

MAZDA INCREASES PRODUCTION CAPACITY

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Starting Operations at Ujina Plant Number 2 in May

Mazda Motor Corporation today officially confirmed that it would start operations at its Ujina Plant Number 2—known as U2 and located within the Ujina District of the company's Hiroshima complex—on May 26 in an effort to increase domestic production capacity. Concurrently, the last vehicle, a Bongo Van, rolled off the final assembly line at Mazda's Hiroshima Plant (F Plant) just before noon local time, April 21, 2004.

These actions—the closing of the final assembly at F Plant and the starting of U2—are part of Mazda's initiative to strengthen its production system and are in line with the rebalancing of domestic production capacity announced in October 2002. With this action, Mazda's domestic production capacity will increase by 110,000 units (14 percent), expanding from 788,000 units to 898,000 units annually.

Hisakazu Imaki, president and CEO of Mazda Motor Corporation, said, "Reflecting the strong global sales of our new-generation products such as the Atenza, Demio and Axela, we are now focusing on the overall operating efficiency of our many plants and pressing ahead with the preparation to recommence operations at U2. Utilizing Mazda's portfolio of assets and the employee expertise from F Plant, we aim to grow further."

F Plant—located within the Head Office District of the company's Hiroshima complex—has been one of Mazda's key vehicle assembly production sites since it opened in May 1960. Cumulative F Plant production volume has reached 12 million units, including passenger cars and commercial vehicles models. With these changes, production of Bongo Friendee, Bongo Van and Bongo Brawny Van will be shifted from F Plant to Ujina Plant Number 1 (U1), and Demio will be produced at both U1 and U2. The additional capacity will be used as required. Further, employees working at F Plant will be reallocated within U1 and U2.

U2 was established in December 1972 and has been the production site for many of Mazda's global mainstay models, such as the Familia/323/Protege. It was closed in September 2001. Cumulative production at U2, prior to its closing, was 5.99 million units. In starting the U2 plant, Mazda will introduce some of its latest, advanced production engineering systems, including the company's Three-Layer Wet Paint System that significantly lowers environmental impact.

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