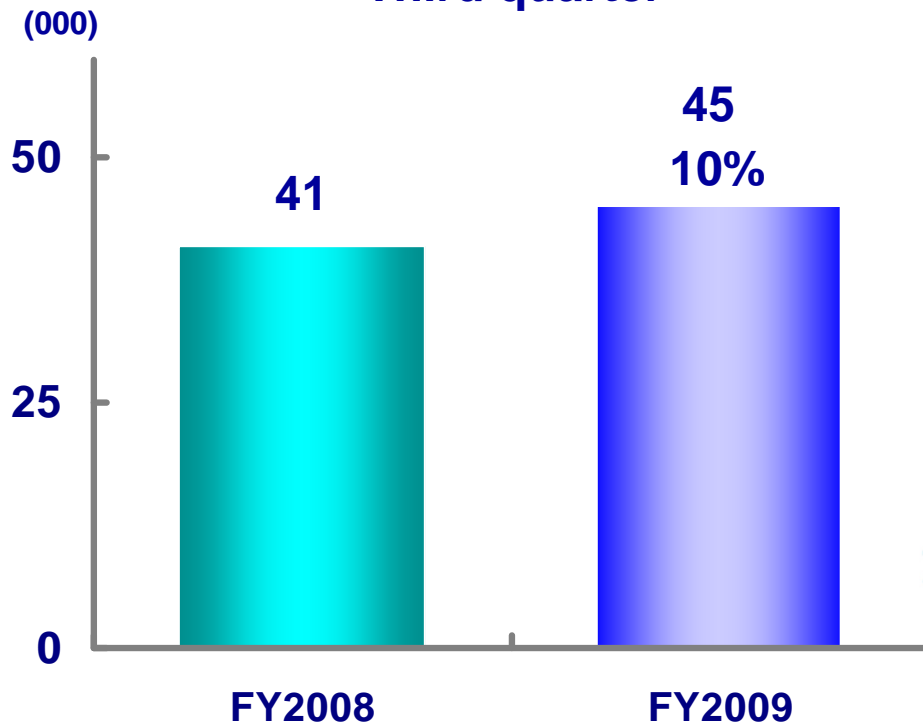
KEY DATA

(000)	Third Quarter			Nine Months		
	Results	Change from FY08		Results	Change from FY08	
		Volume	(%)		Volume	(%)
Global sales volume						
Japan	45	4	10	150	(14)	(9)
North America	70	(1)	(3)	228	(43)	(16)
Europe	53	(10)	(15)	176	(66)	(27)
China	57	23	68	142	45	46
Other	62	8	17	168	(22)	(12)
Total	287	24	9	864	(100)	(10)
Exchange rate						
Yen / U.S. Dollar	90	(6)	-	94	(9)	-
Yen / Euro	133	6	-	133	(18)	-

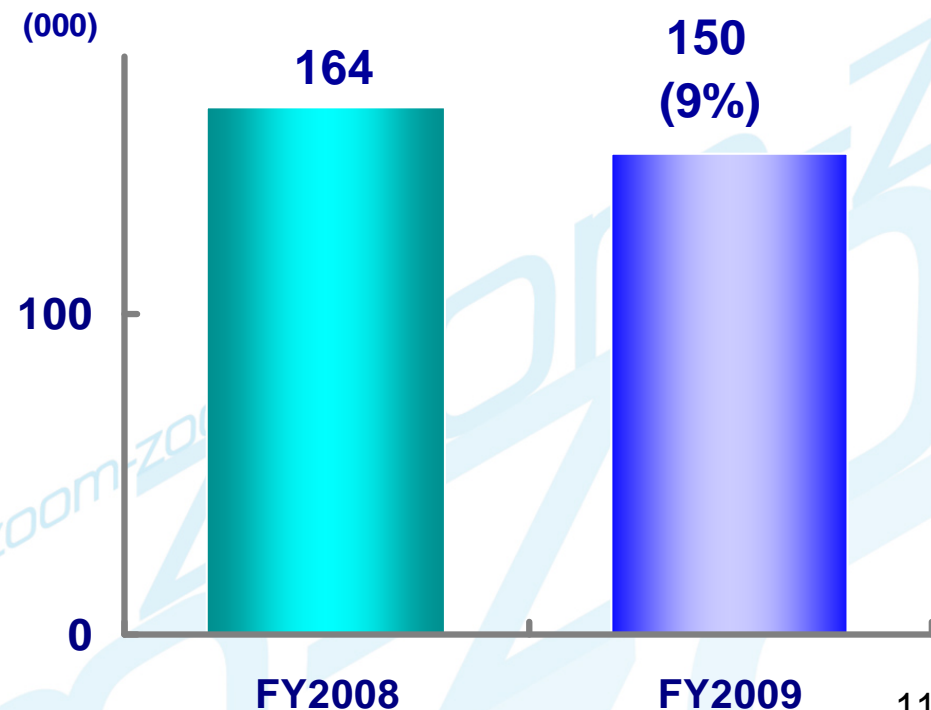
JAPAN

- Third quarter sales grew 10% compared to the prior year
- Sales of the new Mazda Axela have exceeded monthly sales target since its launch and maintained strong sales
- Mazda i-stop has been highly acclaimed and received the Eco-Products Award and 2010 RJC Technology of the Year Award

Third quarter

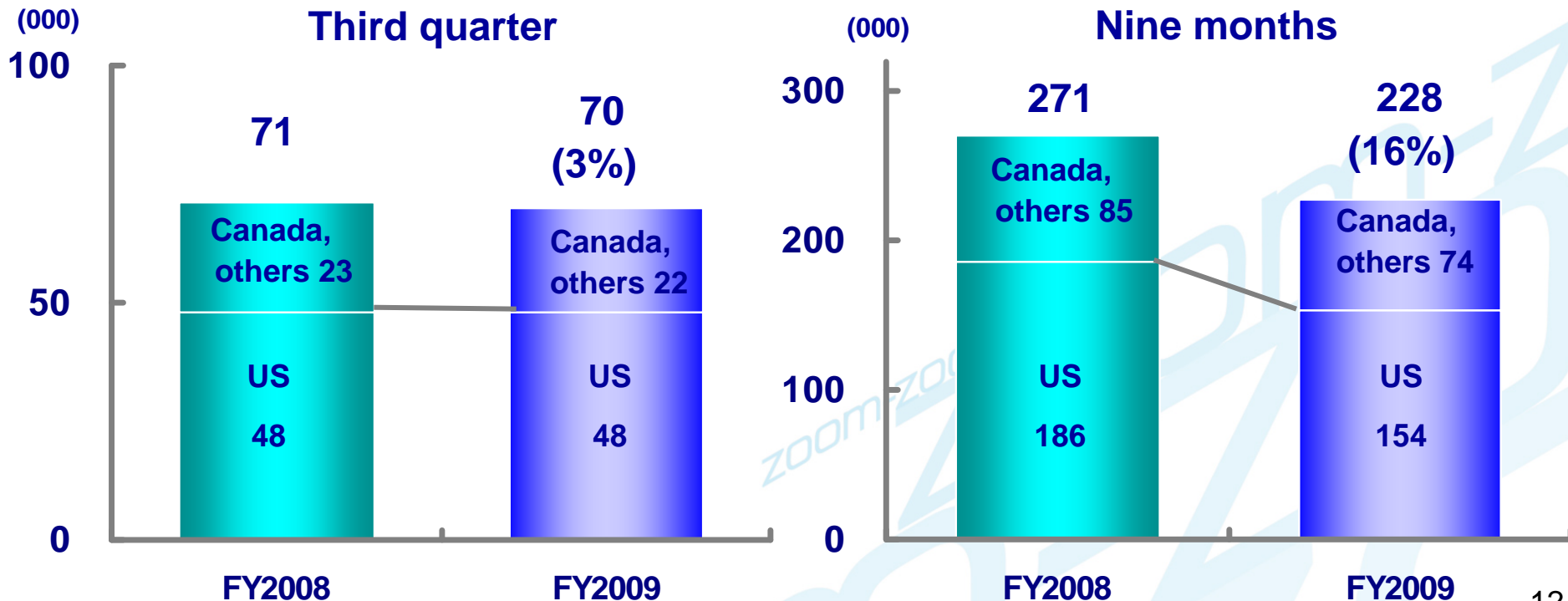


Nine months



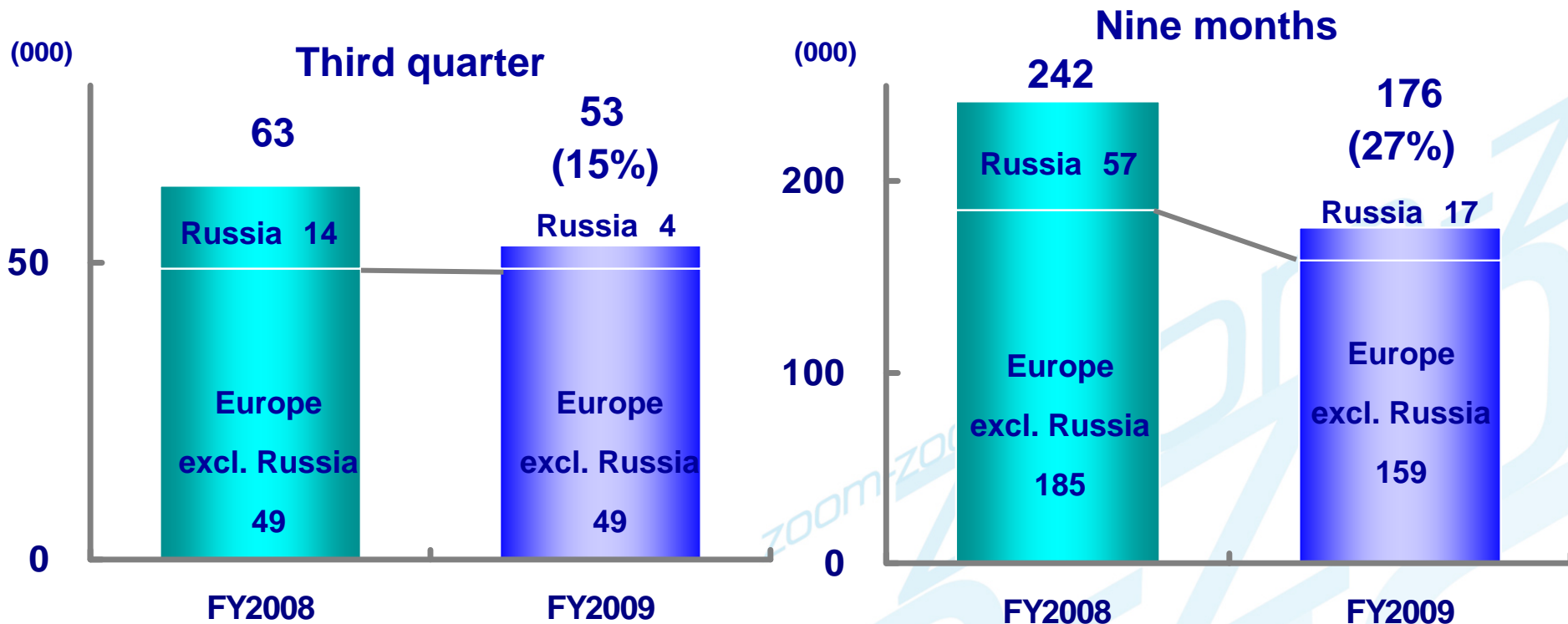
NORTH AMERICA

- Third quarter US sales recovered to the prior year's level
- The Mazda3 won the Automotive Lease Guide Residual Value Award for the mid-compact segment. Overall, the Mazda brand improved to 3rd place, up from 6th place last year
- Residual value in Canada also improved and Mazda was ranked 3rd among non-premium brands. Mazda's brand value in North America has steadily improved
- In the US in CY2009, Mazda maintained its 2.0% share while reducing fleet sales by 35%
- Mexico achieved a record share of 2.5% in CY2009



EUROPE

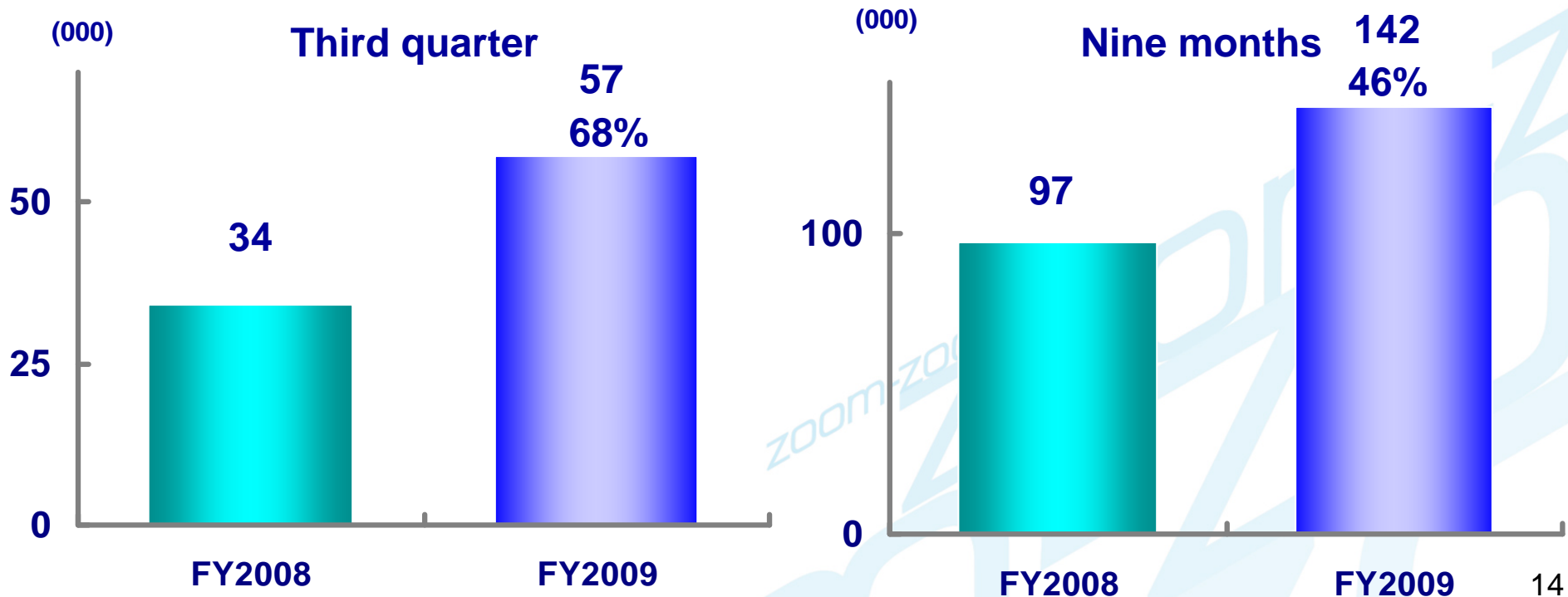
- Improve brand value
- Third quarter sales excluding Russia remained almost the same level as prior year
- UK recorded successive monthly record sales in November and December
- Introduced the Mazda CX-7 clean diesel model that complies with Euro5 emission regulations, the first vehicle produced by a Japanese automaker to be equipped with urea SCR system(*1)



*1: Urea SCR system is an exhaust gas purifying system which sprays aqueous urea into the exhaust pipe before the catalyst and the urea purifies NOx into harmless nitrogen through chemical reaction with exhaust gas.

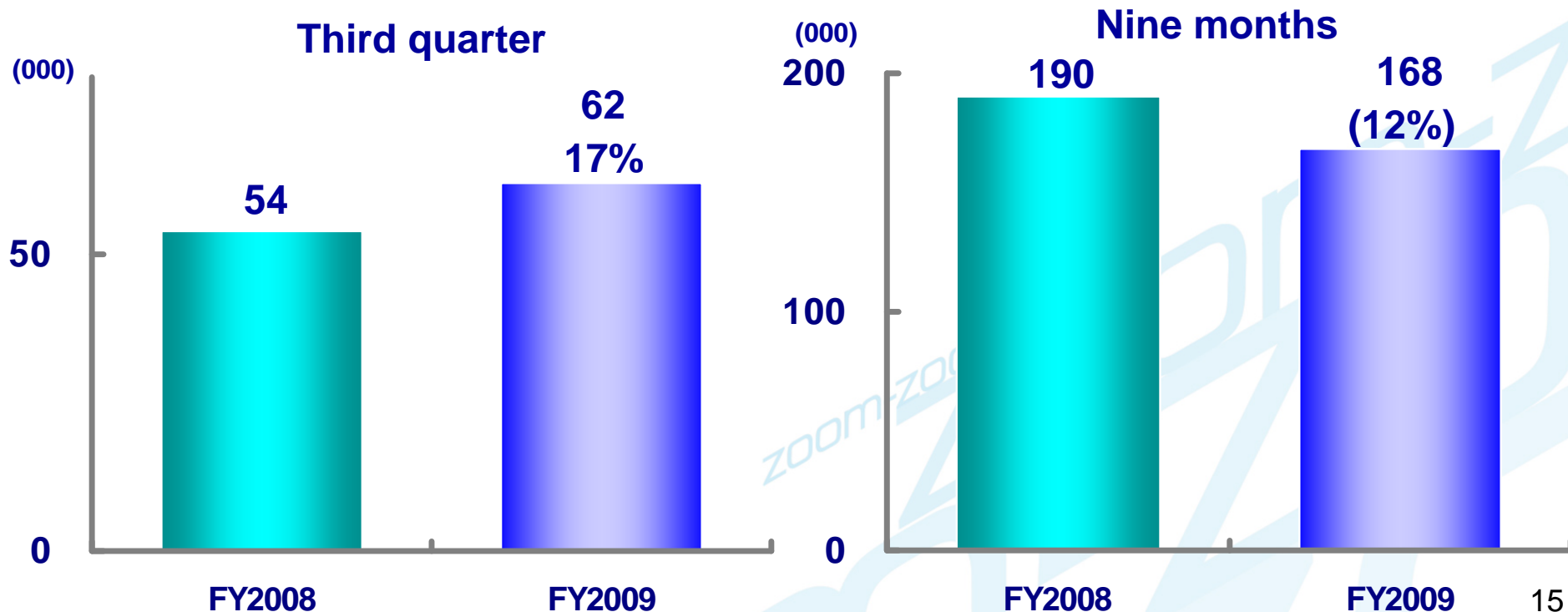
CHINA

- Third quarter sales were 57,000 units, up 68% on the prior year. The sales of the first nine months this fiscal year grew 46% to 142,000 units
- Since November, China has become Mazda's largest single market
- Mazda6 sales substantially increased with the introduction of the new model
- Enhanced promotion of the product lineup including the Mazda CX-7 introduction
- Sales network enhancement is on track. The number of outlets increased by 33 from end of last March to a total of 254



OTHER MARKETS

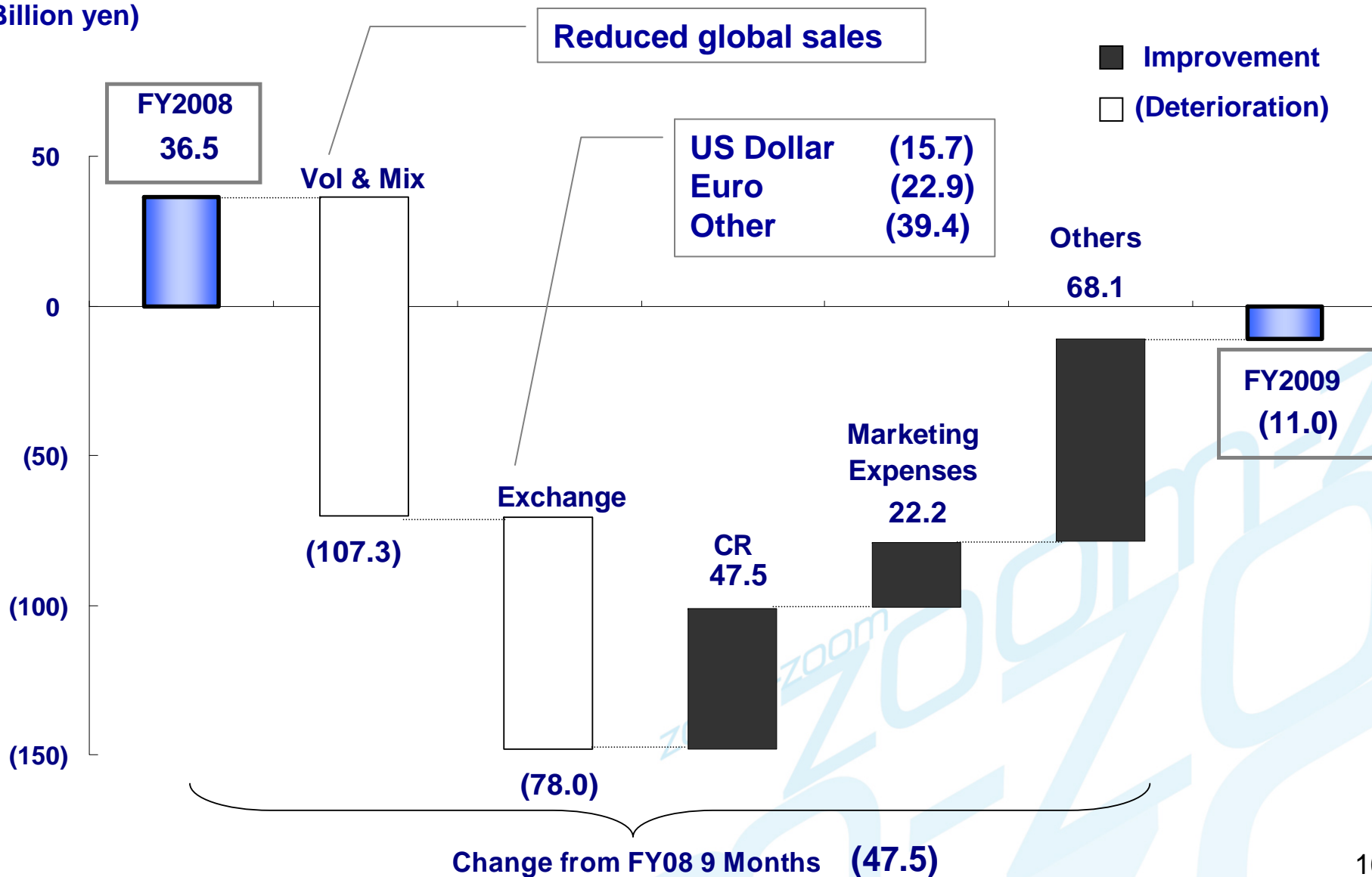
- Third quarter sales achieved growth of 17% over the prior year due to strong results in Australia, Israel, Thailand, Taiwan and others
- Australia third quarter sales were up 14% from the prior year and in CY2009 recorded its highest share of 8.3%, up 0.4 percentage points compared to the prior year. Thailand, New Zealand and Israel achieved their highest 3Q shares
- Strong sales continued in Israel mainly with the new Mazda3. Mazda was the top selling brand in Israel for the 14th consecutive year



OPERATING PROFIT CHANGE

FY2009 Nine Months Compared With FY2008 Nine Months

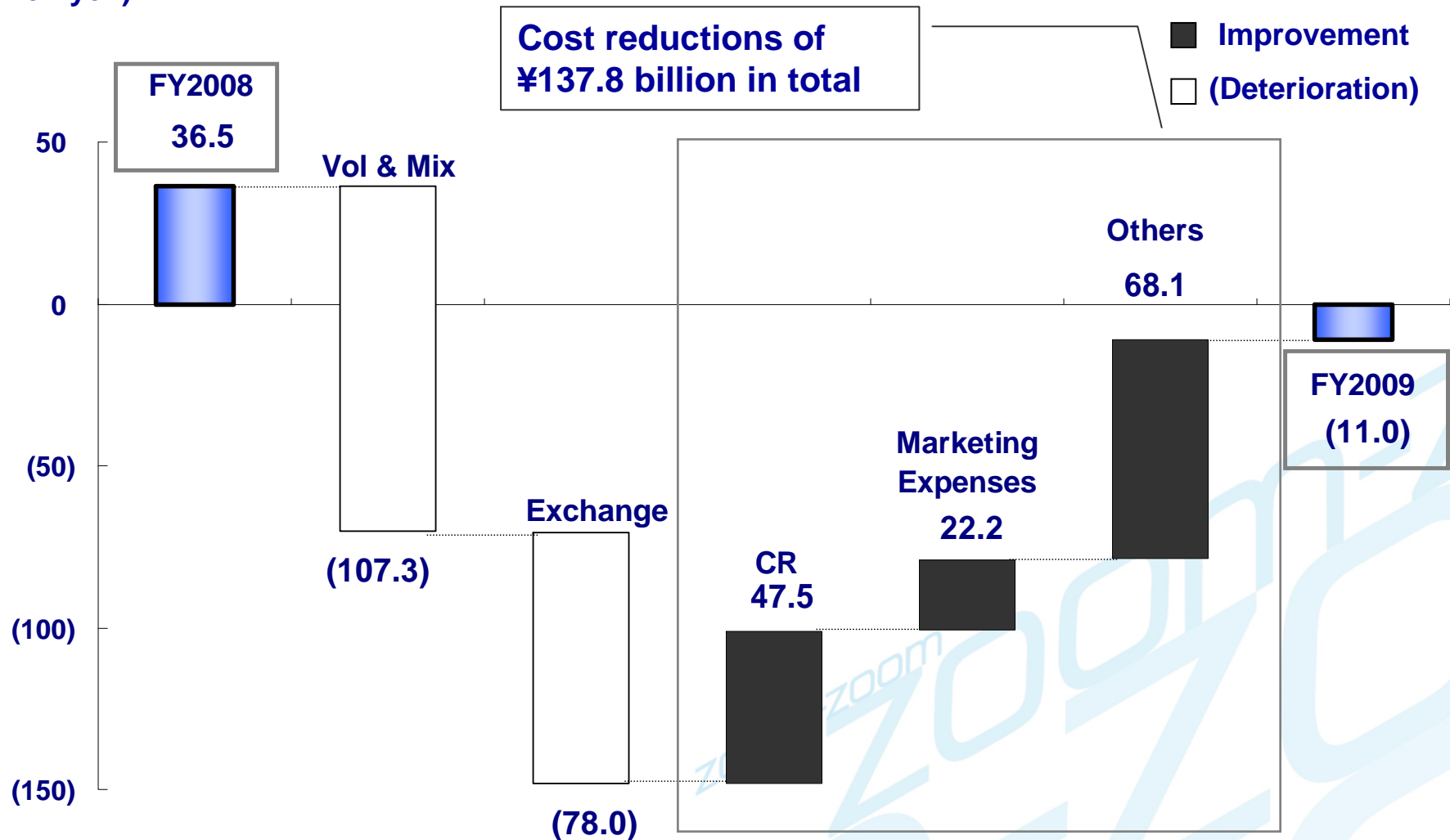
(Billion yen)



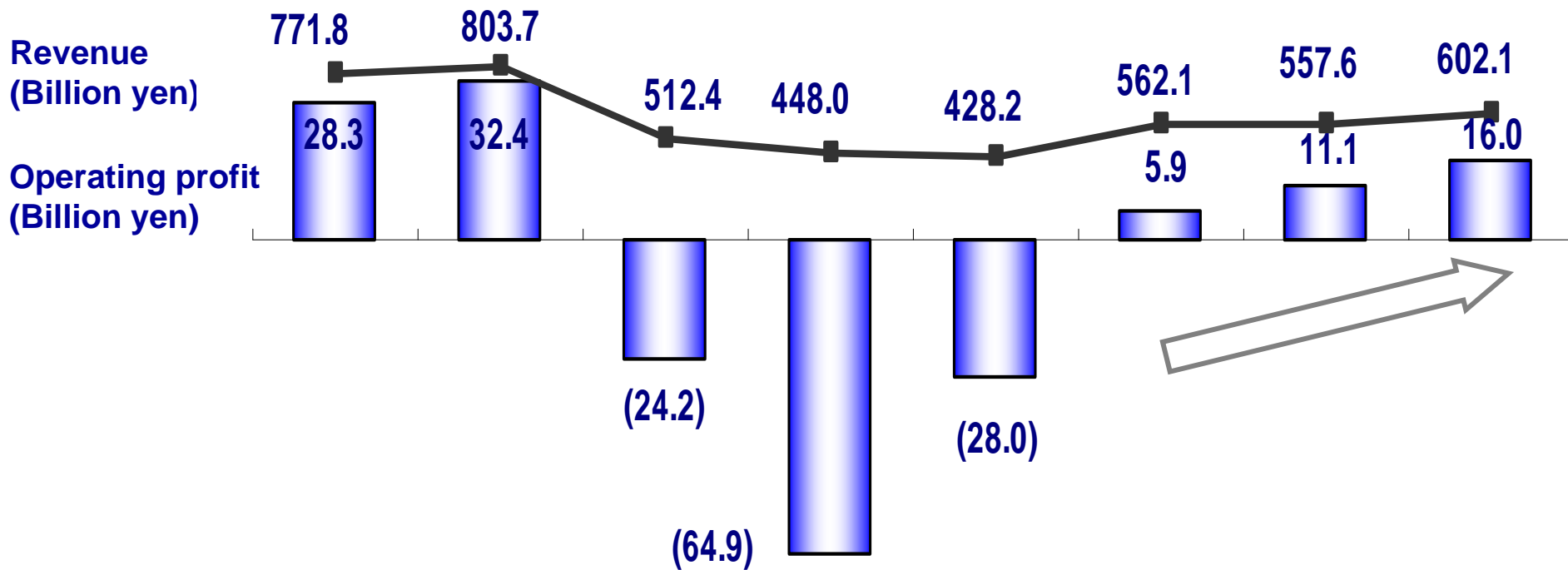
OPERATING PROFIT CHANGE

FY2009 Nine Months Compared With FY2008 Nine Months

(Billion yen)



REVENUE AND PROFIT TREND



(000)

	FY2008				FY2009			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q plan

Global sales volume	358	343	263	297	263	314	287	316
Global production volume	353	352	302	172	235	310	316	319
Consolidated wholesales	318	330	243	225	181	250	243	276
Total inventory increase/(reduction)	(5)	9	39	(125)	(28)	(4)	29	3



FY2009 FULL YEAR FORECAST



FY2009 FINANCIAL METRICS

(Billion yen)	FY2009					Change from	
	1Q	2Q	3Q	4Q plan	Full Year	FY08	Oct Fcst
Revenue	428.2	562.1	557.6	602.1	2,150.0	(385.9)	20.0
Operating profit	(28.0)	5.9	11.1	16.0	5.0	33.4	17.0
Ordinary profit	(32.7)	3.1	10.7	18.9	0.0	18.7	16.0
Profit before tax	(33.5)	1.9	10.2	15.4	(6.0)	45.3	15.0
Net income	(21.5)	0.7	4.4	7.4	(9.0)	62.5	8.0
Operating ROS	(6.5)%	1.1%	2.0%	2.7%	0.2%	1.3 Pts	0.8 Pts
EPS(Yen/Share)	(16.4)	0.5	2.7	4.2	(5.9)	46.2	7.0

KEY DATA

(000)	FY2009			Change from FY08			Full Year Change from Oct Fcst
	1-2Q TTL	3-4Q TTL	Full Year	1-2Q TTL	3-4Q TTL	Full Year	
Global sales volume							
Japan	105	113	218	(18)	17	(1)	0
North America	158	143	301	(42)	(4)	(46)	0
USA	106	101	207	(32)	(1)	(33)	(6)
Europe	123	115	238	(56)	(28)	(84)	0
China	85	109	194	22	37	59	9
Other	106	123	229	(30)	21	(9)	16
Total	577	603	1,180	(124)	43	(81)	25
Exchange rates							
Yen / U.S. Dollar	96	89	92	(10)	(6)	(9)	0
Yen / Euro	133	130	132	(30)	5	(12)	0

OPERATING PROFIT CHANGE

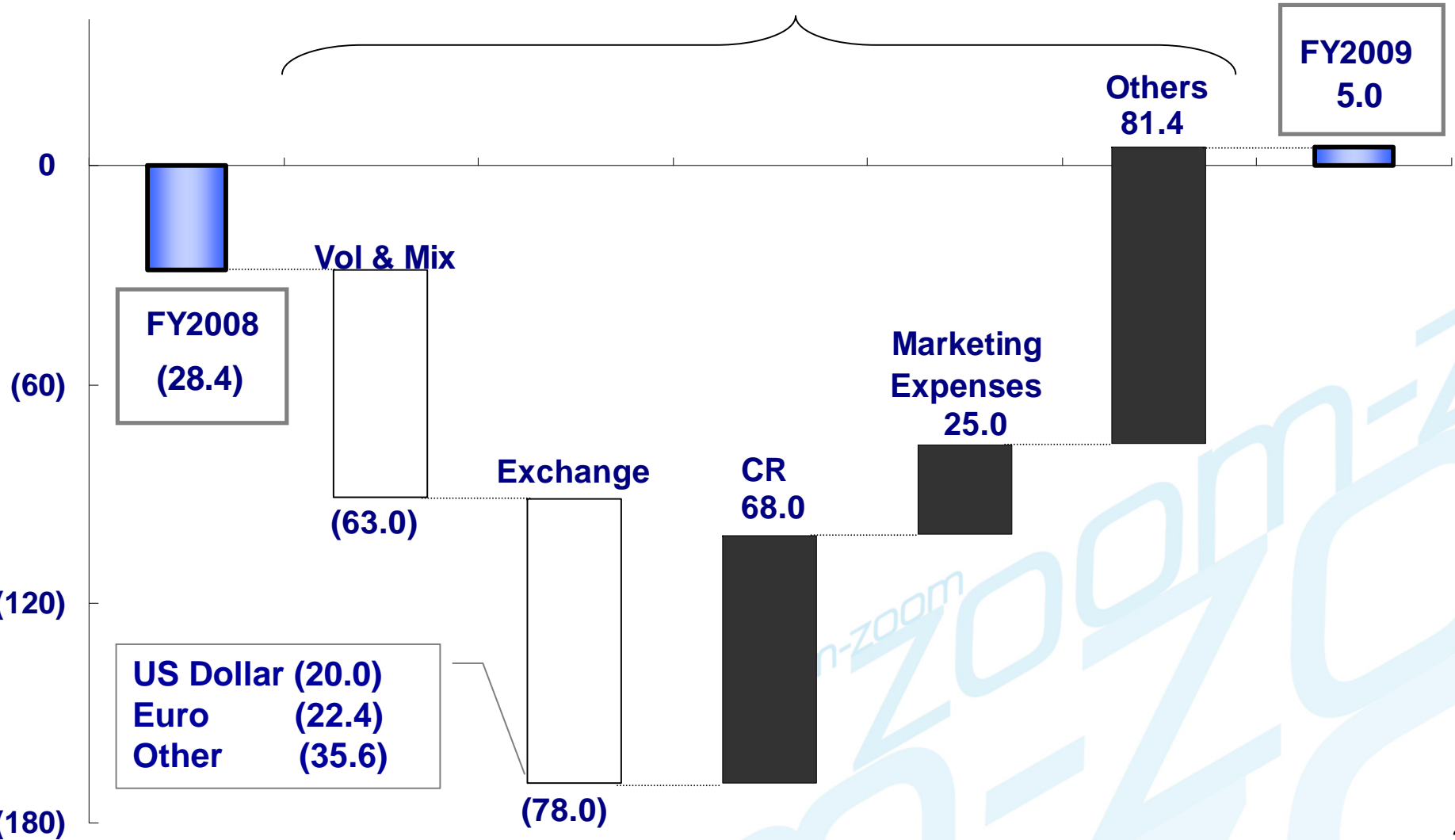
FY2009 Full Year Compared With FY2008 Full Year

(Billion yen)

■ Improvement
□ (Deterioration)

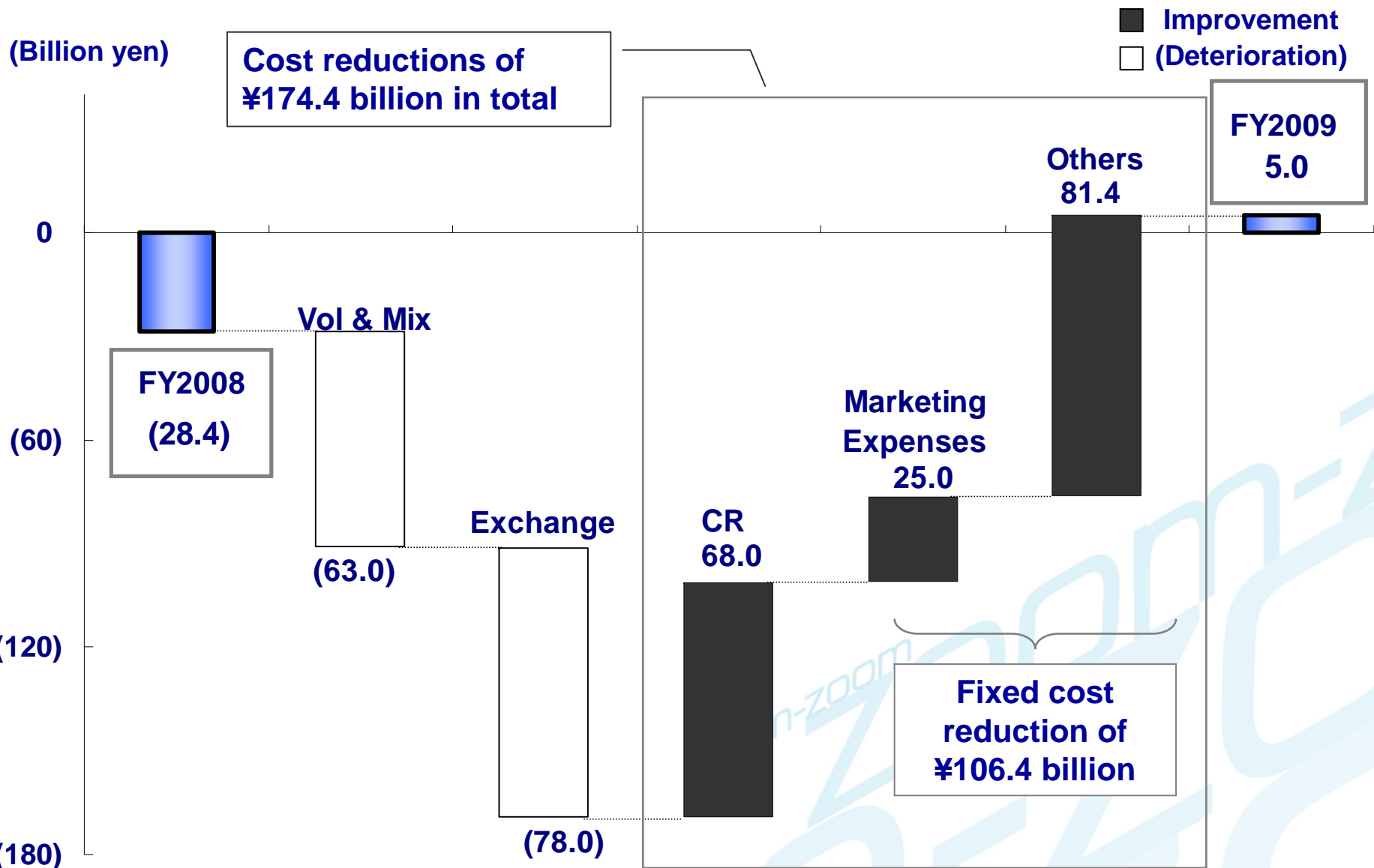
Change from FY08 + 33.4

FY2009
5.0



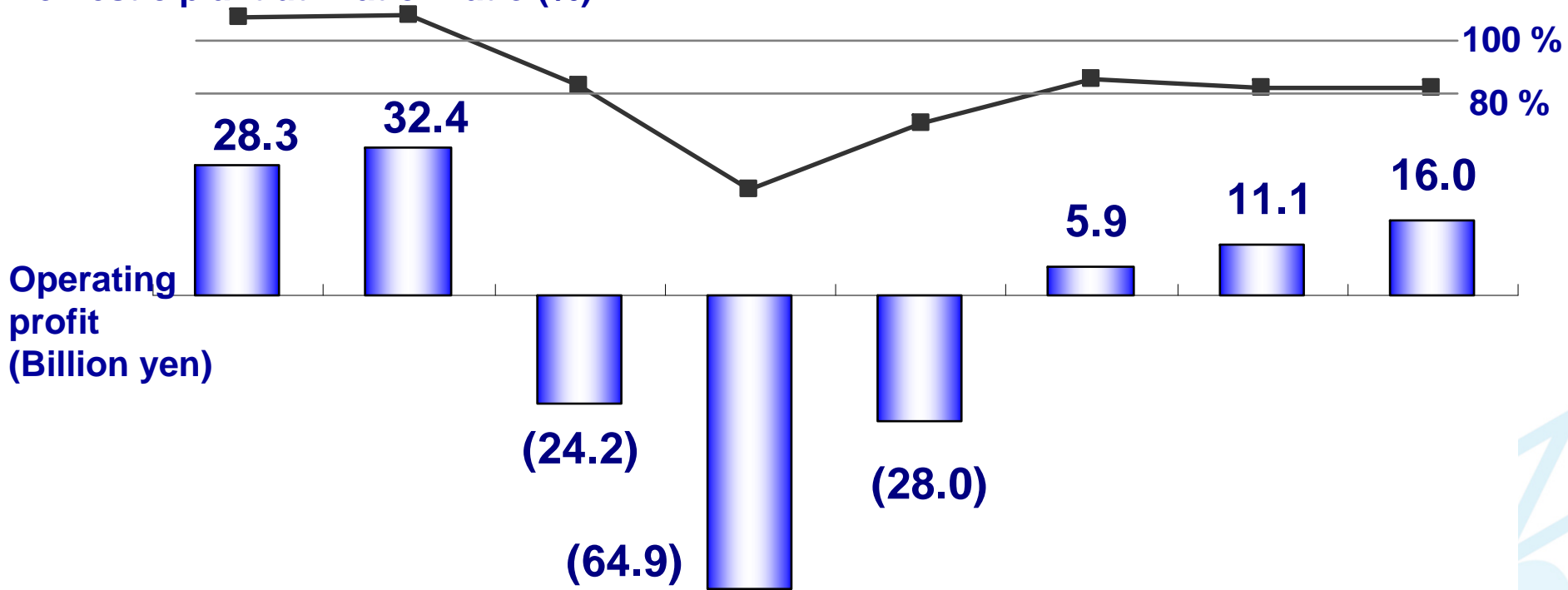
OPERATING PROFIT CHANGE

FY2009 Full Year Compared With FY2008 Full Year



CHANGE TO A COST STRUCTURE WHICH ENSURES PROFITABILITY WHEN PLANTS ARE OPERATING AT 80% CAPACITY / STRENGTHEN BUSINESS STRUCTURE

Domestic plant utilization ratio (%)



	FY2008				FY2009			
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	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q plan
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US Dollar	105	108	96	94	97	94	90	88
Euro	163	162	127	122	133	134	133	127



IN SUMMARY



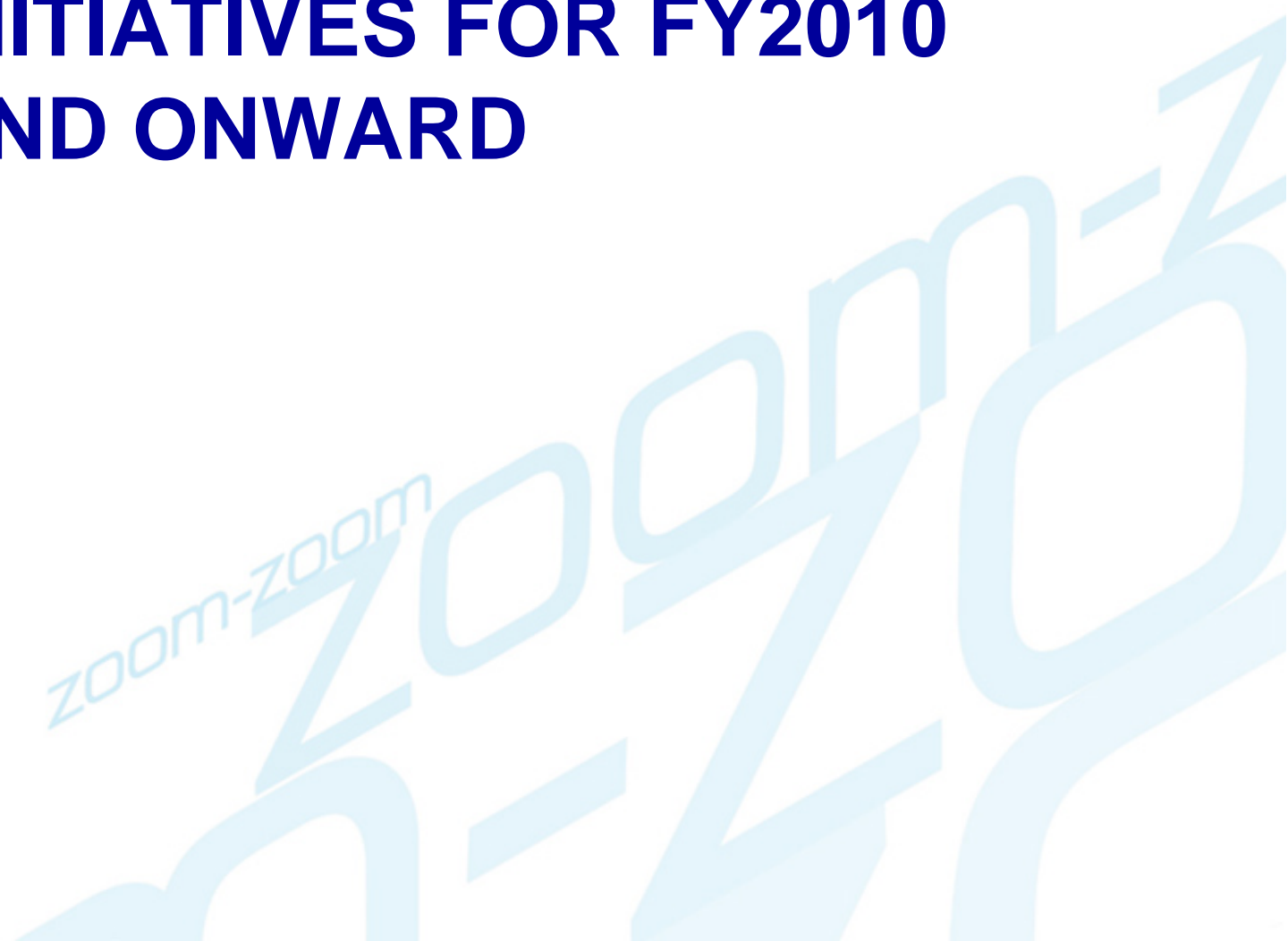
IN SUMMARY

- Secured profitability in all profit categories in the third quarter following the second quarter. These profit levels exceeded the second quarter results; positive cash flow maintained
- Operating profit for the full year is forecasted at ¥5 billion in a return to profitability
- Secure profitability in all profit categories from the second quarter through the year-end, and raise profit levels
- Global sales volume is forecasted to total 1,180,000 units, up 25,000 units compared to the October forecast, reflecting successful sales results in China and other markets
- Full year fixed cost reduction is projected to be ¥106.4 billion, exceeding the target set at the beginning of fiscal year
- Changed to a cost structure which ensures the profitability at 80% plant utilization in Japan and strengthening the business structure
- Year-end dividend plan is ¥3 per share



INITIATIVES FOR FY2010 AND ONWARD

zoom-zoom



INITIATIVES FOR FY2010 AND ONWARD

- **Continue profitability momentum through drastic structural reforms led by Monotsukuri Innovation**
- **While “improving brand value”, continue our product-led growth**
- **Strengthen production and sales initiatives in growing markets such as China and ASEAN**
- **Promote developments of the next generation powertrains based on the Mazda SKY concept and new generation products that will be launched in 2011 and onward**
- **Strengthen the environmental actions based on the Building Block Concept which introduces i-stop as Step 1**
- **Maintain the strategic alliance with Ford**
- **Further strengthen a streamlined and lean business structure**



mazda

zoom-zoom
zoom-zoom-z

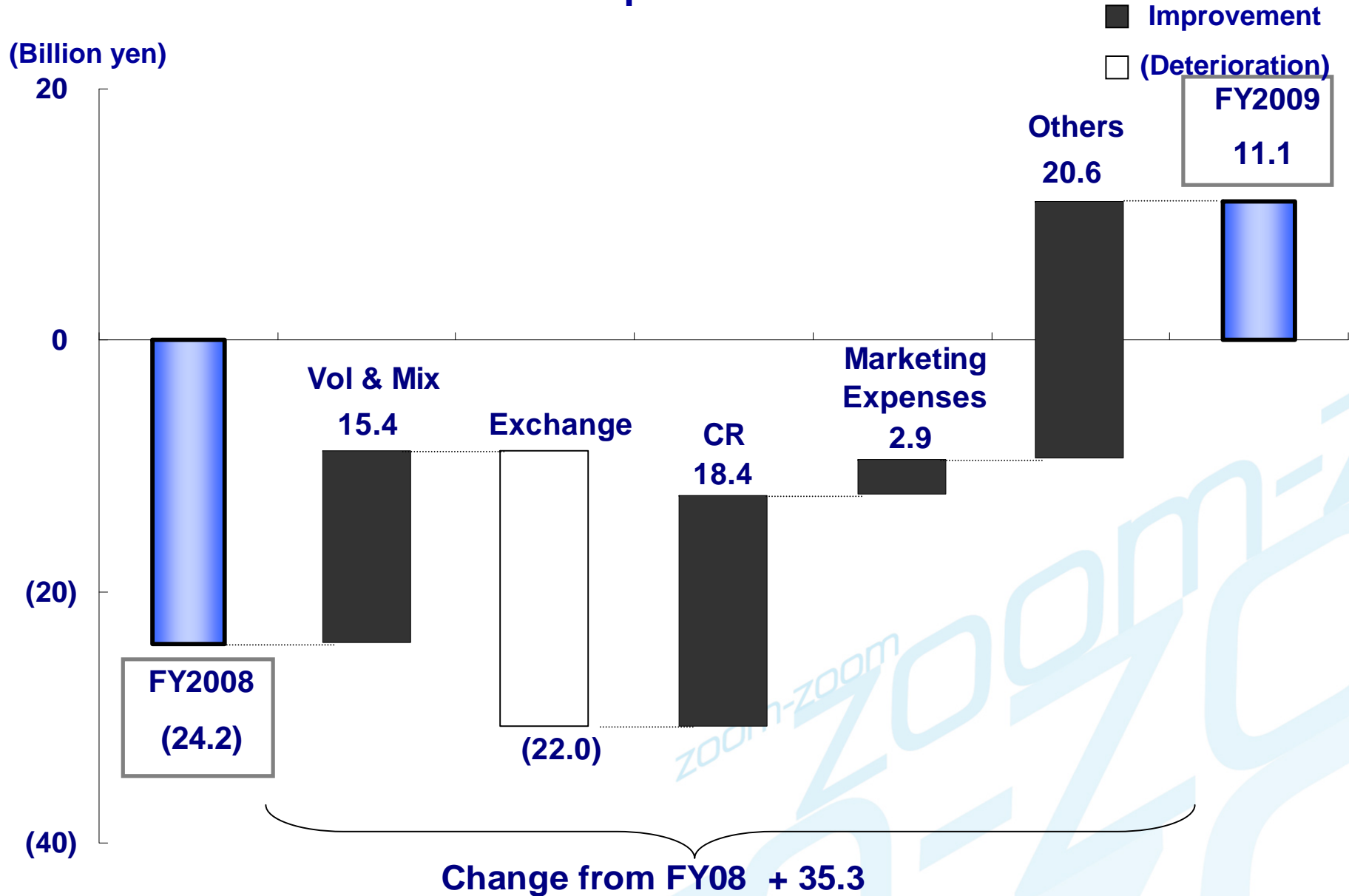


APPENDIX

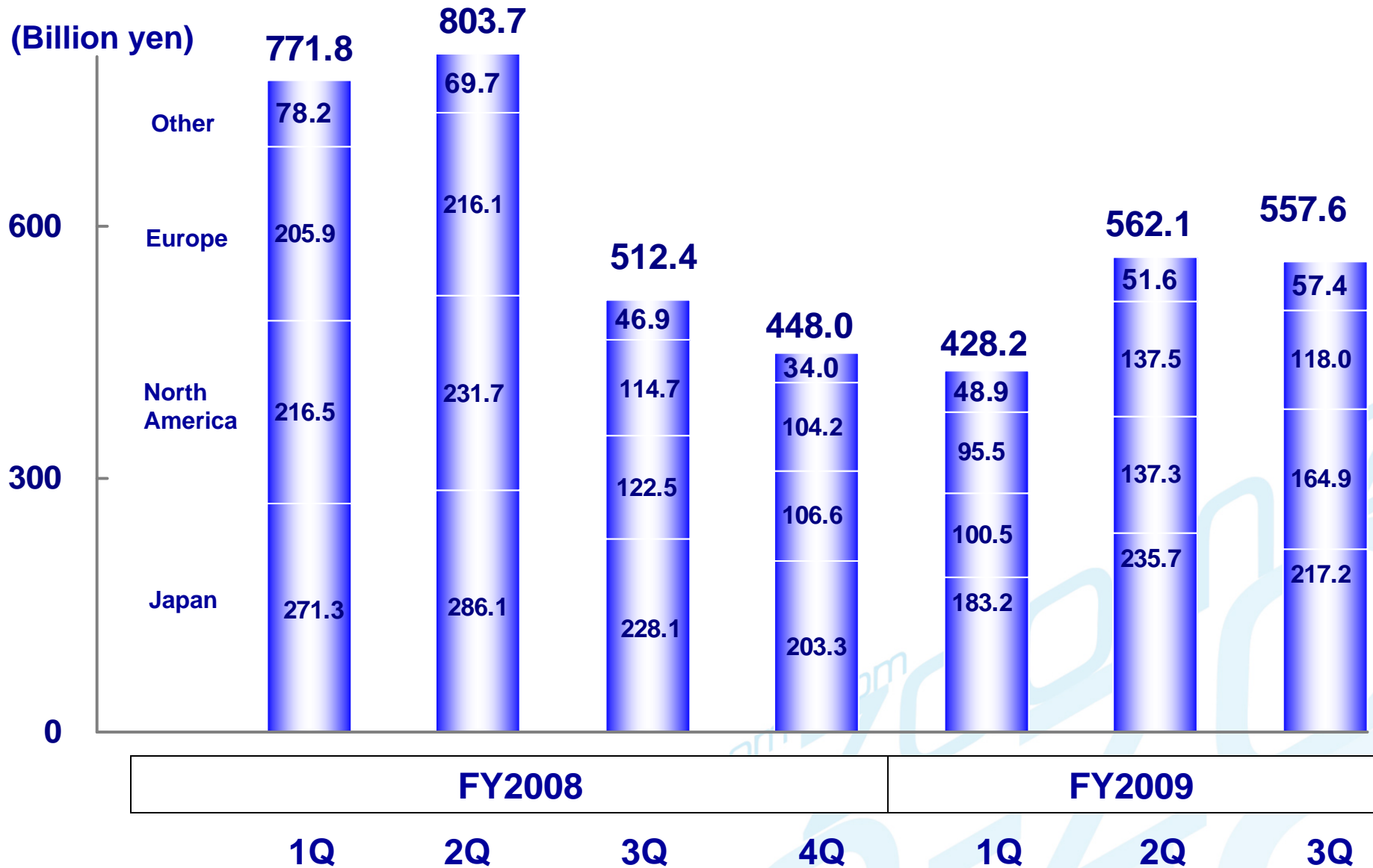


OPERATING PROFIT CHANGE

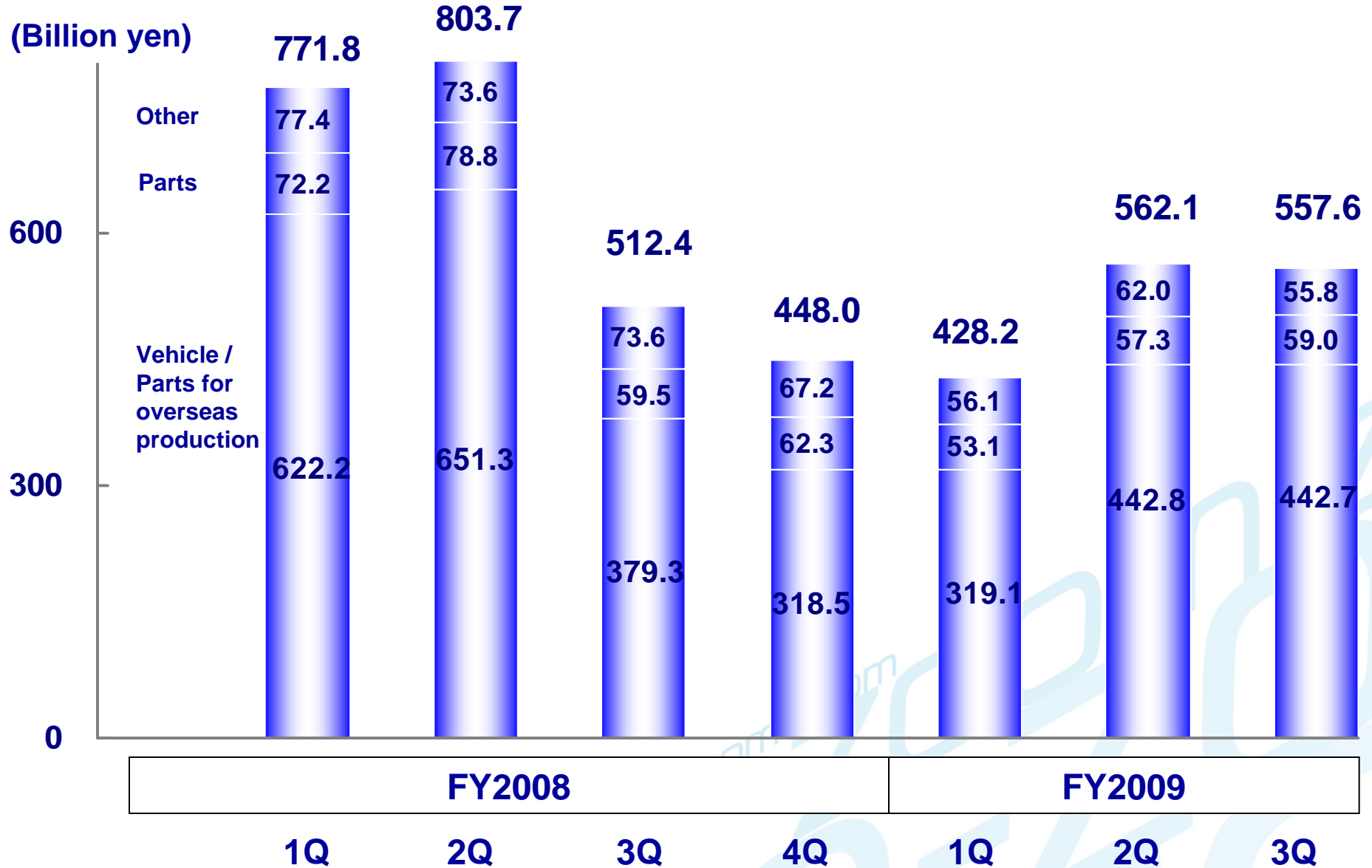
FY2009 Third Quarter Compared With FY2008 Third Quarter



REVENUE BY GEOGRAPHIC AREA

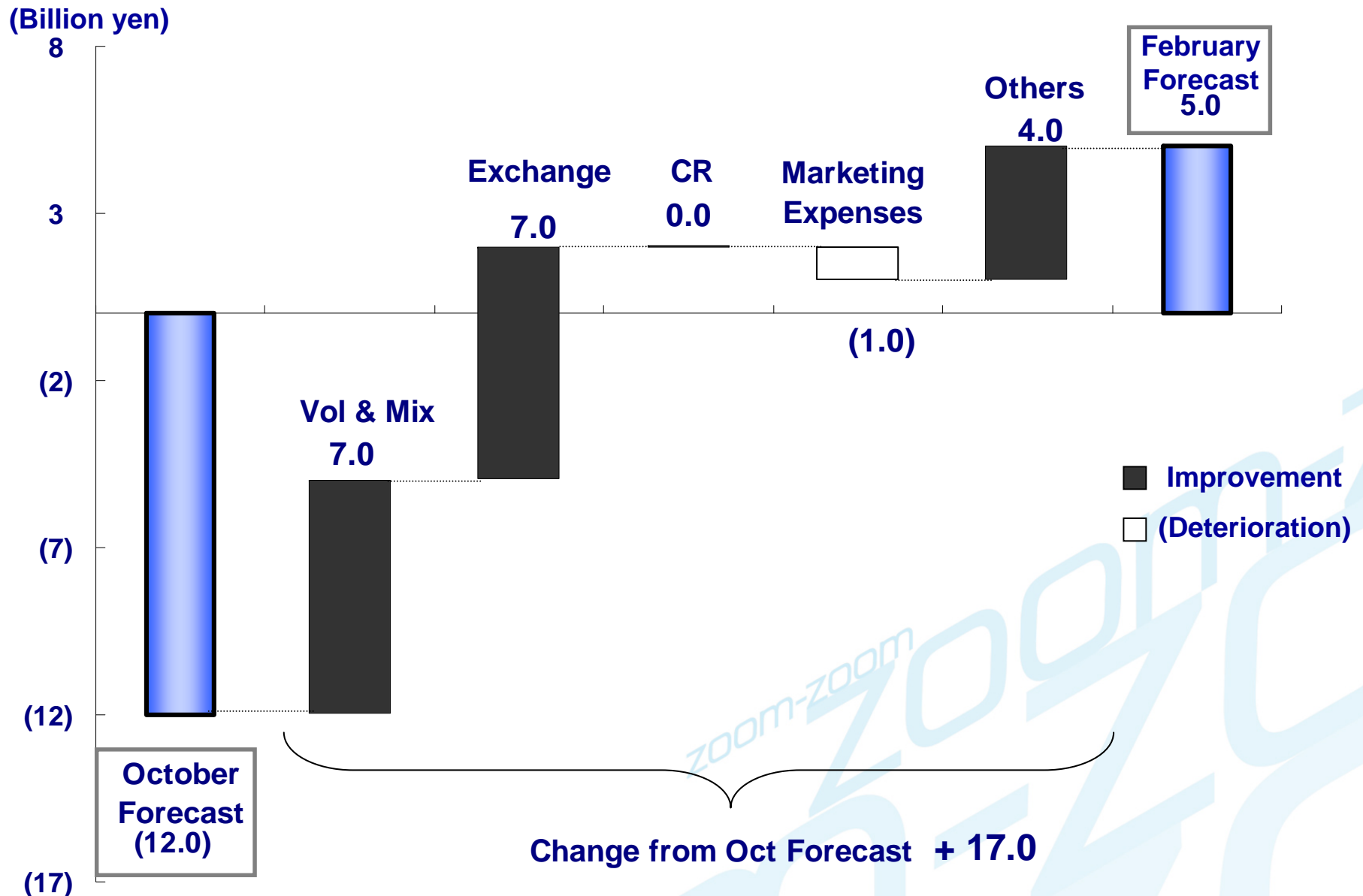


REVENUE BY PRODUCT



OPERATING PROFIT CHANGE

FY2009 Feb Forecast Compared With FY2009 Oct Forecast

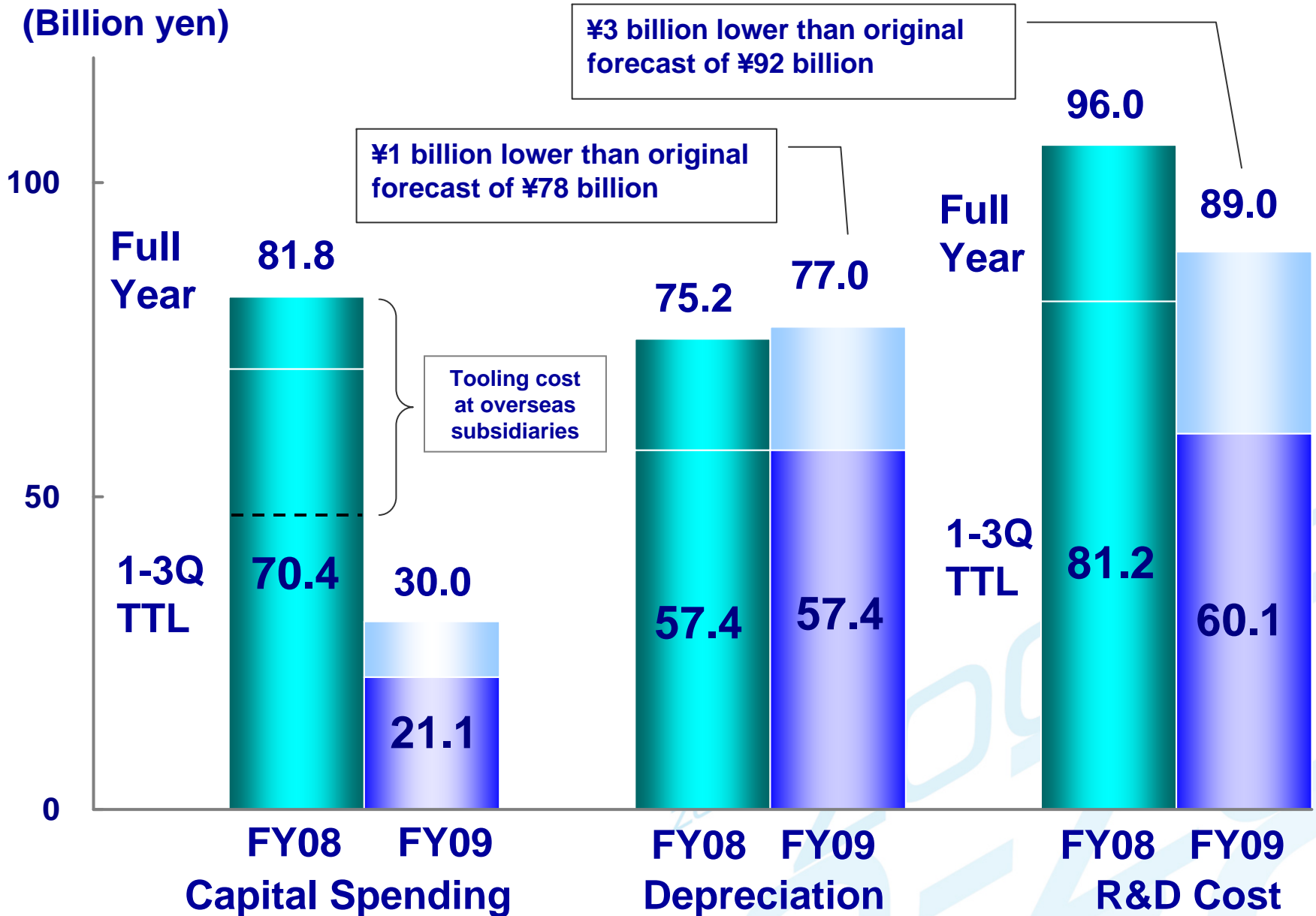


KEY DATA

(000)	FY2009			Change from		
				3Q	Full Year	
	3Q	1-3Q TTL	Full Year	FY2008	FY2008	Oct Pub
Consolidated Wholesales						
Japan	45	150	218	0	(2)	0
North America	87	213	300	17	(48)	10
Europe	54	163	222	(7)	(71)	(3)
China	3	8	15	(2)	(2)	0
Other	54	140	195	(8)	(43)	13
Total	243	674	950	0	(166)	20

KEY DATA

(Billion yen)



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.

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