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Mazda Motor Corp., in a sign that its troubles are worsening, said it will cut car production in Japan by 22% this quarter and slash its exports by half.

The move signals deepening problems at the Japanese auto maker, in which Ford Motor Co. has a 25% stake. Mazda now faces a serious cash-flow crunch, according to a senior company manager who asked not to be named. And if the yen remains at current high levels, Mazda's plight will intensify. "If the yen does not weaken, it will be hard to survive," the executive said.

That's not a comforting feeling for Ford.

"There is a lot of concern about what Mazda is facing, enough concern to provide as much counsel as we can," said a Ford spokesman.

Mazda continues to consult with Ford management. Ford already has decision-making power in Mazda's operations, as seven people in its upper management group are nominated by Ford. However, Ford isn't planning to play a larger management role in Mazda.

"It isn't something that we can, or are likely to, get directly involved in," said the Ford spokesman. "We worry about them as a partner and a company in which we have a major equity stake, but essentially they have to work out their own business strategy."

Mazda said it is drafting a plan to return to profitability by next March. The ideas include reducing inventory and trying to cut production costs. Layoffs will be the last step, the Mazda executive said.

One question is whether Ford would pump in additional cash, should the need arise. The Mazda executive is pessimistic. "If they invest, they do it on a risk-return basis. That's the kind of company they are," he said. The risks of investing in Mazda are so high, he added, that Ford isn't likely to do so.

To trim production this quarter, Mazda will shut two Japanese plants for six to 11 days, cutting its planned car output by about 45,000 from April to June. Most of those cars were to have been exported, primarily to the U.S. Mazda said it expects output to return to normal in July, with the production of 1996-model cars for North America.

The company originally planned to produce about 983,000 vehicles in 1995, but now has reduced that by 5%.

The auto maker cited the strong yen and weakening sales in the U.S. as the main reasons behind the move. The strong yen means that sales made overseas are less profitable to Japanese exporters unless they raise prices, which hurts their competitiveness.

Though Mazda has raised prices in the U.S. only 2% this year, the number of cars it has sold in there plummeted 18% in the first quarter from the year-earlier period. That far exceeds the 7% fall in overall U.S. car sales.

About 60% of Mazda's revenue stems from exports, so the cutback, even if it's temporary, illustrates the severity of its predicament. The yen's relentless 20% rise against the dollar this year simply has made exporting unprofitable, the Mazda executive said.

Mazda, always considered the weakest of the Japanese auto makers, is particularly vulnerable because it has only one large overseas plant to which it can shift production, a factory in Michigan that it co-owns with Ford.

Mazda's product lineup in the U.S. relies too heavily on specialty cars, such as the sporty Miata roadster, analysts say. Sales of such trendy vehicles tend to slump first when the general market sours. In the first quarter, Miata sales were off 10.6%, while sales of the RX-7 sports car, despite its strong reputation, were off 13.4%.

Mazda also has been hurt by a softening in the car market's entry-level segment. Sales of its revamped Protege compact were off 38.4% or about 9,000 units in the first quarter.

"The sales declines of the Protege accounted for 65% of the decline on Mazda's car side, which is most of its U.S. business," said Christopher Cedergren, an analyst for AutoPacific Group.

Although the Protege is an all-new model, its predecessor was priced about 5% lower. Moreover, Mazda offered big incentives on the predecessor model, but can no longer afford such discounts.

On the U.S. light truck side of Mazda's market, sales of its MPV compact van have dropped in half to about 3,500 units because it is becoming dated and, at $21,000 to $27,500, expensive.

Mr. Cedergren said that with the strong yen hurting the profitability of U.S. sales, any efforts to stimulate demand, such as $1,000 incentives, are counterproductive.

Things aren't much better in Japan, where Mazda's sales dropped some 17% in the first three weeks of April compared with the year-ago period, according to car-registration data. Mazda's sales were flat in the fiscal year ended March 31. One bright spot has been sales of trucks and other commercial vehicles.

Some Mazda executives argued that the level of exports shouldn't be cut because they help maintain cash flow. That's because payment is received immediately from distributors, and that helps prop up output and keep workers employed. But when prices in the U.S. don't keep pace with the yen's rise, exporting erodes profitability. Executives Ford dispatched last year to Mazda's board are said to have heavily influenced the decision to trim production. Ford's style is to quickly slow the assembly lines when sales begin to fall and inventories begin to build.

A Mazda spokesman declined to comment on the company's cash flow, saying Mazda will discuss the matter when financial results are released in May for the fiscal year ended March 31. The spokesman said the company expects to post a pretax net loss of about 33 billion yen ($397.5 million).