

Financial Results for the First Half of Fiscal 2000

(April 1, 1999 through September 30, 1999)

November 11, 1999

Mazda Motor Corporation

Code No.: 7261 Listed in the 1st section of : Tokyo, Osaka and Nagoya Stock Exchanges

Also listed in : Kyoto, Hiroshima, Fukuoka, Niigata and Sapporo

Headquartered at : 3-1, Shinchii, Fuchu-cho, Aki-gun, Hiroshima

Contact: Shigeharu Hiraiwa

Director and General Manager of Corporate Communications Division

Tel: 082-282-1111

Meeting of the Board of Directors for Account Settlement: November 10, 1999

Provision for interim dividends : Provision exists

Timing of Interim dividends payments: -

1. Financial Highlights (April 1, 1999 through September 30, 1999)

(1) Financial results

[Amounts less than one million yen have been omitted.]

	Sales (% of change from prev. item)		Operating Income (from prev. item)		Ordinary Income (from prev. item)	
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%
FY2000 1st.H.	734,705	(3.3)	7,843	(-63.8)	5,867	(-68.8)
FY1999 1st.H.	711,503	(-4.7)	21,657	(203.4)	18,818	(262.7)
FY1999	1,454,017		55,641		49,774	

	Net Income (from prev. item)		Net Income per share	Accounting Procedures
	Mil.Yen	%	Yen	
FY2000 1st.H.	3,826	(-30.6)	3.12	Japanese Gaap
FY1999 1st.H.	5,511	(892.8)	4.50	Japanese Gaap
FY1999	30,529		24.97	

(Footnote)

- Number of Issued Shares (averaged):

FY2000 1st.H.	1,222,496,655 Stocks
FY1999 1st.H.	1,222,365,047 Stocks
FY1999	1,222,423,913 Stocks

2. Change of accounting procedures : Exists

3. Deferred tax accounting is applied in the first half of fiscal 2000

(2) Dividends

	Interim Dividends	Annual Dividends
	per share	per share
	Yen	Yen
FY2000 1st.H.	0.00	
FY1999 1st.H.	0.00	
FY1999		4.00

(Note) Breakdown of interim dividends
in the first half of fiscal 2000

Memorial dividends	0.00 yen
Special dividends	0.00 yen

(3) Financial Position

	Total assets	Shareholders' Equity	Equity Ratio	Equity per share
	Mil.Yen	Mil.Yen	%	Yen
FY2000 1st.H.	1,139,175	438,664	38.5	358.82
FY1999 1st.H.	1,017,446	391,343	38.5	320.12
FY1999	1,074,945	416,367	38.7	340.58

(Footnote)

- Number of issued stock

Sep.30,1999	1,222,496,655 Stocks
as of : Sep.30,1998	1,222,487,273 Stocks
Mar.31,1999	1,222,496,655 Stocks
- Valuation gain/loss of marketable securities -2,731 Mil.Yen
- Valuation gain/loss of derivative transaction 22 Mil.Yen

2. FY2000 Financial forecast (April 1, 1999 through March 31, 2000)

	Net Sales	Ordinary Income	Net Income	Dividends per share	
	Mil.Yen	Mil.Yen	Mil.Yen	Year-end	Yen
FY2000	1,525,000	25,000	14,000	4.00	4.00

(Reference) Net income per share: 11.45 yen

Business Policy of Mazda

Mazda's vision is to create new value and to give customers pleasure and excitement through superb vehicles and services. Toward this end, we are striving to improve customer satisfaction in every element of our business, from planning, design, engineering and manufacturing, to communication, sales and service. We are working to clearly establish the Mazda brand worldwide centered on a unique DNA of "Stylish," "Insightful", and "Spirited". We expect this DNA to result in vehicles of "Distinctive Design", "Exceptional Functionality" and "Responsive Handling & Performance". To support our brand initiatives, we are launching "New Ideas That Stir Your Emotions" as a unified slogan in our product and marketing efforts. It will be the banner under which we will reach out to our customers as we strive to achieve best-in-industry quality and customer satisfaction.

As a responsible member of society, we will comply with social requirements such as environmental protection and improved vehicle safety.

We will continuously focus on improving the financial performance of the Mazda Group with particular emphasis on improving cash flow, reducing financial debt, and strengthening our balance sheet.

Mazda and Ford Motor Company will continue to work toward achieving effective use of each other's resources and achieving greater economies of scale in all areas of our business, starting with the commonization of platforms and including safety and environmental technology, the opening of new markets, distribution, and the like. In addition, the development of each company as a source of supply for the other will further strengthen Mazda's business foundation.

Mazda's objective is to assure that we have a robust financial structure and generate positive cash flow to ensure we can establish and maintain a stable flow of dividends to our shareholders. Actual dividends will be determined in each term based on financial performance and the judgment of management.

Results For The First Half of Fiscal Year 2000

During the first half of the year, the Japanese economy generally remained sluggish despite government economic stimulus packages. The United States and European economies, on the other hand, remained strong. In Asia, initial indicators of recovery were evident in most countries following several years of depressed economic conditions.

Automotive sales in Japan totaled 2.78 million units, up 0.8 % from the same period a year ago. This increase was more than explained by a 32.4% increase in micro vehicle sales. Sales of registered vehicles declined by 9.5% to 1.88 million units. Export sales from Japan totaled 2.12 million units, down 5.3% from the same period a year ago. Shipments to Europe and Latin America were down substantially, offset partially by higher exports to North America.

Domestic sales volume was 163,384 units, down 5.4% from the same period a year ago because of lower market share and a reduction of vehicle stocks at dealers. Market share, including micro cars, decreased by 0.2 points to 5.6% despite an increase in sales of registered vehicles reflecting the successful introduction of "Premacy", "MPV", "Bongo Truck & Van". Registered vehicle market share rose by 0.3 points to 7.0%. Export sales totaled 253,978 units, down 3.6 % from the same period a year ago, reflecting lower sales to Latin America and Africa, offset partially by stronger sales in North America. Combined domestic and export sales totaled 417,362 units, down 4.3 %.

Concerning our financial results, unconsolidated sales revenue was ¥734,705 million, up 3.3% from the same period a year ago, reflecting export sales to North America and KD sets. Ordinary profit was ¥5,867 million, down 68.8% because of the sharp appreciation of the yen and one-time accounting changes, offset partially by vehicle cost reductions. Extraordinary gains of ¥38,686 million reflected mainly the sale of assets to strengthen Mazda's balance sheet. Extraordinary losses of ¥38,273 million were incurred mainly because of accelerated actions to restructure selected Mazda dealers. Corporation and other taxes totaled ¥2,455 million. As a result, net income was ¥3,826 million, down 30.6% from the same period a year ago.

Ordinary profit and net income were in line with our public forecast last May.

Cash flow was positive ¥63,286 million reflecting a continued focus on cash flow to improve Mazda's financial structure.

We will continue to forgo distribution of mid-term dividends this term.

Forecast For FY 2000

Although we think that the Japanese economy will experience a mild recovery, continued weakness is expected because of the strong yen and weakness in the labor market, among other factors. As for the rest of the world, we expect economic performance to remain strong in both the United States and Europe during the next six months. Asian economies are expected to continue on the path toward recovery.

In the automotive industry, we are projecting increasingly severe sales competition both domestically and overseas. There appears little prospect of any rapid increase in automobile demand in Japan in the near term. Amid such circumstances, our outlook for FY2000 is as follows. Domestic sales volume is projected at 350,000 units, export sales

volume at 550,000 units, and total sales volume at 900,000 units, up 1.9% from the same period a year ago. Domestic market share is projected to increase 0.2 points, from 5.4% to 5.6%. Sales revenue is projected at ¥1,525,000 million, up 4.9%. Ordinary profit is projected at ¥25,000 million, down 49.8%, and net income is projected at ¥14,000 million, down 54.1%.

Compared with a year ago, the lower net income reflects primarily a stronger yen, one-time accounting changes, and recognition of corporation and other taxes. Partial offsets are vehicle cost reductions, favorable volume changes, and favorable changes in extraordinary profit items. Cash flow is projected at positive ¥70,000 million.

We will declare and pay a year-end dividend of ¥4.00 per share.

Year 2000 Compliance

1. Compliance Progress

a. Policy of Compliance

At Mazda, we consider the Y2K issue not only an information systems problem but also a significant management challenge. With this awareness, we have been giving our best efforts to prevent in advance any interruptions and confusion in the operations of the entire Mazda group, including subsidiaries and affiliated companies, thereby ensuring that we continue to provide our customers with products and services of highest satisfaction.

b. Systematic Approach To Compliance

We started a preliminary study project in April 1997, and actual remediation efforts started in October 1997. Subsequently, in July 1998, a compliance leader was appointed, and a compliance center was established in each division of the corporate organization. A company-wide compliance center (Y2000 Promotion Secretariat) was established in the Information Systems Division to assist and administer overall remediation efforts and to review progress on a monthly basis. Progress is reported to the meetings of the Executive Committee and the division general managers in a timely manner.

c. Progress Toward Compliance

(1) Mazda Products

We have verified that no problems related to Y2K will occur in any vehicles that have been manufactured by Mazda or vehicles presently being produced. This is because no date-control chips have been incorporated into the core part related to the basic performances of vehicles such as "drive", "turn", and "stop".

(2) Other Compliance

We have divided areas that could be affected into the following seven categories:

1) programs in mainframe systems, 2) equipment for mainframe systems, 3) programs developed by end-users, 4) manufacture, production, and logistics equipment, 5) foundation equipment for buildings and factories, 6) equipment for development and testing of products, and 7) subsidiaries and affiliated companies and other companies having business relationships with Mazda. We have completed all the studies, actions, and trial tests for categories numbered 1 through 6 at the end of September 1999 as scheduled. Now, we are carrying out the final confirmation of systems that will be completed at the end of November. The final confirmation will eliminate all the accidental oversight and unsolved problems. As for category 7, we regularly survey all the suppliers and related companies by questionnaires. In addition, we visit them to check their readiness and ask them for preparing their contingency plans. All the plans progress as scheduled.

2. Costs of Compliance

We are achieving Y2K compliance not only through ad hoc system updates strictly aimed at Y2K but also through overall, integrated system updates. As part of these strategic updates, processing capacity improvement and replacement or updates of functionally outdated systems, Y2K compliance is also achieved. Therefore, it is not practical to isolate and calculate the overall costs of Y2K compliance. As far as the costs of ad hoc updates for compliance are concerned, we expect to incur ¥1,000 million in total for hardware updates and program revisions/updates and have already spent approximately ¥900 million.

3. Establishment of Contingency Plans

As already discussed, we are making our best efforts to achieve Y2K compliance. However, in consideration of extensive remediation efforts involving internal computer systems and production machinery and equipment, as well as those of subsidiaries/affiliates and other companies having business relationship with us, we realize that establishing contingency plans in case of emergency situations is critical to our business continuation. Therefore, we are establishing a contingency plan to take adequate countermeasures against unexpected problems.

In detail, we completed listing major business activities and resources and preparation of the contingency planning schedule by June 1999. We completed the contingency plan at the end of September 1999. We plan to complete specific preparation and training step by step by the end of December. We will also establish a task force between December 27 through January 11 to facilitate quick decision-making and appropriate instructions in case of an emergency.

Sales units

			FY2000 1st.H (Apr.,99-Sep.,99)	FY1999 1st.H (Apr.,98-Sep.,98)	Increase/ Decrease	FY1999 (Apr.,98-Mar.,99)
			Units	Units	Units	Units
Domestic	Passenger	1	130,742	136,426	-5,684	266,460
	Commercial	2	32,642	36,203	-3,561	70,383
	Total	3	163,384	172,629	-9,245	336,843
Export	Passenger	4	230,791	225,945	4,846	480,706
	Commercial	5	23,187	37,553	-14,366	65,883
	Total	6	253,978	263,498	-9,520	546,589
Total	Passenger	7	361,533	362,371	-838	747,166
	Commercial	8	55,829	73,756	-17,927	136,266
	Total	9	417,362	436,127	-18,765	883,432

Net sales

[Amounts less than one million yen have been omitted.]

			FY2000 1st.H (Apr.,99-Sep.,99)	FY1999 1st.H (Apr.,98-Sep.,98)	Increase/ Decrease	FY1999 (Apr.,98-Mar.,99)
			MYen	MYen	MYen	MYen
Vehicle	Domestic	1	206,631	210,270	-3,639	408,768
	Export	2	310,486	309,702	784	649,077
	Total	3	517,117	519,972	-2,855	1,057,845
KDSets	Export	4	29,659	20,840	8,818	51,613
Service & accessory part	Domestic	5	31,412	31,626	-214	63,876
	Export	6	52,900	68,597	-15,696	134,326
	Total	7	84,313	100,223	-15,910	198,202
Others	Domestic	8	65,877	62,759	3,118	130,790
	Export	9	37,737	7,707	30,030	15,565
	Total	10	103,615	70,466	33,149	146,355
Total	Domestic	11	303,921	304,656	-735	603,434
	Export	12	430,783	406,847	23,936	850,583
	Total	13	734,705	711,503	23,201	1,454,017

Statement of Income

[Amounts less than one million yen have been omitted]

(in millions of yen)

	First Half		Full Year	
	FY2000 (Apr.99-Sep.99)	FY1999 (Apr.98-Sep.98)	Increase/ Decrease	FY1999 (Apr.98-Mar.99)
(Ordinary income and expenses)				
Operating income and expenses				
Operating revenues				
Net sales	1 734,705	711,503	23,201	1,454,017
Operating expenses				
Cost of sales	2 584,293	558,568	25,724	1,139,519
(Gross profit on sales)	3 (150,411)	(152,935)	(-2,523)	(314,498)
Selling, general and administrative expenses	4 142,568	131,278	11,290	258,856
Total	5 726,861	689,846	37,015	1,398,376
Operating income	6 7,843	21,657	-13,813	55,641
Non-operating income and expenses				
Non-operating revenues				
Interest and dividends received	7 2,784	3,095	-311	6,390
Others	8 4,292	4,405	-113	8,170
Total	9 7,076	7,501	-424	14,560
Non-operating expenses				
Interest and discounts paid	10 5,529	7,716	-2,187	15,464
Others	11 3,523	2,623	899	4,963
Total	12 9,052	10,340	-1,288	20,427
Ordinary income	13 5,867	18,818	-12,950	49,774
(Extraordinary profits and losses)				
Extraordinary profits				
Profit on sale of fixed assets	14 22,922	2,075	20,847	5,095
Profit on sale of investment securities	15 15,763	-	15,763	11,055
Total	16 38,686	2,075	36,611	16,151
Extraordinary losses				
Loss on sale of fixed assets	17 51	-	51	-
Loss on retirement of fixed assets	18 2,637	1,313	1,323	3,728
Past service costs relating to the pension plan	19 1,494	1,555	-60	3,101
Loss from revaluation of marketable securities	20 -	-	-	12,552
Loss on sale of investment securities	21 9	-	9	693
Loss from revaluation of Investment securities	22 166	7,536	-7,370	8,738
Restructuring of affiliates	23 7,074	4,956	2,117	6,543
Provision of allowance for doubtful receivables	24 21,627	-	21,627	-
Investment valuation allowance	25 5,213	-	5,213	-
Total	26 38,273	15,362	22,910	35,356
Net income before income taxes	27 6,281	5,531	749	30,569
Corporation, inhabitant and enterprise taxes	28 20,099	20	20,079	40
Deferred tax adjustments	29 -17,644	-	-17,644	-
Net income	30 3,826	5,511	-1,685	30,529
Retained earnings brought forward	31 10,280	10,341	-60	10,341
Retained earnings adjustment to reflect tax effects pertaining to temporary differences in previous periods	32 23,361	-	23,361	-
Reversal of reserve for advanced depreciation deduction of fixed assets, etc. due to adaptation of deferred tax accounting	33 7,261	-	7,261	-
Unappropriated retained earnings	34 44,728	15,852	28,876	40,870

Balance Sheet

[Amounts less than one million yen have been omitted.]

(in millions of yen)

	Sept. 30, 1999	Mar. 31, 1999	Incr./Decr.*	Sept. 30, 1998	
(Assets)					
Current assets					
Cash and time deposits	1	194,322	113,219	81,103	159,030
Notes receivable-trade	2	4,946	4,786	160	8,055
Accounts receivable-trade	3	136,136	104,346	31,789	124,378
Marketable securities	4	21,331	33,083	-11,752	46,840
Finished products	5	26,057	25,410	646	35,501
Raw materials	6	322	477	-154	596
Work in process	7	21,375	21,512	-137	18,941
Supplies	8	1,763	1,679	83	1,965
Advance payments	9	22	4	17	593
Prepaid expenses	10	2,285	1,124	1,161	2,347
Deferred tax assets	11	14,243	-	14,243	-
Others	12	19,517	28,002	-8,484	30,845
Bad debt reserves	13	-3,606	-1,710	-1,896	-20,150
Total current assets	14	438,717	331,936	106,781	408,946
Fixed assets					
Tangible fixed assets					
Buildings	15	85,669	92,935	-7,266	95,943
Structures	16	18,104	19,006	-901	18,579
Machinery & equipment	17	114,504	113,094	1,409	121,097
Transportation equipment	18	1,408	1,229	178	1,197
Tools, furniture & fixtures	19	23,909	22,813	1,096	22,417
Land	20	83,400	93,681	-10,281	94,359
Construction in progress	21	21,565	38,445	-16,879	27,517
Total tangible fixed assets	22	348,562	381,207	-32,645	381,110
Intangible fixed assets					
Software	23	5,115	5,084	30	4,524
Investments, etc.					
Investment securities	24	84,518	90,272	-5,754	92,848
Investment in subsidiaries	25	97,473	91,047	6,425	88,769
Long-term loans receivable	26	169,134	179,304	-10,170	18,806
Long-term prepaid expenses	27	5,792	6,486	-694	7,021
Deferred tax assets	28	28,391	-	28,391	-
Others	29	22,312	15,801	6,511	21,559
Bad debt reserves	30	-55,659	-26,230	-29,429	-6,180
Investment valuation allowance	31	-5,213	-	-5,213	-
Total investments, etc.	32	346,749	356,682	-9,932	222,825
Total fixed assets	33	700,427	742,974	-42,547	608,461
Deferred assets					
Discount on bonds	34	30	34	-4	38
Total assets	35	1,139,175	1,074,945	64,230	1,017,446

Note:*Increase/Decrease from the end of the previous fiscal term (Fiscal 1999 ended March 31, 1999)

(Footnote)

- Marketable securities include treasury stock, whose amount is more than 1 million yen.
- Accumulated depreciation of tangible fixed assets ¥96,198 mil.
- Assets offered in security ¥148,060 mil.
- Contingent liabilities for guarantee ¥805 mil.
Letters of awareness and similar agreements ¥202,252 mil.
- Factoring of receivables with recourse ¥4,500 mil.
- Net income per share ¥3.12

[Amounts less than one million yen have been omitted.]

(in millions of yen)

	Sept. 30, 1999	Mar. 31, 1999	Incr./Decr.*	Sept. 30, 1998	
<u>(Liabilities)</u>					
<u>Current liabilities</u>					
Notes payable-trade	1	14,548	13,951	597	16,607
Accounts payable-trade	2	122,296	121,987	309	110,533
Short-term loans payable	3	76,970	126,970	-50,000	84,970
Long-term loans payable due within one year	4	4,214	4,180	34	4,245
Commercial Paper	5	-	50,000	-50,000	-
Bonds due within one year	6	60,000	30,000	30,000	20,000
Convertible bonds due within one year	7	-	-	-	76,763
Accounts payable-other	8	10,354	12,648	-2,293	14,385
Accrued expenses	9	34,074	31,884	2,190	29,283
Accrued corporation tax, etc.	10	16,504	48	16,456	48
Advance received	11	314	878	-564	260
Deposits received	12	2,592	4,298	-1,705	559
Deferred income	13	36	-	36	40
Reserve for employees' bonuses	14	16,277	15,478	799	16,429
Reserve for warranty claims	15	12,064	4,251	7,813	4,406
Total current liabilities	16	370,247	416,575	-46,328	378,531
<u>Fixed liabilities</u>					
Bonds	17	136,900	146,900	-10,000	176,900
Long-term loans payable	18	163,090	65,306	97,783	41,304
Reserve for retirement allowances	19	25,722	25,415	306	25,327
Guarantee money received	20	4,551	4,380	171	4,038
Total fixed liabilities	21	330,264	242,003	88,261	247,570
Total liabilities	22	700,511	658,578	41,933	626,102
<u>(Shareholders' equity)</u>					
<u>Capital stock</u>					
Capital stock	23	120,078	120,078	-	120,075
<u>Legal surplus</u>					
Legal capital surplus	24	104,215	104,215	-	104,212
Legal earned surplus	25	15,507	15,018	488	15,018
Total legal surplus	26	119,722	119,233	488	119,231
<u>Retained earnings</u>					
Reserve for general purpose	27	140,000	117,000	23,000	117,000
Reserve for dividends	28	4,000	4,000	-	4,000
Reserve for advanced depreciation					
deduction of fixed assets	29	10,047	15,067	-5,019	15,067
Reserve for special depreciation	30	72	61	10	61
Reserve for loss from overseas investments	31	14	56	-41	56
Unappropriated retained earnings	32	44,728	40,870	3,857	15,852
Total retained earnings	33	198,863	177,055	21,808	152,037
Total shareholders' equity	34	438,664	416,367	22,297	391,343
Total liabilities and shareholders' equity	35	1,139,175	1,074,945	64,230	1,017,446

Note:*Increase/Decrease from the end of the previous fiscal term (Fiscal 1999 ended March 31, 1999)

(Footnote)

7. Finance lease transactions other than those with unconditional title transfer clause to lessee

- (1) Balance of leased assets at Sep. 30, 1999
 - Equivalent to acquisition costs 153,314 mil.
 - Equivalent to accumulated depreciation 68,753 mil.
 - Equivalent to net book value 84,561 mil.
- (2) Balance of lease obligations for future payment at Sep. 30, 1999
(Due within one year) 89,739 mil.
(20,683 mil.)
- (3) Lease fee paid for the First Half of Fiscal 2000 11,991 mil.
 - Equivalent to depreciation of the above 10,168 mil.
 - Equivalent to interest of the above 2,204 mil.

Basis of Interim Financial Statements

1. The difference in accounting principles and procedures adopted to prepare financial statements of fiscal year
With regard to reserve for employees' bonus, reserve for warranty claims, reserve for retirement allowances, and depreciation and amortization expenses, their annual estimated amounts to be charged in the current fiscal year are allocated over the period, and the amount to be charged in this interim accounting period are recognized.

(Change in Accounting Procedures)

- With regard to reserve for warranty claims, the maximum amount allowed by the corporation tax law (legal ratio) had been recognized. From this period, however, it is recognized the possible warranty expense in the succeeding year based on the accrual ratio in the previous fiscal years.
The effect of this change in accounting on reported fiscal results is that operating income, ordinary income and net income before taxes decreased by 7,330 million yen compared to what these amounts would have been if the previous accounting procedure were used.
2. Inventories
Inventories are stated at cost determined by the average method.
3. Depreciation method of tangible fixed assets
Declining balance method is used in accordance with the corporate tax law, except for buildings (excluding equipment and fixtures attached to the buildings) acquired on and after April 1, 1998 and tools that are accounted for by straight-line method.
4. Lease accounting
Lease transactions other than finance lease with unconditional title transfer clause to lessee are accounted for by the method equivalent to the ordinary accounting for rent.
5. Accounting for consumption tax, etc.
Accounting for consumption tax, etc. is excluding tax method. It offsets "temporary payments of consumption tax" against "temporary receipts of consumption tax" and vice versa, and either remaining balance is included in "accounts payable-other" at current liabilities.

Additional information

1. Deferred tax accounting is adopted from this interim period.
The effects of adopting the deferred tax accounting on reported financial results are that net income and unappropriated retained earnings increased by 17,644 million yen and 48,266 million yen, respectively, compared to what those amounts would have been if the deferred tax accounting were not adopted.
2. Research and development costs had been included in "cost of sales" when incurred. Referring to "The guideline for accounting standard regarding to research and development costs and software" (the Japanese Institute of Certified Public Accountants - Accounting System Committee Report No. 12), however, they are charged to "selling, general, and administrative expenses" from this interim period.
3. Regarding software for the purpose of internal use previously included in "long-term prepaid expenses" at Investments, etc., the previous accounting standard has been used continuously by referring to the interim measure described in Accounting System Committee Report No.12.
As of the disclosure of software, they are included in "software" at Intangible fixed assets, changed from "long-term prepaid expenses" at Investments, etc., according to the report presented above. Depreciation is computed by straight-line method using the estimated useful lives (5years).
4. Accrued enterprise taxes had been included in "selling, general, and administrative expenses" in the previous interim report. Starting the previous fiscal year and this interim period, however, they are included in "corporation, inhabitants, and enterprise taxes".
In the past, "accrued enterprise taxes, etc" covered both accrued enterprise taxes and accrued business establishment taxes. Starting the previous fiscal year and this interim period, however, accrued enterprise taxes are included in "accrued corporation tax, etc." and accrued business establishment taxes are included in "accounts payable-other".

Due to changes of No.2 ~ 4 described above, both statements of income and balance sheets of the previous interim period and the previous fiscal year are restated by using the same method applied in this period.

Subsequent Events

On November 10, 1999, the Board of Directors approved a takeover of Mazda Tooling and Engineering Co., Inc. on February 1, 2000, which is 100% owned subsidiary.

Market value information of marketable securities, etc.

[Amounts less than one million yen have been omitted.]

Description	Sept.30, 1999			Sept.30, 1998			Mar.31, 1999		
	Amount on	Market	Valuation	Amount on	Market	Valuation	Amount on	Market	Valuation
	balance sheet	value	gain/loss	balance sheet	value	gain/loss	balance sheet	value	gain/loss
(1) Current assets									
Stocks	21,331	18,590	-2,740	46,840	24,013	-22,826	33,083	28,836	-4,247
(2) Fixed assets									
Stocks	512	521	9	1,334	511	-823	746	583	-163
Bonds	100	99	-	1,241	1,211	-30	503	514	11
Sub-total	612	621	9	2,576	1,722	-854	1,249	1,097	-152
Total	21,943	19,211	-2,731	49,417	25,736	-23,681	34,332	29,933	-4,399

(Footnotes)

1. Calculation basis for market value, etc.

- Listed securities : The closing price of mainly the Tokyo Stock Exchange.
- Over-the-counter securities: The prices announced by the Security Business Association, etc.
- Securities with quotes(excluding a and b): Standard bond quotes of the counter-bond market, which are announced by the Security Business Association, etc.
- Others(excluding those for which market value can not be determined) : Based upon the interests, remaining redemption period, and other conditions of standard quoted bonds in the counter-bond market, which are announced by the Security Business Association, etc.

2. Stocks in current assets include treasury stocks, whose unrealized gain/losses are less than 1 million yen.

3. The balance sheet amounts of the securities excluded from the above information:

		(in millions of yen)		
		Sept.30, 1999	Sept.30, 1998	Mar.31, 1999
Fixed assets:	• Unlisted stocks excluding over-the-counter securities	175,309	171,512	172,543
	• Domestic unlisted bonds redeemable within one year	-	11	10
	• Certificate of deposit in loan funds, etc.	528	528	528

Contracted amount, Market value and valuation gain/loss of derivative transaction

Currency transaction

Forward exchange contracts (other than market transactions)

[Amounts less than one million yen have been omitted.]

	Sept.30, 1999			Sept.30, 1998			March 31, 1999		
	Contracted amount	Market value	Valuation gain/loss	Contracted amount	Market value	Valuation gain/loss	Contracted amount	Market value	Valuation gain/loss
	Over 1Y.			Over 1Y.			Over 1Y.		
Selling									
US\$	-	-	-	32,986	31,671	1,314	-	-	-
DM	-	-	-	15,988	16,436	-448	9,458	9,204	253
Car\$	-	-	-	1,441	1,371	70	3,356	3,327	29
Aus\$	-	-	-	-	-	-	1,449	1,427	22
SFr	59	61	-2	-	-	-	-	-	-
Buying									
DM	430	416	13	-	-	-	-	-	-
T. Baht	9,126	9,165	-38	-	-	-	-	-	-
Total	-	-	22	-	-	936	-	-	304

(Footnote)

- Market value at above 3 term-ends are calculated based on prevailing forward exchange rate at those date.
- Forward exchange contract which are using to translate foreign currency assets and liabilities are excluded from the above information.