

MAZDA MOTOR CORPORATION

FY2001 INTERIM EARNINGS ANNOUNCEMENT

NOVEMBER 12, 2001



PRESENTATION OUTLINE

- ❑ **Overview**
- ❑ **1st Half Results**
- ❑ **Full Year Outlook**
- ❑ **Attachments**
 - **1st Half**
 - **Full Year**
 - **Key Assumptions**
 - **Consolidated Results & Outlook**
 - **Unconsolidated Results & Outlook**
 - **Volume & Shares**
 - **Wholesales and Production**



OVERVIEW

- ❑ **1st Half In Line With October Guidance**
- ❑ **Second Half Net Breakeven**
- ❑ **Full Year Profitable**
- ❑ **Positive Cash Flow Outlook Unchanged**
- ❑ **Final Dividend Planned**



FY2001 1st HALF RESULTS



FINANCIAL METRICS - 1ST HALF

(Oku yen)	<u>1st Half</u>	<u>Better/(Worse) Than</u>	
		<u>May</u>	<u>Prior Year</u>
Revenue	10,382	(318)	321
Operating Profit	112	182	159
Ordinary Profit	48	188	214
Profit Before Tax	58	238	265
Net Income	13	108	108
Return On Sales	0.1 %	1.0 Pts	1.1 Pts
Return On Assets	0.1 %	0.6 Pts	0.8 Pts
Cash Flow	(416)	434	NA
Net Debt	5,252	408	(406)



NET DEBT & CASH FLOW - 1ST HALF

(Oku yen)	<u>Better/(Worse) Than</u>		
	<u>1st Half</u>	<u>May</u>	<u>Prior Year End</u>
Cash & Cash Equivalents	2,345	10	(581)
Borrowing	7,597	398	175
NET DEBT	5,252	408	(406)
CASH FLOW	(416)	434	NA
Net Debt-To-Equity	324 %	55 Pts	(19) Pts
Capital Spending	211	69	(41)



FY2001 FULL YEAR OUTLOOK



FULL YEAR OVERVIEW

- ❑ Full Year Profitable
- ❑ Revenue Lower Than May Plan But Up Versus Prior Year
- ❑ Cost Reductions Increased
- ❑ Yen Mixed Versus Major Currencies
- ❑ Additional Subsidiary Sales
- ❑ Cash Flow Positive ¥50 Oku
- ❑ Final Dividend Of ¥2 Per Share
- ❑ Job #1 In 2nd Half For Large I-4 & Mazda Atenza/Mazda 6



KEY ASSUMPTIONS

	<u>Proj. FY2001</u>	<u>Full Year B/(W) Than</u>	
		<u>May</u>	<u>Prior Year</u>
<u>INDUSTRY VOLUME (000)</u>			
Japan	5,834	(166)	(139)
U.S.	16,686	336	(507)
Western Europe	16,771	171	(245)
<u>MARKET SHARES (PCT.)</u>			
Japan	4.7 %	0.0 Pts.	(0.4) Pts
U.S.	1.7	0.0	0.2
Western Europe	0.9	(0.1)	(0.3)
<u>WHOLESALES & PROD. (000)</u>			
Unconsolidated Wholesales	820	(38)	(7)
Unconsolidated Production	819	(41)	(3)
Consolidated Wholesales	950	(28)	(14)
Consolidated Production	943	(25)	(26)
<u>EXCHANGE RATES</u>			
Yen Per U.S. Dollar	121.1	6.1	10.6
Yen Per Euro	107.9	(2.1)	7.6



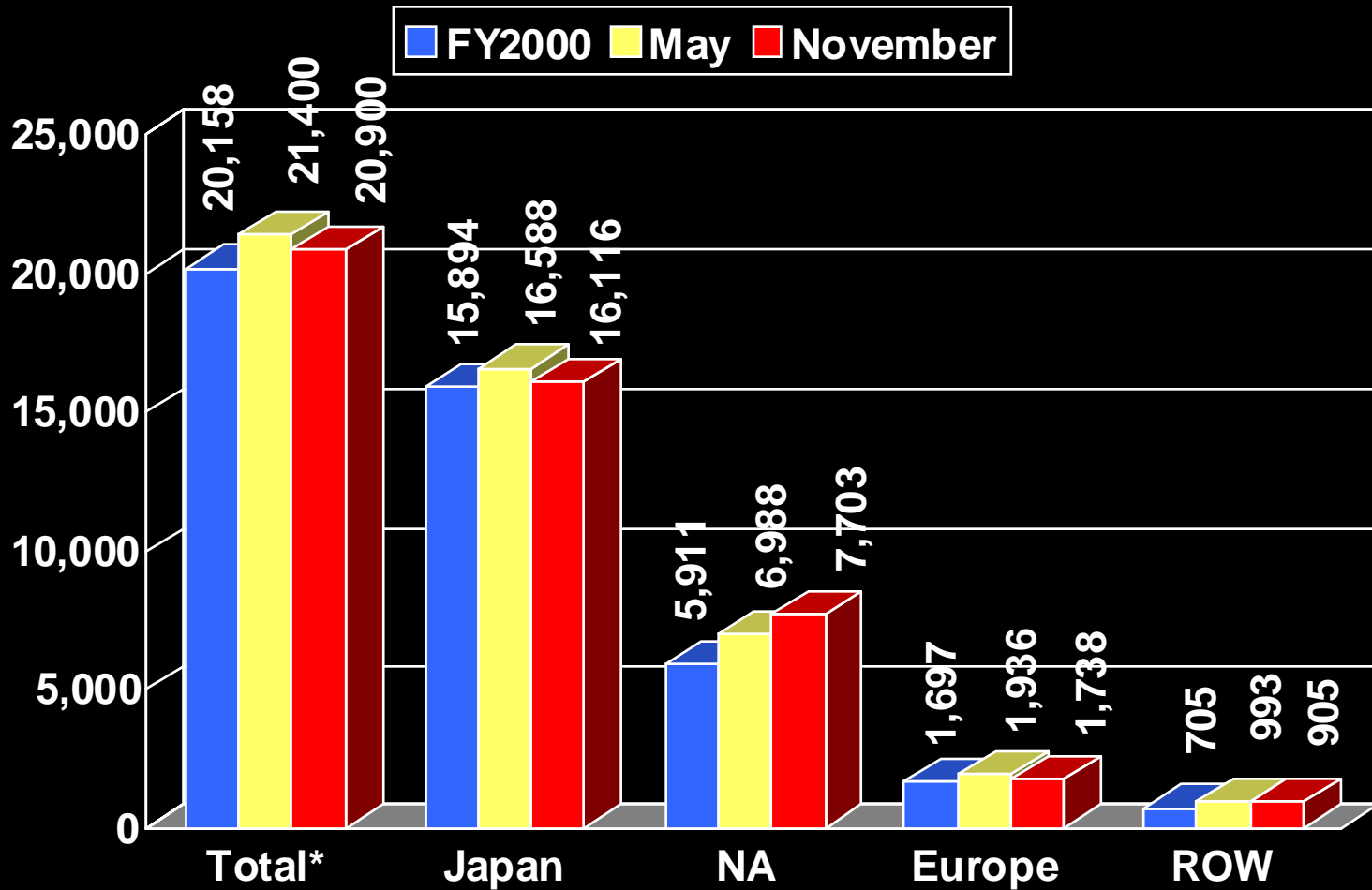
MAZDA

FINANCIAL METRICS

(Oku yen)	Proj. <u>FY2001</u>	<u>Better/(Worse) Than</u>	
		<u>May</u>	<u>Prior Year</u>
Revenue	20,900	(500)	742
Operating Profit	170	0	319
Ordinary Profit	20	0	317
Profit Before Tax	70	50	2,494
Net Income	13	13	1,565
Return On Sales	0.1 %	0.1 Pts	7.8 Pts
Return On Assets	0.1 %	0.1 Pts	10.0 Pts
Cash Flow	50	0	NA
Net Debt	4,599	121	247



GEOGRAPHIC REVENUE



* Including Inter-Segment Elimination



GEOGRAPHIC NET INCOME

(Oku yen)	Proj. FY2001	Better/(Worse) Than	
		May	Prior Year
Japan			
Parent	110	50	1,385
Subsidiaries	93	18	193
Total Japan*	10	60	1,506
North America	37	17	68
Europe	(53)	(53)	(11)
Rest Of World	19	(11)	2
Total	13	13	1,565

* Including Consolidation Adjustments



PROFIT CHANGES

(Oku yen)

	Better/(Worse) Than	
	May	Prior Year
Volume & Mix	(161)	(446)
Exchange Rates Net Of Pricing	15	205
Cost Reductions	29	254
Fixed Costs & Other	157	400
OPERATING PROFIT	40	413
Non-Operating Items	0	10
ORDINARY PROFIT	40	423
Extraordinary Items	50	1,933
PROFIT BEFORE TAXES	90	2,356
Corporate Income Tax	(40)	(971)
UNCONS. NET INCOME CHANGES	50	1,385
Subsidiaries & Affiliates	(43)	252
Other Consolidated Changes	6	(72)
CONS. NET INCOME CHANGES	13	1,565



NET DEBT & CASH FLOW

(Oku yen)	Proj. <u>FY2001</u>	<u>Better/(Worse) Than</u>	
		<u>May</u>	<u>Prior Year End</u>
Cash & Cash Equivalents	2,163	(305)	(763)
Borrowing	6,762	426	1,010
NET DEBT	4,599	121	247
CASH FLOW	50	0	NA
Net Debt-To-Equity	287 %	9 Pts	18 Pts
Capital Spending	630	40	(158)
DIVIDEND PER SHARE	2	2	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	2,808	3,026	7.8 %
U.S.	8,592	8,094	(5.8)
Western Europe	9,279	7,492	(19.3)
<u>MARKET SHARES (PCT.)</u>			
Japan	4.9 %	4.5 %	(0.4) Pts.
U.S.	1.6	1.7	0.1
Western Europe	0.9	0.9	0.0
<u>WHOLESALES & PROD. (000)</u>			
Unconsolidated Wholesales	420	400	(20)
Unconsolidated Production	418	401	(17)
Consolidated Wholesales	493	457	(36)
Consolidated Production	492	451	(41)
<u>EXCHANGE RATES</u>			
Yen Per U.S. Dollar	122.3	120.0	(2.3)
Yen Per Euro	107.8	108.0	0.2



MAZDA

FINANCIAL METRICS – 2nd VS 1st

(Oku yen)	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>2nd Half B/(W) 1st Half</u>
Revenue	10,382	10,518	136
Operating Profit	112	58	(54)
Ordinary Profit	48	(28)	(76)
Profit Before Tax	58	12	(46)
Net Income	13	0	(13)
Return On Sales	0.1 %	0.0 %	(0.1) Pts
Return On Assets	0.1 %	0.0 %	(0.1) Pts
Cash Flow	(416)	466	NA
Net Debt	5,252	4,599	653



PRODUCT & MARKETING ACTIONS

Japan	3 rd Qtr.	4 th Qtr.
Premacy Freshening	████████████████████	████████████████████
Tribute Upgrade	████████████████████	████████████████████
Field Break	████████████████████	████████████████████
Demio Purel & Aeroactive	████████████████████	████████████████████
Other Special Versions	████████████████████	████████████████████
U.S.		
Protégé 5	████████████████████	████████████████████
MPV Freshening Job #1	████████████████████	████████████████████
Special Versions	████████████████████	████████████████████
Europe		
Premacy Freshening	████████████████████	████████████████████
Mazda 6/Hiroshima I-4 Job #1	████████████████████	████████████████████
Special Versions	████████████████████	████████████████████



MILLENNIUM PLAN DELIVERABLES

<i>METRIC</i>	<i>MAY PLAN</i>	<i>OUTLOOK</i>
Uncons. Net Income	¥60 Oku	¥110 Oku
Consol. Operating Income	¥170 Oku	¥170 Oku
Consol. Net Income	¥0 Oku	¥13 Oku
Consol. Cash Flow	¥50 Oku	¥50 Oku
Customer Satisfaction	YOY Improvement	Report In 2nd Half
Growth & Revenue	+6%	+4%



MILLENNIUM PLAN DELIVERABLES

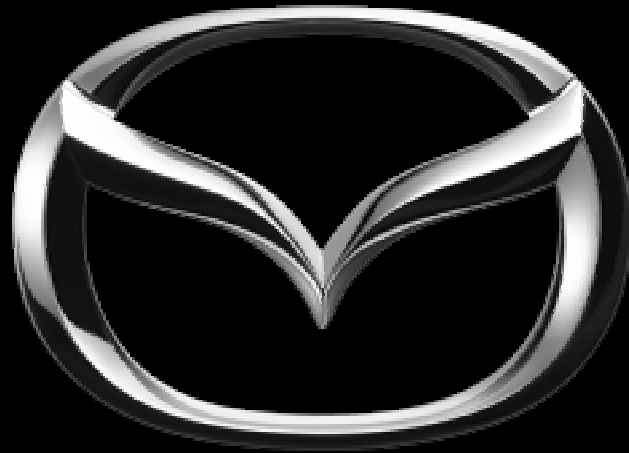
<i>METRIC</i>	<i>MAY PLAN</i>	<i>OUTLOOK</i>
Product	Launch Hiroshima New I4 & Mid-Size Vehicle	On Track
Distribution	Europe – Control 70%+ Japan – Profitable/CF+	Completed On Track
Capacity	Close Ujina 2	Completed
People	MBLD II Stock Options 360° Reviews	Completed Completed 2nd Half



FULL YEAR SUMMARY

- ❑ **Will Meet Millennium Plan Financial Commitments Except Revenue Growth**
- ❑ **Will Be Profitable**
- ❑ **Will Generate Positive Cash Flow and Reduce Net Debt**
- ❑ **Will Launch The First Of Our Next-Generation Products**
- ❑ **Expect To Meet All Other Operating Commitments**
- ❑ **Will Declare A Final Dividend Of ¥2 Per Share**





MAZDA



MAZDA

ATTACHMENTS

1ST HALF RESULTS



1ST HALF KEY ASSUMPTIONS

	Actual	B/(W) Than	
		May	Prior Year
<u>INDUSTRY VOLUME (000)</u>			
Japan	2,808	(2.2) %	(0.3) %
U.S.	8,592	0.7	(4.7)
Western Europe	9,279	2.4	(1.6)
<u>MARKET SHARES (PCT.)</u>			
Japan	4.9 %	(0.1) Pts.	(0.5) Pts.
U.S.	1.6	(0.1)	0.2
Western Europe	0.9	(0.1)	(0.4)
<u>WHOLESALES & PROD. (000)</u>			
Consolidated Wholesales	493	(2)	(1)
Consolidated Production	492	3	(6)
<u>EXCHANGE RATES</u>			
Yen Per U.S. Dollar	122.3	7.3	15.1
Yen Per Euro	107.8	(2.2)	9.2



1st HALF GEOGRAPHIC NET INCOME

(Oku yen)	<u>Better/(Worse) Than</u>		
	<u>1st Half</u>	<u>May</u>	<u>Prior Year</u>
Japan			
Parent	67	87	194
Subsidiaries	47	8	(5)
Total Japan *	11	113	51
North America	29	2	48
Europe	(34)	(5)	(4)
Rest Of World	7	(2)	13
Total	13	108	108

* Including Consolidation Adjustments



1ST HALF PROFIT CHANGES

(Oku yen)

	Better/(Worse) Than	
	May	Prior Year
Volume & Mix	13	(198)
Exchange Rates Net Of Pricing	34	3
Cost Reductions	23	124
Fixed Costs & Other	77	292
OPERATING PROFIT	147	221
Non-Operating Items	12	51
ORDINARY PROFIT	159	272
Extraordinary Items	(5)	36
PROFIT BEFORE TAXES	154	308
Corporate Income Tax	(67)	(114)
UNCONS. NET INCOME CHANGES	87	194
Subsidiaries & Affiliates	1	48
Other Consolidated Changes	20	(134)
CONS. NET INCOME CHANGES	108	108



FINANCIAL METRICS -- 1ST HALF UNCONS.

(Oku yen)	<u>1st Half</u>	<u>Better/(Worse) Than</u>	
		<u>May</u>	<u>Prior Year</u>
Revenue	6,735	135	107
Operating Profit	87	147	221
Ordinary Profit	109	159	272
Profit Before Tax	94	154	308
Net Income	67	87	194
Return On Sales	1.0 %	1.3 Pts	2.9 Pts
Return On Assets	0.5 %	0.6 Pts	1.7 Pts
Cash Flow	(616)	144	NA
Net Debt	2,924	141	(619)



JAPAN VOLUME - 1ST HALF

	<u>Actual</u>	<u>Over/(Under)</u>	
		<u>May</u>	<u>Prior Year</u>
<u>REGISTERED</u>			
Industry (000)	1,946	(3.7) %	0.9 %
Mazda Market Share	6.1 %	0.0 Pts	(0.7) Pts
Mazda Retail (000)	119	(4.7) %	(10.1) %
<u>MICRO</u>			
Industry (000)	862	1.6 %	(2.9) %
Mazda Market Share	2.2 %	(0.1) Pts	(0.1) Pts
Mazda Retail (000)	19	0.2 %	(6.0) %
<u>TOTAL</u>			
Industry (000)	2,808	(2.2) %	(0.3) %
Mazda Market Share	4.9 %	(0.1) Pts	(0.5) Pts
Mazda Retail (000)	138	(4.1) %	(9.5) %



U.S. VOLUME - 1ST HALF

	<u>Actual</u>	<u>Over/(Under)</u>	
		<u>May</u>	<u>Prior Year</u>
Industry (000)	8,592	0.7 %	(4.7) %
Mazda Market Share	1.6 %	(0.1) Pts	0.2 Pts
Mazda Retail (000)	141	(0.9) %	12.9 %



WESTERN EUROPE VOLUME - 1ST HALF

	<u>Actual</u>	<u>Over/(Under)</u>	
		<u>May</u>	<u>Prior Year</u>
Industry (000)	9,279	2.4 %	(1.6) %
Mazda Market Share	0.9 %	(0.1) Pts	(0.4) Pts
Mazda Retail (000)	83	(5.8) %	(30.1) %
Memo: Total Europe	89	(5.2) %	(28.6) %



CANADA VOLUME - 1ST HALF

	<u>Actual</u>	<u>Over/(Under)</u>	
		<u>May</u>	<u>Prior Year</u>
Industry (000)	809	1.6 %	(1.8) %
Mazda Market Share	4.2 %	0.3 Pts	1.1 Pts
Mazda Retail (000)	34	9.7 %	33.7 %



AUSTRALIA VOLUME - 1ST HALF

	<u>Actual</u>	<u>Over/(Under)</u>	
		<u>May</u>	<u>Prior Year</u>
Industry (000)	375	3.0 %	7.2 %
Mazda Market Share	4.7 %	(0.1) Pts	0.9 Pts
Mazda Retail (000)	18	1.6 %	32.3 %



MAZDA WHOLESALES & PRODUCTION - 1ST HALF

(000)	Over/(Under)		
	<u>Actual</u>	<u>May</u>	<u>Prior Year</u>
<u>WHOLESALES</u>			
Japan	147	(3)	(20)
North America	113	14	28
Europe	74	1	(7)
Rest of World	86	(4)	6
Total	420	8	7
Memo:			
Excl. Outsourced Vehicles	375	9	5
<u>PRODUCTION</u>			
Domestic	125	(3)	(16)
Export	249	11	24
Subtotal Mazda	374	8	8
Purchased	44	(1)	0
Total	418	7	8



CONS. WHOLESALES & PRODUCTION – 1ST HALF

(000)	Actual	Over/(Under)	
		May	Prior Year
<u>WHOLESALES</u>			
Japan	147	(3)	(19)
North America	184	7	37
Europe	75	(2)	(25)
Rest of World	87	(4)	6
Total	493	(2)	(1)
<u>PRODUCTION</u>			
Japan	146	(2)	(19)
North America	184	9	23
Europe	73	2	(18)
Rest of World	89	(6)	8
Total	492	3	(6)



ATTACHMENTS

FULL YEAR OUTLOOK



KEY ASSUMPTIONS

	<u>1st Half</u>	<u>2nd Half</u>	<u>Full Year</u>
<u>INDUSTRY VOLUME (000)</u>			
Japan	2,808	3,026	5,834
U.S.	8,592	8,094	16,686
Western Europe	9,279	7,492	16,771
<u>MARKET SHARES (PCT.)</u>			
Japan	4.9 %	4.5 %	4.7 %
U.S.	1.6	1.7	1.7
Western Europe	0.9	0.9	0.9
<u>WHOLESALES & PROD. (000)</u>			
Unconsolidated Wholesales	420	400	820
Unconsolidated Production	418	401	819
Consolidated Wholesales	493	457	950
Consolidated Production	492	451	943
<u>EXCHANGE RATES</u>			
Yen Per U.S. Dollar	122.3	120.0	121.1
Yen Per Euro	107.8	108.0	107.9



FINANCIAL METRICS – CONS.

(Oku yen)	Proj.		Proj.	FY2001 B/(W) Than	
	1st Half	2nd Half	FY2001	May	Prior Year
Revenue	10,382	10,518	20,900	(500)	742
Operating Profit	112	58	170	0	319
Ordinary Profit	48	(28)	20	0	317
Profit Before Tax	58	12	70	50	2,494
Net Income	13	0	13	13	1,565
Return On Sales	0.1 %	0.0 %	0.1 %	0.1 Pts	7.8 Pts
Return On Assets	0.1 %	0.0 %	0.1 %	0.1 Pts	10.0 Pts
Cash Flow	(416)	466	50	0	NA
Net Debt	5,252	4,599	4,599	121	247



FINANCIAL METRICS – UNCONS.

(Oku yen)	Proj.		Proj.	FY2001 B/(W) Than	
	<u>1st Half</u>	<u>2nd Half</u>	<u>FY2001</u>	<u>May</u>	<u>Prior Year</u>
Revenue	6,735	6,865	13,600	(500)	373
Operating Profit	87	13	100	40	413
Ordinary Profit	109	(9)	100	40	423
Profit Before Tax	94	76	170	90	2,356
Net Income	67	43	110	50	1,385
Return On Sales	1.0 %	0.6 %	0.8 %	0.4 Pts	10.4 Pts
Return On Assets	0.5 %	0.3 %	0.8 %	0.4 Pts	10.9 Pts
Cash Flow	(616)	136	(480)	80	NA
Net Debt	2,924	2,789	2,789	76	(484)



JAPAN VOLUME

<u>REGISTERED</u>	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. FY2001</u>	<u>FY2001 Over/(Under)</u>	
				<u>May</u>	<u>Prior Year</u>
Industry (000)					
Sedan	685	777	1,462	(3.3) %	(5.8) %
RV	847	920	1,767	(3.1)	3.4
Other	414	393	807	(6.8)	(5.9)
Total	1,946	2,090	4,036	(3.9) %	(2.0) %
Mazda Market Share	6.1 %	5.5 %	5.8 %	0.0 Pts	(0.7) Pts
Mazda Retail (000)	119	115	234	(3.4) %	(12.3) %
<u>MICRO</u>					
Industry (000)	862	936	1,798	(0.1) %	(3.0) %
Mazda Market Share	2.2 %	2.1 %	2.2 %	0.1 Pts	0.1 Pts
Mazda Retail (000)	19	20	39	3.0 %	(2.1) %
<u>TOTAL</u>					
Industry (000)	2,808	3,026	5,834	(2.8) %	(2.3) %
Mazda Market Share	4.9 %	4.5 %	4.7 %	0.0 Pts	(0.4) Pts
Mazda Retail (000)	138	135	273	(2.6) %	(11.0) %



U.S. VOLUME

	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. FY2001</u>	<u>FY2001 Over/(Under)</u>	
				<u>May</u>	<u>Prior Year</u>
Industry (000)	8,592	8,094	16,686	2.1 %	(2.9) %
Mazda Market Share	1.6 %	1.7 %	1.7 %	0.0 Pts	0.2 Pts
Mazda Retail (000)	141	137	278	2.8 %	8.7 %



WESTERN EUROPE VOLUME

	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. FY2001</u>	<u>FY2001 Over/(Under)</u>	
				<u>May</u>	<u>Prior Year</u>
Industry (000)	9,279	7,492	16,771	1.0 %	(1.4) %
Mazda Market Share	0.9 %	0.9 %	0.9 %	(0.1) Pts	(0.3) Pts
Mazda Retail (000)	83	66	149	(6.7) %	(24.8) %
Memo: Total Europe	89	71	160	(6.3) %	(24.0) %



CANADA VOLUME

	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. FY2001</u>	<u>FY2001 Over/(Under)</u>	
				<u>May</u>	<u>Prior Year</u>
Industry (000)	809	748	1,557	2.4 %	(1.9) %
Mazda Market Share	4.2 %	4.7 %	4.4 %	0.4 Pts	1.1 Pts
Mazda Retail (000)	34	35	69	13.4 %	32.6 %



AUSTRALIA VOLUME

	<u>1st Half</u>	<u>Proj. 2nd Half</u>	<u>Proj. FY2001</u>	<u>FY2001 Over/(Under)</u>	
				<u>May</u>	<u>Prior Year</u>
Industry (000)	375	384	759	(2.8) %	(3.6) %
Mazda Market Share	4.7 %	4.3 %	4.5 %	(0.1) Pts	1.0 Pts
Mazda Retail (000)	18	16	34	(5.7) %	23.6 %



MAZDA WHOLESALES & PRODUCTION

(000)	Proj.		Proj. FY2001	FY2001 Over/(Under)	
	1st Half	2nd Half		May	Prior Year
<u>WHOLESALES</u>					
Japan	147	145	292	(11)	(45)
North America	113	112	225	27	47
Europe	74	72	146	(32)	(12)
Rest of World	86	71	157	(22)	3
Total	420	400	820	(38)	(7)
Memo:					
Excl. Outsourced Vehicles	375	352	727	(37)	(17)
<u>PRODUCTION</u>					
Domestic	125	123	248	(12)	(39)
Export	249	230	479	(28)	28
Subtotal Mazda	374	353	727	(40)	(11)
Purchased	44	48	92	(1)	8
Total	418	401	819	(41)	(3)



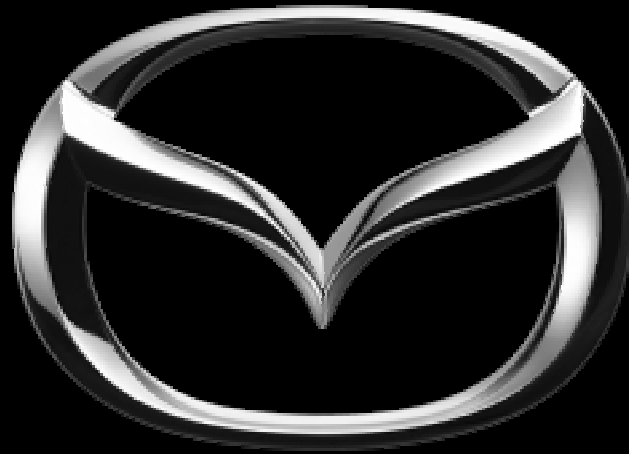
CONS. WHOLESALES & PRODUCTION

(000)	Proj.		Proj. FY 2001	FY2001 Over/(Under)	
	1st Half	2nd Half		May	Prior Year
<u>WHOLESALES</u>					
Japan	147	145	292	(11)	(42)
North America	184	164	348	22	48
Europe	75	72	147	(15)	(28)
Rest Of World	87	76	163	(24)	8
Total	493	457	950	(28)	(14)

PRODUCTION

Japan	146	145	291	(11)	(42)
North America	184	157	341	33	33
Europe	73	76	149	(17)	(24)
Rest Of World	89	73	162	(30)	7
Total	492	451	943	(25)	(26)





MAZDA



MAZDA