

MAZDA MOTOR CORPORATION

FY2001 RESULTS & FY2002 PROJECTION

MAY 15, 2002



PRESENTATION OUTLINE

- ❑ **FY2001 Results**
- ❑ **FY2002 Forecast**
- ❑ **Millennium Plan**
 - **FY2002 Deliverables**
 - **Growth Targets**
 - **Tactical Revisions**
- ❑ **Corporate Governance**
- ❑ **Attachments**



FY2001 RESULTS



FY2001 OVERVIEW

- ❑ **FY2001 Results In Line With April Guidance**
- ❑ **Profitable At All Levels – A Record YOY Turnaround**
- ❑ **Performance Drivers – Non-Recurrence Of FY2000 Restructuring Charges, FY2001 Cost Reductions, Weaker Yen & Subsidiary Results**
- ❑ **Positive Cash Flow Of ¥306 Oku**
- ❑ **Final Dividend Of ¥2 Per Share**



FINANCIAL METRICS

(Oku yen)	Actual	Better Than	
	<u>FY2001</u>	<u>Nov.</u>	<u>Prior Year</u>
Revenue	20,949	49	791
Operating Profit	285	115	434
Ordinary Profit	192	172	489
Profit Before Tax	155	85	2,579
Net Income	88	75	1,640
Return On Sales	0.4 %	0.3 Pts	8.1 Pts
Return On Assets	0.5 %	0.4 Pts	10.4 Pts
Cash Flow	306	256	NA
Net Debt	4,569	30	277



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NET DEBT & CASH FLOW

(Oku yen)	Actual FY2001	Better/(Worse) Than	
		Nov.	Prior Year End
Cash & Cash Equivalents	2,294	131	(632)
Borrowing	6,863	(101)	909
NET DEBT	4,569	30	277
CASH FLOW	306	256	NA
Net Debt-To-Equity	264 %	23 Pts	41 Pts
Capital Spending	566	64	(94)
DIVIDEND PER SHARE	2	-	2



IN SUM

- ❑ **FY2001 Performance Versus Prior Year Very Balanced -- Driven By Lower Costs, Meeting Volumes, and Weaker Yen**
- ❑ **Profitability Broad-Based – Most Operations In The Black**
- ❑ **Continued To Reduce Net Debt**
- ❑ **Ready To Move To Next Phase Of Millennium Plan -- Growth**



FY2002 FULL YEAR OUTLOOK



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FY2002 OVERVIEW

- ❑ **Year Of Growth -- Revenue Up 7% & Volume Up 6%**
- ❑ **Operating Profit Up 80%, To ¥510 Oku & Net Income More Than Doubled, To ¥200 Oku**
- ❑ **Public Intro Of Freshened MPV, All-New Mazda Atenza/Mazda6, All-New Small Car & Freshened 1-Ton Pickup. Job #1 Of RX-8 and AAI Mazda6**
- ❑ **Positive Cash Flow Of ¥400 Oku**
- ❑ **Final Dividend Planned**



KEY ASSUMPTIONS

	<u>Proj.</u> <u>FY2002</u>	<u>B/(W) Than</u> <u>Prior Year</u>
<u>INDUSTRY VOLUME (000)</u>		
Japan	5,700	(119)
U.S.	16,545	(382)
Western Europe	16,191	(873)
<u>MARKET SHARES (PCT.)</u>		
Japan	5.2 %	0.6 Pts
U.S.	1.6	0.0
Western Europe	1.1	0.2
<u>WHOLESALES & PROD. (000)</u>		
Consolidated Wholesales	1,001	53
Consolidated Production	1,001	60
<u>EXCHANGE RATES</u>		
Yen Per U.S. Dollar	125.0	0.0
Yen Per Euro	115.0	4.6



PRODUCT & MARKETING ACTIONS

GLOBAL	1st Half	2nd Half
Brand Communication Strategy "Zoom-Zoom"		
New Product Launch Strategy		
Customer Satisfaction Program		
Retail Transformation Initiatives		
JAPAN		
All-New Powertrains/Freshened MPV		
All-New Atenza		
Freshened Premacy		
All-New Small Car		
Freshened Roadster		
NORTH AMERICA		
All-New Powertrains/Freshened MPV		
Mazdaspeed Protégé		
Freshened Miata		
EUROPE		
All-New Powertrains/Freshened MPV		
All-New Mazda6		
Freshened MX-5		
Premacy 3-Row Version		



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INITIATIVES IN JAPAN

PRODUCT	1st Half	2nd Half
All-New Powertrains/Freshened MPV		
All-New Atenza		
Freshened Premacy		
All-New Small Car		
Freshened Roadster		
MARKETING		
Experiential Marketing Programs		
Customer Relationship Marketing Initiatives		
Internet Marketing Strategy		
COMMUNICATION		
Brand Communication Strategy "Zoom-Zoom"		
Innovative PR Activities - Zoom-Zoom Experience		
SALES		
Used Car Sales Enhancement		
CRM Enhancement - Unified Customer Database		
CS Improvement - "Mazda Excellent II"		
Renewal of Dealer Facility / CI Signs		



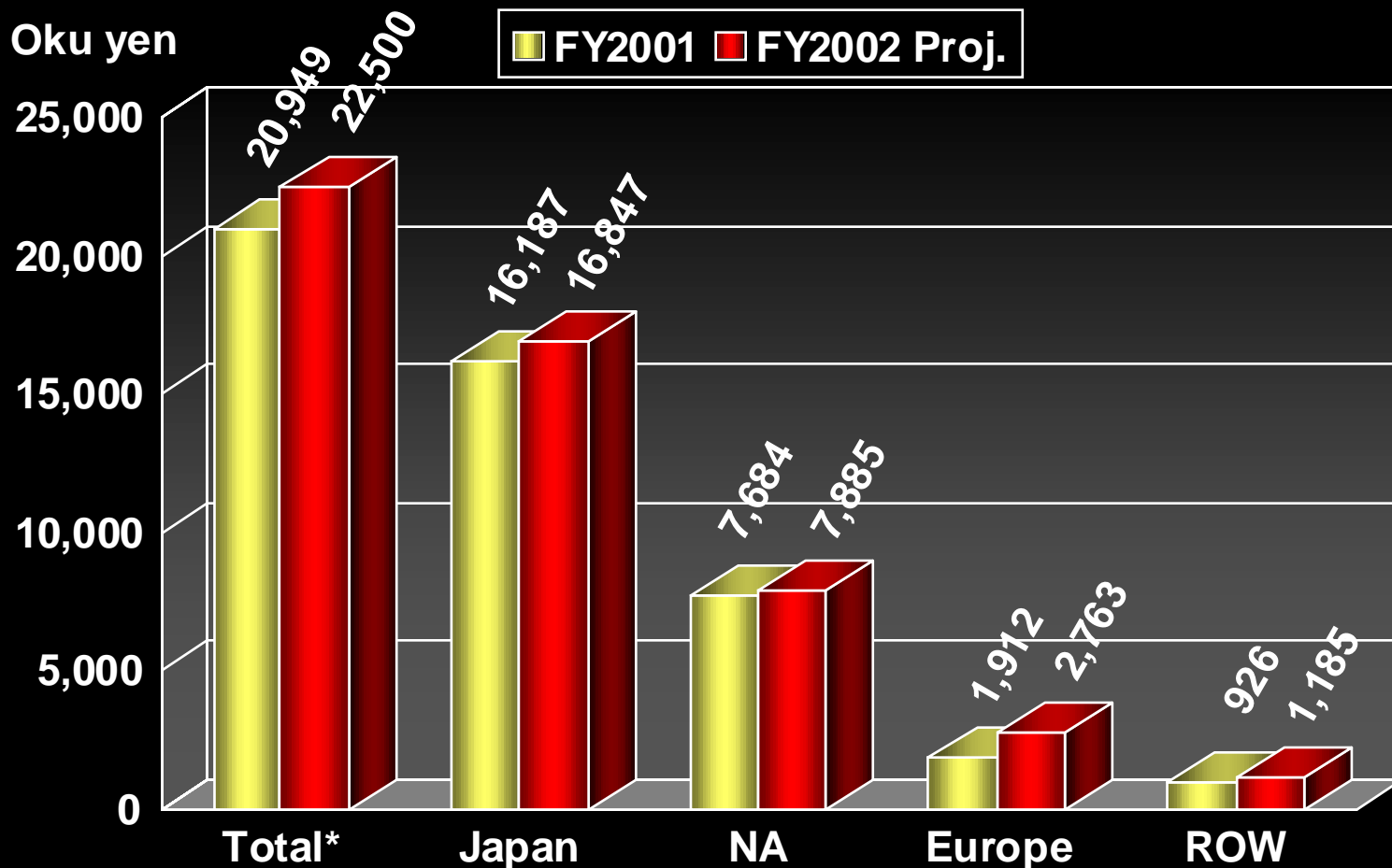
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FINANCIAL METRICS

(Oku yen)	<u>Proj. FY2002</u>	<u>Better Than Prior Year</u>
Revenue	22,500	1,551
Operating Profit	510	225
Ordinary Profit	370	178
Profit Before Tax	330	175
Net Income	200	112
Return On Sales	0.9 %	0.5 Pts
Return On Assets	1.2 %	0.7 Pts
Cash Flow	400	NA
Net Debt	4,052	517



GEOGRAPHIC REVENUE



* Including Inter-Segment Elimination



GEOGRAPHIC OPERATING PROFIT

(Oku yen)	Proj. <u>FY2002</u>	B/(W) Than <u>Prior Year</u>
Japan		
Parent	280	20
Subsidiaries	<u>200</u>	<u>7</u>
Total Japan*	366	121
North America	32	(50)
Europe	79	69
Rest Of World	<u>45</u>	<u>12</u>
Total **	<u>510</u>	<u>225</u>

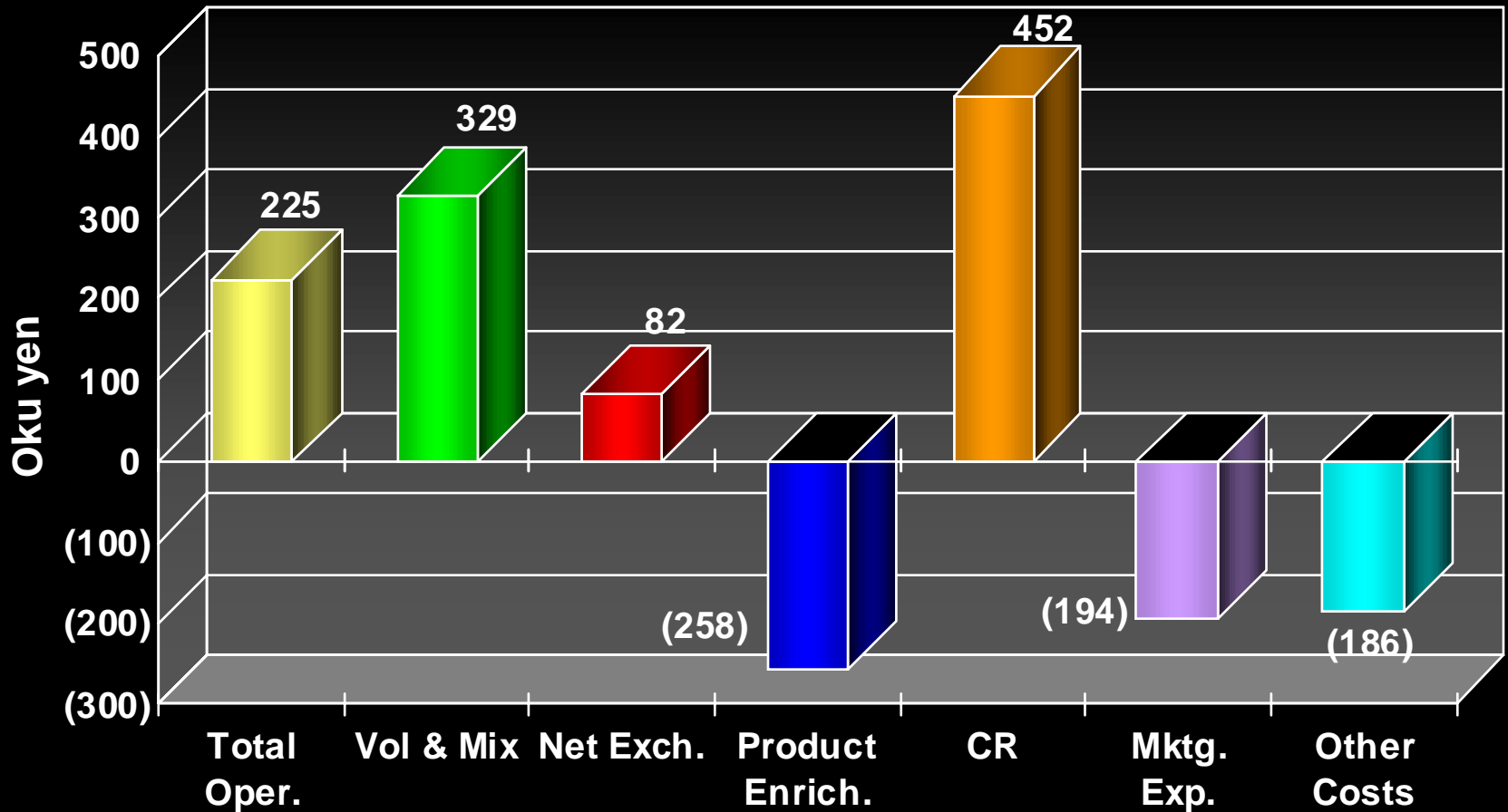
* Including Consolidation Adjustments

** Including Inter-Segment Elimination



OPERATING PROFIT CHANGES

Compared With Prior Year



NET DEBT & CASH FLOW

(Oku yen)	Proj. <u>FY2002</u>	Better Than Prior <u>Year End</u>
Cash & Cash Equivalents	2,294	0
Borrowing	<u>6,346</u>	<u>517</u>
NET DEBT	<u><u>4,052</u></u>	<u><u>517</u></u>
CASH FLOW	400	NA
Net Debt-To-Equity	218 %	46 Pts
Capital Spending	480	86
DIVIDEND PER SHARE	2	-



1st HALF & 2ND HALF COMPARISONS



KEY ASSUMPTIONS – 2nd VS 1st

	<u>1st Half</u>	<u>2nd Half</u>	<u>2nd B/(W) 1st Half</u>
<u>INDUSTRY VOLUME (000)</u>			
Japan	2,765	2,935	6.1 %
U.S.	8,472	8,073	(4.7)
Western Europe	8,861	7,330	(17.3)
<u>MARKET SHARES (PCT.)</u>			
Japan	5.2 %	5.2 %	0.0 Pts.
U.S.	1.5	1.6	0.1
Western Europe	0.9	1.2	0.3
<u>WHOLESALES & PROD. (000)</u>			
Consolidated Wholesales	504	497	(7)
Consolidated Production	524	477	(47)
<u>EXCHANGE RATES</u>			
Yen Per U.S. Dollar	125.0	125.0	0.0
Yen Per Euro	115.0	115.0	0.0



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FINANCIAL METRICS – 2nd VS 1st

(Oku yen)	Proj. 1st Half	Proj. 2nd Half	2nd Half B/(W) 1st Half
Revenue	11,300	11,200	(100)
Operating Profit	110	400	290
Ordinary Profit	30	340	310
Profit Before Tax	20	310	290
Net Income	20	180	160
Return On Sales	0.2 %	1.6 %	1.4 Pts
Return On Assets	0.1 %	1.0 %	0.9 Pts
Cash Flow	0	400	NA
Net Debt	4,481	4,052	429




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MILLENNIUM PLAN

*FY2002 DELIVERABLES
GROWTH TARGETS
TACTICAL REVISIONS*



MILLENNIUM PLAN DELIVERABLES

METRIC	MAY PLAN	OUTLOOK
Revenue Growth	+7%	 <p>Report At Interim Announce- ment</p>
Volume Growth	+6%	
Uncons. Net Income	¥ 160 Oku	
Consol. Operating Income	¥ 510 Oku	
Consol. Net Income	¥ 200 Oku	
ATROS	0.9%	
Consol. Cash Flow	¥ 400 Oku	
Customer Satisfaction	YOY Improvement	

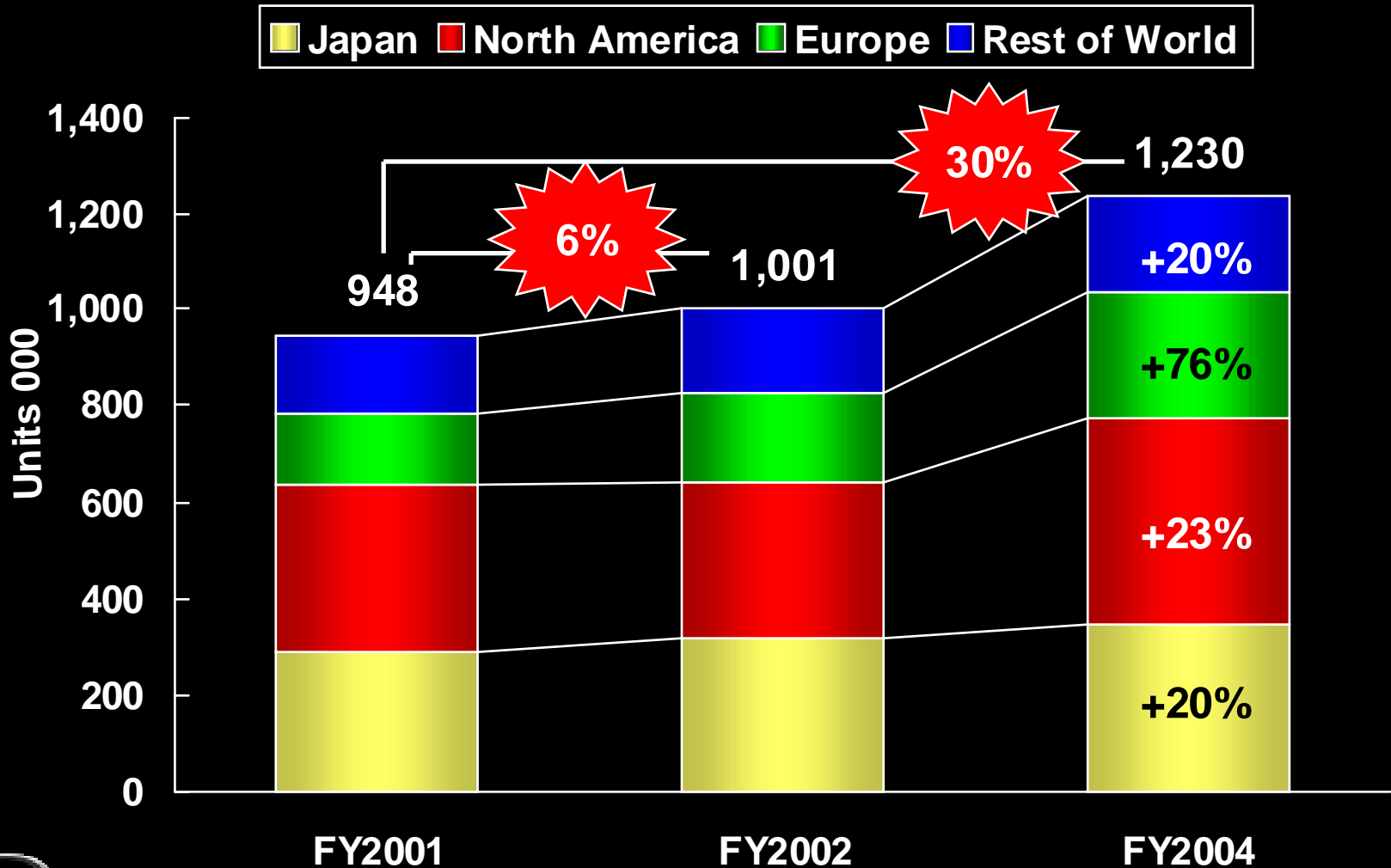


MILLENNIUM PLAN DELIVERABLES

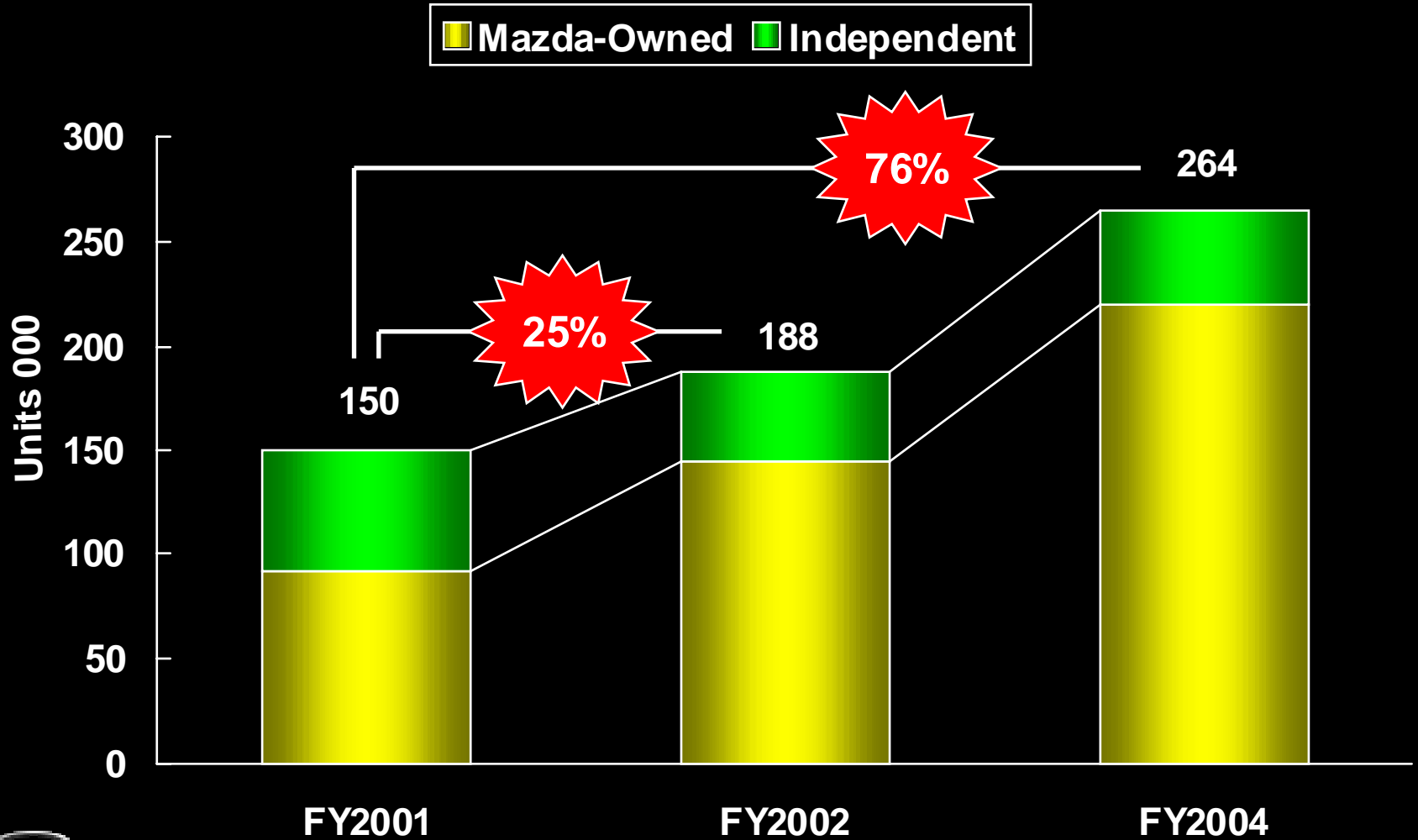
METRIC	MAY PLAN	OUTLOOK
Product	Introduce MPV, Mazda Atenza/Mazda6, New Small Car & AAT 1-Ton Pickup. Job #1 For RX-8 and AAI Mazda6	 <p>Report At Interim Announcement</p>
Distribution	Japan – Profitable/CF+ Additional Mergers	
People	MBLD3 M21 Leadership Program Expand 360° Reviews	



GROWTH TARGETS BY REGION



EUROPEAN GROWTH



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TACTICAL REVISIONS

- ❑ **Cost Reduction Target Doubled**
- ❑ **Next-Generation Compact Car For Europe To Be Built In Japan**
- ❑ **Rebalance Assembly Capacity**
- ❑ **Three Bodystyles Of Mazda6 At AAI**



CORPORATE GOVERNANCE

Purpose

- ❑ Separation Of Supervisory & Execution Functions
- ❑ Greater Transparency
- ❑ Strengthened Decision-Making

Measures

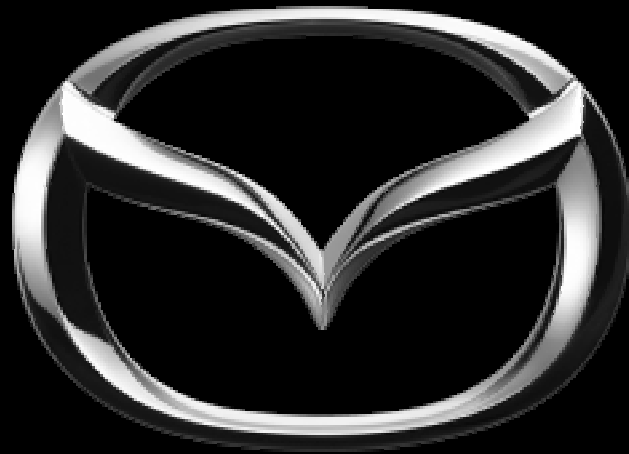
- ❑ Introduce Executive Officer System
- ❑ Reduce Size Of Board
- ❑ Adopt Management Advisory Committee



FULL YEAR SUMMARY

- ❑ **Year Of Growth**
- ❑ **Intro Of Freshened MPV, Mazda Atenza/Mazda6 & New Small Car**
- ❑ **Job #1 For AAI Mazda6 & RX8**
- ❑ **Profits Up Sharply Year-Over-Year**
- ❑ **Cash Flow Positive & Net Debt Down**
- ❑ **On Track To Meet Millennium Plan Targets**
- ❑ **Execute, Deliver & Grow!**





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ATTACHMENTS

FY2001 RESULTS



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KEY ASSUMPTIONS – FY2001

	<u>Actual FY2001</u>	<u>Full Year B/(W) Than</u>	
		<u>Nov.</u>	<u>Prior Year</u>
<u>INDUSTRY VOLUME (000)</u>			
Japan	5,819	(15)	(154)
U.S.	16,927	241	(266)
Western Europe	17,064	293	48
<u>MARKET SHARES (PCT.)</u>			
Japan	4.6 %	(0.1) Pts	(0.5) Pts
U.S.	1.6	(0.1)	0.1
Western Europe	0.9	0.0	(0.3)
<u>WHOLESALES & PROD. (000)</u>			
Consolidated Wholesales	948	(2)	(16)
Consolidated Production	941	(2)	(28)
<u>EXCHANGE RATES</u>			
Yen Per U.S. Dollar	125.0	3.9	14.5
Yen Per Euro	110.4	2.5	10.1



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GEOGRAPHIC NET INCOME

(Oku yen)	Actual FY2001	Better Than	
		Nov.	Prior Year
Japan			
Parent	132	22	1,407
Subsidiaries	96	3	196
Total Japan*	28	18	1,524
North America	45	8	76
Europe	(20)	33	22
Rest Of World	35	16	18
Total	88	75	1,640

* Including Consolidation Adjustments



FINANCIAL METRICS -- UNCONS.

(Oku yen)	Actual	B/(W) Than	
	<u>FY2001</u>	<u>Nov.</u>	<u>Prior Year</u>
Revenue	13,646	46	419
Operating Profit	260	160	574
Ordinary Profit	283	183	606
Profit Before Tax	201	31	2,387
Net Income	132	22	1,408
Return On Sales	1.0 %	0.2 Pts	10.6 Pts
Return On Assets	0.9 %	0.2 Pts	11.0 Pts
Cash Flow	(491)	(11)	NA
Net Debt	2,800	(11)	(495)



PROFIT CHANGES

(Oku yen)

	Better/(Worse) Than	
	Nov.	Prior Year
Volume & Mix	1	(445)
Exchange Rates Net Of Pricing	120	325
Cost Reductions	28	282
Fixed Costs & Other	11	412
OPERATING PROFIT	160	574
Non-Operating Items	23	32
ORDINARY PROFIT	183	606
Extraordinary Items	(152)	1,781
PROFIT BEFORE TAXES	31	2,387
Corporate Income Tax	(9)	(979)
UNCONS. NET INCOME CHANGES	22	1,408
Subsidiaries & Affiliates	58	312
Other Consolidated Changes	(5)	(79)
CONS. NET INCOME CHANGES	75	1,640



JAPAN VOLUME - FY2001

<u>REGISTERED</u>	Actual FY2001	FY2001 Over/(Under)	
		Nov.	Prior Year
Industry (000)			
Sedan	1,430	(2.2) %	(7.9) %
RV	1,740	(1.5)	1.8
Other	809	0.3	(5.6)
Total	3,980	(1.4) %	(3.4) %
Mazda Market Share	5.7 %	(0.1) Pts	(0.8) Pts
Mazda Retail (000)	227	(2.9) %	(14.8) %
 <u>MICRO</u>			
Industry (000)	1,839	2.3 %	(0.8) %
Mazda Market Share	2.2 %	0.0 Pts	0.1 Pts
Mazda Retail (000)	41	5.3 %	3.1 %
 <u>TOTAL</u>			
Industry (000)	5,819	(0.3) %	(2.6) %
Mazda Market Share	4.6 %	(0.1) Pts	(0.5) Pts
Mazda Retail (000)	268	(1.7) %	(12.5) %



U.S. VOLUME - CY2001

	<u>Actual CY2001</u>	<u>CY2001 Over/(Under) Nov. Prior Year</u>	
Industry (000)	16,927	1.4 %	(1.5) %
Mazda Market Share	1.6 %	(0.1) Pts	0.1 Pts
Mazda Retail (000)	270	(2.9) %	5.5 %



W. EUROPE VOLUME - CY2001

	<u>Actual CY2001</u>	<u>CY2001 Over/(Under) Nov.</u>	<u>Prior Year</u>
Industry (000)	17,064	1.8 %	0.3 %
Mazda Market Share	0.9 %	0.0 Pts	(0.3) Pts
Mazda Retail (000)	153	2.9 %	(22.7) %
Memo: Total Europe	165	2.8 %	(21.9) %



CANADA VOLUME - CY2001

	<u>Actual CY2001</u>	<u>CY2001 Over/(Under) Nov.</u>	<u>Prior Year</u>
Industry (000)	1,597	2.6 %	0.7 %
Mazda Market Share	4.3 %	(0.1) Pts	1.0 Pts
Mazda Retail (000)	69	(0.1) %	32.5 %



AUSTRALIA VOLUME - CY2001

	<u>Actual CY2001</u>	<u>CY2001 Over/(Under)</u>	
		<u>Nov.</u>	<u>Prior Year</u>
Industry (000)	773	1.8 %	(1.8) %
Mazda Market Share	4.4 %	(0.1) Pts	0.9 Pts
Mazda Retail (000)	34	0.4 %	24.1 %



MAZDA WHOLESALES & PRODUCTION

(000)	Actual FY2001	FY2001 Over/(Under)	
		Nov.	Prior Year
<u>WHOLESALES</u>			
Japan	287	(5)	(50)
North America	226	1	48
Europe	151	5	(7)
Rest of World	157	0	3
Total	<u>821</u>	<u>1</u>	<u>(6)</u>
Memo:			
Excl. Outsourced Vehicles	730	3	(14)
<u>PRODUCTION</u>			
Domestic	242	(6)	(45)
Export	488	9	37
Subtotal Mazda	730	3	(8)
Purchased	90	(2)	6
Total	<u>820</u>	<u>1</u>	<u>(2)</u>



CONS. WHOLESALES & PRODUCTION

(000)	Actual FY2001	FY2001 Over/(Under)	
		Nov.	Prior Year
<u>WHOLESALES</u>			
Japan	288	(4)	(46)
North America	347	(1)	47
Europe	150	3	(25)
Rest Of World	163	0	8
Total	<u>948</u>	<u>(2)</u>	<u>(16)</u>

PRODUCTION

Japan	286	(5)	(47)
North America	342	1	34
Europe	150	1	(23)
Rest Of World	163	1	8
Total	<u>941</u>	<u>(2)</u>	<u>(28)</u>



ATTACHMENTS

FY2002 PROJECTION



KEY ASSUMPTIONS – FY2002

	<u>Proj. 1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. FY2002</u>
<u>INDUSTRY VOLUME (000)</u>			
Japan	2,765	2,935	5,700
U.S.	8,472	8,073	16,545
Western Europe	8,861	7,330	16,191
<u>MARKET SHARES (PCT.)</u>			
Japan	5.2 %	5.2 %	5.2 %
U.S.	1.5	1.6	1.6
Western Europe	0.9	1.2	1.1
<u>WHOLESALES & PROD. (000)</u>			
Consolidated Wholesales	504	497	1,001
Consolidated Production	524	477	1,001
<u>EXCHANGE RATES</u>			
Yen Per U.S. Dollar	125.0	125.0	125.0
Yen Per Euro	115.0	115.0	115.0



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FINANCIAL METRICS – CONS.

(Oku yen)	<u>Proj. 1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. FY2002</u>	<u>Better Than Prior Year</u>
Revenue	11,300	11,200	22,500	1,551
Operating Profit	110	400	510	225
Ordinary Profit	30	340	370	178
Profit Before Tax	20	310	330	175
Net Income	20	180	200	112
Return On Sales	0.2 %	1.6 %	0.9 %	0.5 Pts
Return On Assets	0.1 %	1.0 %	1.2 %	0.7 Pts
Cash Flow	0	400	400	NA
Net Debt	4,481	4,052	4,052	517



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FINANCIAL METRICS – UNCONS.

(Oku yen)	<u>Proj. 1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. FY2002</u>	<u>B/(W) Than Prior Year</u>
Revenue	7,300	7,700	15,000	1,354
Operating Profit	30	250	280	20
Ordinary Profit	10	240	250	(33)
Profit Before Tax	40	210	250	49
Net Income	30	130	160	28
Return On Sales	0.4 %	1.7 %	1.1 %	0.1 Pts
Return On Assets	0.2 %	0.9 %	1.2 %	0.3 Pts
Cash Flow	0	100	100	NA
Net Debt	2,832	2,732	2,732	68



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JAPAN VOLUME - FY2002

<u>REGISTERED</u>	<u>Proj.</u> <u>1st Half</u>	<u>Proj.</u> <u>2nd Half</u>	<u>Proj.</u> <u>FY2002</u>	<u>Over/(Under)</u> <u>Prior Year</u>
Industry (000)				
Sedan	677	757	1,433	0.2 %
RV	819	867	1,686	(3.1)
Other	399	381	781	(3.5)
Total	1,895	2,005	3,900	(2.0) %
Mazda Market Share	6.5 %	6.5 %	6.5 %	0.8 Pts
Mazda Retail (000)	124	131	254	11.9 %
<u>MICRO</u>				
Industry (000)	870	930	1,800	(2.1) %
Mazda Market Share	2.4 %	2.2 %	2.3 %	0.1 Pts
Mazda Retail (000)	21	21	42	1.4 %
<u>TOTAL</u>				
Industry (000)	2,765	2,935	5,700	(2.0) %
Mazda Market Share	5.2 %	5.2 %	5.2 %	0.6 Pts
Mazda Retail (000)	145	151	296	10.3 %



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U.S. VOLUME - CY2002

	<u>Proj. 1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. CY2002</u>	<u>Over/(Under) Prior Year</u>
Industry (000)	8,472	8,073	16,545	(2.3) %
Mazda Market Share	1.5 %	1.6 %	1.6 %	0.0 Pts
Mazda Retail (000)	131	129	260	(3.6) %



W. EUROPE VOLUME – CY2002

	<u>Proj. 1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. CY2002</u>	<u>Over/(Under) Prior Year</u>
Industry (000)	8,861	7,330	16,191	(5.1) %
Mazda Market Share	0.9 %	1.2 %	1.1 %	0.2 Pts
Mazda Retail (000)	81	89	170	11.5 %
Memo: Total Europe	86	95	181	10.0 %



CANADA VOLUME - CY2002

	<u>Proj. 1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. CY2002</u>	<u>Over Prior Year</u>
Industry (000)	865	759	1,624	1.7 %
Mazda Market Share	4.2 %	4.5 %	4.3 %	0.0 Pts
Mazda Retail (000)	36	34	70	1.9 %



AUSTRALIA VOLUME - CY2002

	<u>Proj. 1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. CY2002</u>	<u>Over Prior Year</u>
Industry (000)	404	407	811	4.9 %
Mazda Market Share	4.6 %	5.3 %	4.9 %	0.5 Pts
Mazda Retail (000)	19	21	40	17.2 %



MAZDA WHOLESALES & PRODUCTION

(000)	Proj. 1st Half	Proj. 2nd Half	Proj. FY2002	Over/(Under) Prior Year
<u>WHOLESALES</u>				
Japan	157	162	319	32
North America	98	91	189	(37)
Europe	98	93	191	40
Rest of World	84	82	166	9
Total	437	428	865	44
Memo:				
Excl. Outsourced Vehicles	394	385	779	49
<u>PRODUCTION</u>				
Domestic	134	138	272	30
Export	260	245	505	17
Subtotal Mazda	394	383	777	47
Purchased	44	43	87	(3)
Total	438	426	864	44



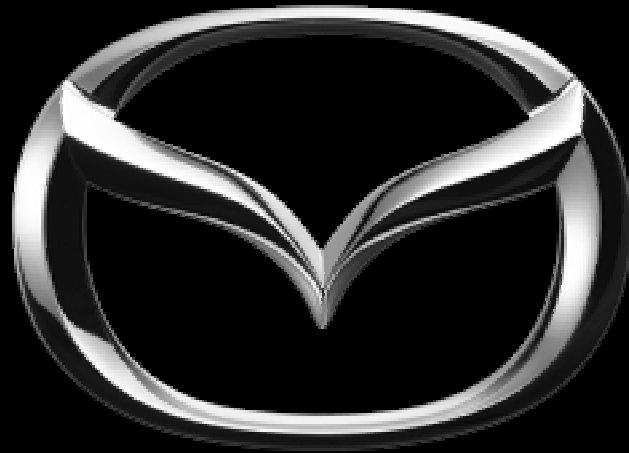
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CONS. WHOLESALES & PRODUCTION

(000)	Proj. <u>1st Half</u>	Proj. <u>2nd Half</u>	Proj. <u>FY2002</u>	Over/(Under) <u>Prior Year</u>
<u>WHOLESALES</u>				
Japan	157	162	319	31
North America	174	149	323	(24)
Europe	90	98	188	38
Rest Of World	83	88	171	8
Total	504	497	1,001	53
<u>PRODUCTION</u>				
Japan	158	161	319	33
North America	189	131	320	(22)
Europe	92	97	189	39
Rest Of World	85	88	173	10
Total	524	477	1,001	60



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