Consolidated Financial Results for FY2002 First Half

(April 1, 2002 through September 30, 2002) November 12, 2002

Mazda Motor Corporation

Code No: 7261 Listed in : Tokyo, Osaka, Nagoya, Fukuoka and Sapporo Stock Exchanges
(URL http://www.mazda.co.jp) Headquartered in: Hiroshima-prefecture
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Meeting of the Board of Directors for Consolidated Account Settlement: November 12, 2002
Adoption of the United States Generally Accepted Accounting Principles: Not Adopted

1. Consolidated Financial Highlights (April 1, 2002 through September 30, 2002)

(1) Consolidated Financial Results

(in Japanese yen rounded to millions, except amounts per share)

	Net Sales		Operating Income/(Loss)		Ordinary Income/(Loss)	
	million yen	%	million yen	%	million yen	%
FY2002 1st. Half	1,159,331	11.7	14,676	31.0	9,196	91.3
FY2001 1st. Half	1,038,263	3.2	11,202	-	4,807	-
FY2001	2,094,914		28,553		19,221	

	Net Income/(Loss)		Net Income/(Loss) per Share	Net Income/(Loss) per Share (Diluted)
	million yen	%	yen	yen
FY2002 1st. Half	5,575	324.6	4.57	-
FY2001 1st. Half	1,313	-	1.07	-
FY2001	8,830		7.23	-

Notes: ① Equity in net income of unconsolidated subsidiaries and affiliates accounted for by the equity method:

FY2002 1st. Half	3,013	million yen
FY2001 1st. Half	3,283	million yen
FY2001	6,303	million yen

② Average no. of shares of common stock outstanding (on a consolidated basis):

FY2002 1st. Half	1,219,719,289	shares
FY2001 1st. Half	1,222,123,584	shares
FY2001	1,221,749,932	shares

③ Accounting changes: Yes
④ Changes in net sales, operating income, ordinary income, and net income from the prior periods are shown in percentage.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio	Equity per Share
	million yen	million yen	%	Yen
FY2002 1st. Half	1,698,575	174,206	10.3	142.79
FY2001 1st. Half	1,667,839	161,927	9.7	132.59
FY2001	1,734,895	172,837	10.0	141.52

Notes: No. of shares of common stock outstanding as of period end (on a consolidated basis):

FY2002 1st. half	1,220,044,885	shares
FY2001 1st. Half	1,221,292,975	shares
FY2001	1,221,266,429	shares

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Ending Cash & Cash Equivalents
	million yen	million yen	million yen	million yen
FY2002 1st. Half	15,523	(17,628)	(12,481)	214,307
FY2001 1st. Half	(20,066)	(21,604)	(17,272)	234,551
FY2001	91,512	(60,889)	(97,629)	229,444

(4) Scope of Consolidation and Equity Method

Consolidated subsidiaries	80 companies	Non-consolidated subsidiaries accounted for by the equity method	None
Affiliates accounted for by the equity method	16 companies		

(5) Changes in Scope of Consolidation and Equity Method

Consolidation	(Addition)	1 company	Equity method	(Addition)	1 company
	(Exclusion)	4 companies		(Exclusion)	1 company

2. FY2002 Consolidated Financial Forecast (April 1, 2002 through March 31, 2003)

	Net Sales	Ordinary Income/(Loss)	Net Income/(Loss)
	million yen	million yen	million yen
Full Year	2,340,000	36,000	26,500

Reference: Net income per share for the full year 21.74 yen
(Projected net income per share of common stock has been calculated based on the projected average number of shares of common stock outstanding after the planned purchase of treasury stock.)

The financial projection is the judgement of our management based on the information presently available. By nature, such financial projection is subject to uncertainty and a risk. Therefore, we advise against making an investment decision by solely relying on this projection. Variables that could affect the actual financial results include, but are not limited to, economic environments related to our business areas and fluctuations in yen-to-dollar and other exchange rates. For further information on the above financial projection, please refer to page 6 of Supplementary Information.

Supplementary Information

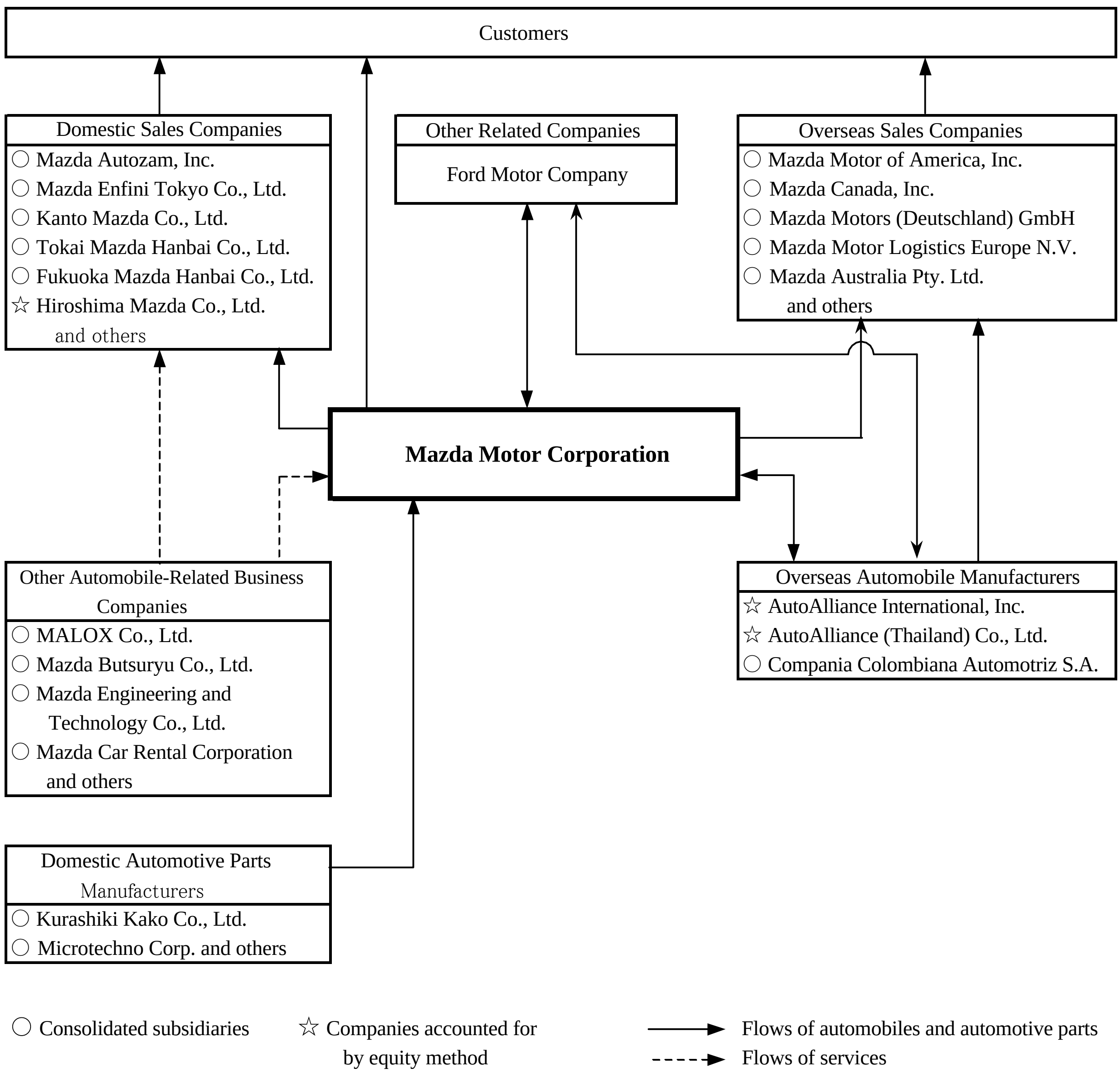
1. Mazda Group of Companies

Mazda group of companies consists of Mazda Motor Corporation, 80 consolidated subsidiaries and 16 equity method-applied companies and is mainly engaged in the manufacturing and sales of automobiles and automotive parts as well as in other automobile-related businesses.

In Japan, Mazda Motor Corporation manufactures automobiles. Mazda Motor Corporation, Kurashiki Kako Co., Ltd. and other companies manufacture automotive parts. In overseas, AutoAlliance International, Inc. and other companies manufacture automobiles and automotive parts. The automobiles and automotive parts manufactured by our group of companies are sold to customers by our sales companies. In Japan, Mazda Autozam, Inc., Mazda Enfini Tokyo Co., Ltd. and other companies sell our automobiles and automotive parts to customers. To certain corporate customers, Mazda Motor Corporation directly sells our automobiles. In overseas, Mazda Motor of America, Inc., Mazda Motors (Deutschland) GmbH and other companies sell our automobiles and automotive parts to customers.

In addition, Mazda Motor Corporation, having an equity relationship with Ford Motor Company, has expanded its relationship with Ford to a strategic cooperative relationship on a global scale.

The following diagram approximately illustrates the roles of Mazda Motor Corporation and its main related companies in conducting the group's business:



Note: None of the consolidated subsidiaries is listed at a stock exchange in Japan.

2. Management Policy

1) Our Corporate Vision, Mission and Value

At Mazda Motor Corporation, our corporate vision is as follows: "To create new value, excite and delight our customers through the best automotive products and services." We believe that achieving this vision will lead to increased shareholder value and enhance the value of association with the corporation for our employees, our suppliers, the communities in which we operate, and other stakeholders.

Based on this vision, our corporate mission is as follows: "With passion, pride and speed, we actively communicate with our customers to deliver insightful automotive products and services that exceed their expectations."

Under this mission, we are working to create the following three types of values:

a) We value integrity, customer focus, creativity, and efficient and nimble actions. We respect highly motivated people and team spirit.
b) We positively support actions to improve the environment, safety and society in general.
c) Guided by these values, we expect to provide superior rewards to all people associated with Mazda.

2) Our Policy on Distribution of Earnings

Our policy on distribution of earnings is to declare dividends by carefully considering each fiscal year's financial results and business environment. Our intent is to provide our stockholders with dividends on a stable basis. Our policy on earnings retained in the company is to utilize the financial resources to enhance our business competitiveness, e.g., capital investments in facilities and equipment and investments in research and development.

3) Our Mid-Term Plan

During the period, Mazda continued to deliver the commitments that were set out in the Millennium Plan in November 2000.

a) Business growth

"Zoom-Zoom"

In April this year Mazda started a full-scale domestic communications campaign using a new message, "Zoom-Zoom", which captures the love of motion one experienced as a child. With introduction in Japan, this message is now in use in all major markets worldwide, communicating the Fun-to-Drive spirit of the Mazda brand and Mazda vehicles.

New Products

Under the "Zoom-Zoom" message, we have introduced two new-generation vehicles in the First Half.
In May we launched in Japan a new midsize car, Mazda Atenza, with three bodystyles, a newly developed architecture and new 2.0/2.3 liter MZR engines. Atenza fully embodies our brand DNA of Stylish, Insightful and Spirited. Mazda6, as Atenza is known outside Japan, went on sale in early June in Europe. Mazda6 for North American consumers began production at AutoAlliance International, Inc. (AAI) in the U.S. on October 17; public launch is planned for early 2003.

In August in Japan, we introduced our second new-generation vehicle -- a completely redesigned small car, Mazda Demio, with new 1.3/1.5 liter MZR engines. The Demio is offered in three lifestyle versions to suit different target customers, each offering a total package of new values in the small car class. The vehicle also was unveiled in Europe at the Paris Motor Show in late September as Mazda2. Other major product actions during the First Half included a facelifted MPV with a new 2.3 liter MZR engine and an enhanced Premacy featuring an easy-to-use, stowable seat in the third row; Premacy also qualified for Green Taxation benefits. We also introduced an upgraded Carol certified as an "Ultra-Low Emission Vehicle," an upgraded Scrum Truck, an enhanced Roadster with a refined design, upgraded Mazda Bongo Van and Truck models certified as "Good-Low-Emission Vehicles," and a restyled Mazda AZ-Wagon focusing on increased driving comfort and offering environmentally friendly modifications.

Mazda's initiatives in Internet marketing continued. Mazda renewed its "Web Tune Factory" homepage, which allows customers to order their own original, built-to-order vehicle via the Internet. Sales of the web-tuned@Roadster recommenced in September.

Fast-growing Market, China

As a fast-growing market with a rapidly developing automotive industry, China is increasingly important for Mazda. Following introduction of Premacy last year, Mazda started production of Mazda 323 (known as Familia in Japan) at FAW Hainan Motor Co., Ltd. in July. Mazda also announced in August the planned launch of a third model for the Chinese market. We will start production of Mazda6 at a FAW Car Co. Ltd. production facility in Changchun in March 2003.

b) Reform and Restructuring

We continued to implement initiatives to strengthen our distribution networks in Japan and abroad.

In the Japanese market, our domestic dealers continued to improve their business structure, remaining profitable at all levels in the First Half. In Europe, Mazda assumed a 50% share of our distributor in Austria in April this year. As a result, Mazda now controls approximately 85% of total European sales. First Half performance by the new national sales companies was excellent. We also progressed the restructuring of our domestic, non-distribution subsidiaries with several actions completed in the First Half.

c) Synergies with Ford Group

Synergies with Ford continued to advance as planned in various areas.

Mazda and Ford jointly developed the basic vehicle architecture for Demio/Mazda2. Work also progressed on the establishment of production of Mazda2 at Ford's plant in Valencia, Spain in early 2003. Mazda2 is Mazda's first model engineered and built in Europe. Production of Mazda6 for the North American Market will be carried out at AAI, Mazda's joint venture assembly plant with Ford in Michigan. A facelift of Mazda's one-ton pickup was launched in July this year at Mazda's joint venture assembly plant with Ford, AutoAlliance Thailand, in Rayong, Thailand.

d) Success of "People"

Mazda launched in April a new personnel development program, "Leading Mazda 21". The program aims to foster a new generation of Mazda leaders who can take a global view of the company's business. We also conducted in June the third round of the Mazda Business Leader Development program.

The Millennium Plan establishes external metrics that we will use to track our performance. Among the metrics, we are targeting to achieve a 3% net return on sales and a 6% net return on assets by Fiscal Year 2004, as well as a 50% net-debt equity ratio and a prime credit rating.

4) Our Challenges

The near-term external environment is expected to be difficult both in Japan and globally. The global economic outlook is uncertain, and there are additional risks which could impact business and consumer confidence adversely. In the automotive industry, competition will continue to be fierce worldwide. We expect our competitors to continue to aggressively introduce new products with enhanced value and to maintain high levels of marketing expense.

Mazda has made tremendous progress over the past several years in restructuring and reforming the company. We have delivered thus far on the commitments that we made in our Millennium Plan. We will intensify our efforts to enable Mazda to compete successfully and profitably in this increasingly competitive, changing, and uncertain environment.

To further strengthen our competitiveness, we announced plans to re-balance production capacity in Japan. We plan to close our oldest assembly facility, F Plant, and re-open our Ujina 2 Plant, which will result in an additional 110,000 units of capacity. This is required to support our Millennium Plan growth targets.

We also announced plans for additional restructuring initiatives at our domestic dealers in the Second Half, including cross-prefecture mergers and measures to improve the financing stability of the consolidated domestic dealers.

In addition, Mazda has launched a new cost reduction initiative, called "Achieve Best Cost" or "ABC", which is the process we are following to achieve our more aggressive cost reduction targets by the end of FY2004 that we announced in May 2002.

Mazda is operating in a tough environment against world-class competitors. We are confident, however, of driving the company forward to sustained, profitable growth under the four-pillar framework of the Millennium Plan – Reform and Restructuring, Growth, Synergies With Ford, and People. We have met our commitments at this half-way point of the Millennium Plan, and we are determined to continue to execute and deliver our commitments in the future.

5) Measures Regarding the Infrastructure of Management Organization of Our Company (Improvement of Corporate Governance)

We implemented a number of changes in our corporate governance structure. In June, we introduced an Executive Officer system and reduced the size of Mazda's board of directors to enhance transparency and foster faster decision-making.

3. Financial Results, Position and Projection

1) Financial Results and Position

During the First Half of Fiscal Year 2002 (April 1 through September 30, 2002), the Japanese economy continued to experience anemic growth and a deflationary trend. Although economic indices were mixed, the economy continued to face severe challenges with little sign of meaningful action by the government to address them. The global economic outlook remained uncertain with uneven growth in the U.S. and weakening growth in Europe. Global capital markets experienced deep losses, further undermining business and consumer confidence.

In the First Half, automotive sales in Japan, including micro-mini vehicles, totaled 2.78 million units, down one percent compared with the same period a year ago. U.S. industry sales in the First Half of the calendar year totaled 8.34 million units, down 3% from the same period in the prior year, while sales in Western Europe were 8.85 million units, down 4.7%.

Turning to Mazda's performance in the First Half, our retail sales in the Japanese market totaled 129,000 units, down 6.4% compared with the same period a year ago. Our registered vehicle share in the domestic market was 5.6%, down half a point. Our total share, including micro-mini vehicles, was 4.6%, down 0.3 points.

Mazda's retail sales and market shares in major overseas markets were mixed. In the U.S., Mazda's retail sales were down 8.5% to 129,000 units compared to the same period a year ago, resulting in a market share of 1.5%, down 0.1 points. Retail sales in Canada were up 7.1% to 36,000 units with a market share of 4.1%, down 0.1 points. Mazda Canada has experienced 50 consecutive months of year-over-year growth through September 2002. In Western Europe, retail sales were down 1.3% to 82,000 units, but market share remained unchanged at 0.9%. Finally, in Australia, retail sales were up 2.8% to 18,000 units, but market share was down 0.3 points to 4.4%.

Consolidated wholesales in the half-year period totaled 498,000 units, up 5,000 units or 1.1% from the same period a year ago reflecting increases in Europe. Lower wholesales in Japan, North America and Rest of the World were partial offsets.

Regarding financial results in the First Half, consolidated sales revenue was 1,159.3 billion yen, up 121.1 billion yen or 11.7% from the same period of the previous fiscal term. Operating income was 14.6 billion yen, up 3.4 billion yen or 31%. Ordinary income was 9.1 billion yen, up 4.3 billion yen. Net income was 5.5 billion yen, up 4.2 billion yen and more than four times higher than the same period a year ago. This significantly improved performance reflected mainly a weaker yen. Total cost performance was about unchanged year-over-year, while volume and mix factors were slightly adverse reflecting higher variable marketing expense in the United States. Strong performance of the new Atenza/Mazda6 and Demio were partial offsets.

Consolidated cash flow (operating and investing activities) was negative 2.1 billion yen. Consolidated net debt (the balance of interest-bearing debt minus cash and cash equivalents) was 453.0 billion yen, 3.9 billion yen lower than at March 31, 2002.

In July, Mazda completed a long-term, 38 billion yen syndicated bank borrowing, and in September Mazda announced a 60 billion yen offering of convertible bonds which was completed on October 7.

No interim dividends will be declared in the First Half. We offer sincere apologies to our shareholders, and we ask for their understanding in this matter.

2) Financial Projection

For Mazda, Fiscal Year 2002 (from April 1, 2002 to March 31, 2003) will be a year of Execution, Delivery, and Growth. The successful introductions of the Atenza/Mazda6 and the Demio/Mazda2 will be followed by the introduction of the long-awaited, revolutionary four-door sports car, the RX-8.

In the second half of the year, we will further improve material, fixed and other costs. Also, we expect the yen to remain at a relatively weak level. In addition, we are planning to implement domestic dealer restructuring initiatives, which will result in tax efficiencies. On the other hand, we expect volume and mix to be a partial offset reflecting mainly higher variable marketing expense in the United States. In terms of financial projections, the domestic dealer restructuring actions are expected to improve consolidated net income, but they will deteriorate unconsolidated results due to extraordinary losses that do not affect consolidated results.

Our projection of financial results for Fiscal Year 2002 is as follows[1]. The following projections reflect a yen exchange rate versus the U.S. dollar of ¥121.6 and ¥117.4 versus the Euro.

Consolidated

Wholesales	1,015 thousand units	(up 7.0% compared to the prior year)
Sales revenue	2,340.0 billion	(up 11.7% compared to the prior year)
Ordinary income	36.0 billion	(up 87.3% compared to the prior year)
Net income	26.5 billion	(up 200.1% compared to the prior year)
Cash flow (operating and investing)	40.0 billion	

Unconsolidated

Wholesales	871 thousand units	(up 6.2% compared to the prior year)
Sales revenue	1,530.0 billion	(up 12.1% compared to the prior year)
Ordinary income	13.0 billion	(down 54.1% compared to the prior year)
Net loss	(35.0) billion	
Cash flow (operating and investing)	(20.0) billion	

[1] The financial projection is the judgement of our management based on the information presently available. By nature, such financial projection is subject to uncertainty and a risk. Therefore, we advise against making an investment decision by solely relying on this projection. Variables that could affect the actual financial results include, but are not limited to, economic environments related to our business areas and fluctuations in yen-to-dollar and other exchange rates.

4. Consolidated Financial Statements

(1) Consolidated Statement of Operations

Six months ended September 30, 2002

With comparative figures for the six months ended September 30, 2001 and for the fiscal year ended March 31, 2002

(in millions of yen)

		FY2002 1st. Half (Apr. 2002 - Sep. 2002)	FY2001 1st. Half (Apr. 2001 - Sep. 2001)	Increase/ (Decrease)	FY2001 (Apr. 2001 - Mar. 2002)
Net sales	1	**1,159,331**	1,038,263	121,068	2,094,914
Costs of sales	2	**857,234**	777,210	80,024	1,551,410
Gross profit on sales	3	**302,097**	261,053	41,044	543,504
Selling, general and administrative expenses	4	**287,421**	249,851	37,570	514,951
Operating income	5	**14,676**	11,202	3,474	28,553
Non-operating income					
Interest and dividend income	6	**1,061**	1,088	(27)	2,601
Equity in net income of unconsolidated subsidiaries and affiliates	7	**3,013**	3,283	(270)	6,303
Other	8	**4,169**	5,300	(1,131)	12,178
Total	9	**8,243**	9,671	(1,428)	21,082
Non-operating expenses					
Interest expense	10	**9,310**	12,561	(3,251)	22,678
Other	11	**4,413**	3,505	908	7,736
Total	12	**13,723**	16,066	(2,343)	30,414
Ordinary income	13	**9,196**	4,807	4,389	19,221
Extraordinary profits					
Profit on sale of tangible fixed assets	14	**492**	1,641	(1,149)	1,781
Profit on sale of investment securities	15	**3,142**	1,351	1,791	2,575
Reversal of reserve for loss on restructuring of subsidiaries and affiliates	16	**-**	1,280	(1,280)	1,280
Other	17	**308**	328	(20)	890
Total	18	**3,942**	4,600	(658)	6,526
Extraordinary losses					
Loss on retirement and sale of tangible fixed assets	19	**1,816**	1,515	301	4,753
Loss on sale of investment securities	20	**811**	280	531	279
Valuation loss on investment securities	21	**45**	87	(42)	1,685
Accrual for directors' and corporate auditors' retirement benefits	22	**-**	572	(572)	572
Loss on restructuring of subsidiaries and affiliates	23	**451**	-	451	1,495
Investment valuation allowance	24	**2,570**	582	1,988	514
Other	25	**314**	553	(239)	941
Total	26	**6,007**	3,589	2,418	10,239
Income before income taxes	27	**7,131**	5,818	1,313	15,508
Income taxes					
Current	28	**5,665**	6,011	(346)	9,048
Deferred	29	**(4,856)**	(2,994)	(1,862)	(5,016)
Minority interests of consolidated subsidiaries	30	**747**	1,488	(741)	2,646
Net income	31	**5,575**	1,313	4,262	8,830

(2) Consolidated Balance Sheet

September 30, 2002
With comparative figures for March 31, 2002 and for September 30, 2001

(in millions of yen)

ASSETS		**FY2002 1st. Half (September 30, 2002)**	FY2001 (March 31, 2002)	Increase/ (Decrease)	FY2001 1st. Half (September 30, 2001)
Current Assets:					
Cash and time deposits	1	**213,469**	228,679	(15,210)	235,494
Trade notes and accounts receivable	2	**124,894**	113,199	11,695	110,583
Inventories	3	**237,955**	257,073	(19,118)	207,451
Deferred taxes	4	**68,748**	80,403	(11,655)	50,679
Other	5	**57,183**	50,685	6,498	40,907
Allowance for doubtful receivables	6	**(2,308)**	(4,896)	2,588	(4,312)
Total current assets	7	**699,941**	725,143	(25,202)	640,802
Fixed Assets:					
Tangible fixed assets:					
Buildings and structures	8	**149,916**	152,630	(2,714)	153,828
Machinery and vehicles	9	**148,295**	145,400	2,895	120,543
Land	10	**439,217**	441,150	(1,933)	441,626
Construction in progress	11	**23,688**	30,781	(7,093)	47,368
Other	12	**36,114**	47,328	(11,214)	44,532
Total tangible fixed assets	13	**797,230**	817,289	(20,059)	807,897
Intangible fixed assets:	14	**17,649**	17,985	(336)	14,504
Investments and other fixed assets:					
Investment securities	15	**48,938**	46,371	2,567	48,505
Long-term loans receivable	16	**26,961**	28,009	(1,048)	25,913
Deferred taxes	17	**105,864**	92,983	12,881	118,828
Other	18	**31,802**	32,136	(334)	34,497
Allowance for doubtful receivables	19	**(25,831)**	(23,484)	(2,347)	(21,463)
Investment valuation allowance	20	**(3,993)**	(1,552)	(2,441)	(1,685)
Total investments and other fixed assets	21	**183,741**	174,463	9,278	204,595
Total fixed assets	22	**998,620**	1,009,737	(11,117)	1,026,996
Deferred assets	23	**14**	15	(1)	41
Total Assets	24	**1,698,575**	1,734,895	(36,320)	1,667,839

(in millions of yen)

LIABILITIES		FY2002 1st. Half (September 30, 2002)	FY2001 (March 31, 2002)	Increase/ (Decrease)	FY2001 1st. Half (September 30, 2001)
Current Liabilities:					
Trade notes and accounts payable	1	**251,691**	257,510	(5,819)	195,802
Short-term loans payable	2	**244,827**	271,926	(27,099)	303,303
Long-term loans payable due within one year	3	**60,721**	40,099	20,622	34,540
Bonds due within one year	4	**41,900**	25,000	16,900	50,000
Other accounts payable	5	**112,589**	129,581	(16,992)	66,466
Accrued expenses	6	**132,364**	129,747	2,617	142,122
Reserve for warranty expenses	7	**17,109**	15,364	1,745	15,395
Reserve for loss on restructuring of subsidiaries and affiliates	8	**4,458**	4,272	186	2,345
Reserve for loss on guarantees of loans	9	**-**	-	-	2,140
Reserve for loss on business restructuring	10	**-**	-	-	121
Other	11	**47,144**	46,547	597	29,664
Total current liabilities	12	**912,803**	920,046	(7,243)	841,898
Fixed Liabilities					
Bonds	13	**100,000**	136,900	(36,900)	141,900
Long-term loans payable	14	**219,833**	212,393	7,440	230,014
Deferred tax liability related to land revaluation	15	**92,958**	93,971	(1,013)	93,379
Employees' and executive officers' severance and retirement benefits	16	**178,153**	174,630	3,523	173,868
Directors' and corporate auditors' retirement benefits	17	**1,255**	1,482	(227)	1,421
Other	18	**12,610**	14,581	(1,971)	15,172
Total fixed liabilities	19	**604,809**	633,957	(29,148)	655,754
Total Liabilities	20	**1,517,612**	1,554,003	(36,391)	1,497,652
Minority Interests in Consolidated Subsidiaries	21	**6,757**	8,055	(1,298)	8,260
SHAREHOLDERS' EQUITY					
Common stock	22	**120,078**	120,078	-	120,078
Capital surplus	23	**104,268**	104,216	52	104,216
Retained earnings/(deficit)	24	**(125,179)**	(128,565)	3,386	(135,257)
Land revaluation	25	**125,884**	125,326	558	124,501
Net unrealized gain/(loss) on available-for-sale securities	26	**162**	(28)	190	(652)
Foreign currency translation adjustments	27	**(50,513)**	(47,878)	(2,635)	(50,654)
Treasury stock	28	**(494)**	(312)	(182)	(305)
Total shareholders' equity	29	**174,206**	172,837	1,369	161,927
Total Liabilities and Shareholders' Equity	30	**1,698,575**	1,734,895	(36,320)	1,667,839

(3) Consolidated Statement of Capital Surplus and Retained Earnings

Six months ended September 30, 2002
With comparative figures for the six months ended September 30, 2001 and for the fiscal year ended March 31, 2002

(in millions of yen)

		FY2002 1st. Half (Apr. 2002 - Sep. 2002)	FY2001 1st. Half (Apr. 2001 - Sep. 2001)	FY2001 (Apr. 2001 - Mar. 2002)
CAPITAL SURPLUS				
Balance at the beginning of the period	1	**104,216**	**104,216**	**104,216**
Increases due to:				
Treasury stock transactions	2	**52**	**-**	**-**
Balance at the end of the period	3	**104,268**	**104,216**	**104,216**
RETAINED EARNINGS				
Balance at the beginning of the period	4	**(128,565)**	(136,639)	(136,639)
Increases due to:				
Net income	5	**5,575**	1,313	8,830
Reversal of land revaluation	6	**265**	69	-
Decreases due to:				
Dividends	7	**2,442**	-	-
Reversal of land revaluation	8	-	-	756
Exclusion of consolidated subsidiaries and companies accounted for by the equity method	9	**12**	-	-
Balance at the end of the period	10	**(125,179)**	**(135,257)**	**(128,565)**

(4) Consolidated Statement of Cash Flows

Six months ended September 30, 2002

With comparative figures for the six months ended September 30, 2001 and for the fiscal year ended March 31, 2002

(in millions of yen)

		FY2002 1st. Half (Apr. 2002 - Sep. 2002)	FY2001 1st. Half (Apr. 2001 - Sep. 2001)	FY2001 (Apr. 2001 - Mar. 2002)
Cash flows from operating activities:				
Income before income taxes	1	**7,131**	5,818	15,508
Adjustments to reconcile income before income taxes to net cash provided by operating activities:				
Depreciation and amortization	2	**18,755**	22,624	44,890
Allowance for doubtful receivables	3	**1,099**	2,457	3,064
Investment valuation allowance	4	**2,604**	555	996
Reserve for warranty expenses	5	**1,766**	97	30
Reserve for loss on business restructuring	6	**-**	(2,890)	-
Employees' and executive officers' severance and retirement benefits	7	**3,681**	659	1,681
Interest and dividend income	8	**(1,061)**	(1,088)	(2,601)
Interest expense	9	**9,310**	12,561	22,678
Equity in net income of unconsolidated subsidiaries and affiliates	10	**(3,013)**	(3,283)	(6,303)
Loss/(gain) on sale of fixed assets	11	**1,324**	(126)	2,972
Gain on sale of investment securities	12	**(2,331)**	(1,071)	(2,296)
Loss on restructuring of subsidiaries and affiliates	13	**451**	-	1,495
Changes in trade notes and accounts receivable	14	**(12,138)**	15,429	14,462
Changes in inventories	15	**7,112**	8,847	28,779
Changes in trade notes and accounts payable	16	**2,995**	(14,410)	13,031
Changes in other current liabilities	17	**(2,386)**	(4,080)	12,836
Other	18	**(7,902)**	(3,348)	12,834
Subtotal	19	**27,397**	38,751	164,056
Interest and dividends received	20	**1,469**	1,615	3,945
Interest paid	21	**(9,413)**	(11,874)	(22,983)
Severance pay for early retirement paid	22	**-**	(45,232)	(45,232)
Income taxes paid	23	**(3,930)**	(3,326)	(8,274)
Net cash provided by/(used in) operating activities	24	**15,523**	(20,066)	91,512
Cash flows from investing activities:				
Purchase of investment securities	25	**(2,830)**	(159)	(1,557)
Sale of investment securities	26	**720**	3,723	3,978
Acquisition of investment in subsidiaries affecting scope of consolidation	27	**-**	-	(1,075)
Sale of investment in subsidiaries affecting scope of consolidation	28	**4,090**	(883)	(110)
Acquisition of tangible fixed assets	29	**(33,505)**	(36,287)	(71,712)
Proceeds from sale of tangible fixed assets	30	**16,818**	12,864	15,875
Changes in short-term loans receivable	31	**(688)**	(141)	-
Long-term loans made	32	**(82)**	(447)	(4,181)
Collections of long-term loans receivable	33	**346**	340	1,030
Other	34	**(2,497)**	(614)	(3,137)
Net cash used in investing activities	35	**(17,628)**	(21,604)	(60,889)
Cash flows from financing activities:				
Changes in short-term loans payable	36	**(20,515)**	(43,141)	(80,584)
Proceeds from long-term loans payable	37	**45,801**	18,264	20,984
Repayment of long-term loans payable	38	**(14,755)**	(21,536)	(37,111)
Proceeds from issuance of bonds	39	-	30,000	30,000
Redemption of bonds	40	**(20,000)**	-	(30,000)
Cash dividends paid	41	**(2,442)**	-	-
Other	42	**(570)**	(859)	(918)
Net cash used in financing activities	43	**(12,481)**	(17,272)	(97,629)
Effect of exchange rate fluctuations on cash and cash equivalents	44	**(551)**	171	2,411
Net decrease in cash and cash equivalents	45	**(15,137)**	(58,771)	(64,595)
Cash and cash equivalents at beginning of the period	46	**229,444**	292,615	292,615
Increase in cash and cash equivalents due to newly consolidated subsidiaries	47	**-**	707	1,424
Cash and cash equivalents at end of the period	48	**214,307**	234,551	229,444

Notes to Consolidated Financial Statements

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries	80	
Overseas	15	Mazda Motor of America, Inc., Mazda Motors (Deutchland) GmbH and 13 others
Domestic	65	42 dealers and 23 others
2) Equity Method-Applied Companies	16	
Overseas	3	AutoAlliance International, Inc., AutoAlliance (Thailand) Co., Ltd. and Mazda Austria GmbH
Domestic	13	5 dealers, 3 automotive parts sales companies and 5 others

2. Changes in Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries

Newly added:	1	
Domestic	1	Mazda Car Rental Corporation (established by the business separation of Mazda Rental & Leasing System Corporation)
Excluded:	4	
Overseas	1	Mazda Engineering (Thailand) Co., Ltd. (sold)
Domestic	3	Mazda Parts Industry Co., Ltd. (sold), Iyo Mazda Co. Ltd. (merged) and Mazda Rental & Leasing System Corporation (sold after business separation)

2) Equity Method-Applied Companies

Newly added:	1	
Overseas	1	Mazda Austria GmbH
Excluded:	1	
Domestic	1	Autozam Kumamoto Co., Ltd.

3. Accounting Periods of Consolidated Subsidiaries

The first-half consolidated balance sheet date is September 30. Among the consolidated subsidiaries, 15 companies (including Mazda Motor of America, Inc.) have a first-half balance sheet date different from the first-half consolidated balance sheet date, all of which are June 30.

In preparing the first half consolidated financial statements, the financial statements of each of these companies were used. However, adjustments necessary in consolidation were made for material transactions that occurred between the first-half balance sheet dates of the above subsidiaries and the first-half consolidated balance sheet date.

4. Accounting Policies

1) Valuation Standards and Methods of Significant Assets

a) Securities

Available-for-sale securities

With available fair value: Recorded at fair value estimated based on quoted market prices on the balance sheet date, with unrealized gains and losses excluded from income and reported in a separate component of shareholders' equity net of tax. The bases of cost are on a historical cost basis based on a moving average method.

Without available fair value:	Recorded at cost on a historical cost basis mainly on a moving average method

b) Derivative instruments:	Fair value method
c) Inventories	Mainly a historical cost basis based on an average method

2) Depreciation and Amortization Methods of Significant Fixed Assets

a) Tangible Fixed Assets

Mainly straight-line method. Useful lives and residual values are estimated by a method equivalent to the provisions of the Corporate Tax Law.

b) Intangible Fixed Assets

Straight-line method with periods of useful life estimated by a method equivalent to the provisions of the Corporate Tax Law. Software for internal use is amortized on a straight-line basis over the period of internal use, i.e., 5 years.

3) Standards for Recognition of Reserves

a) Reserve for warranty expenses

Reserve for warranty expenses provides for after-sales expenses of products (vehicles). The amount is estimated per product warranty provisions and actual costs incurred in the past, taking future prospects into consideration.

b) Reserve for loss on restructuring of subsidiaries and affiliates

Reserve for loss on restructuring of subsidiaries and affiliates provides for losses related to restructuring of subsidiaries and affiliates. The amount is estimated in light of the financial positions and other conditions of the subsidiaries and affiliates.

c) Employees' and executive officers' severance and retirement benefits

Employees' and executive officers' severance and retirement benefits provide for the costs of severance and retirement benefits to employees and executive officers. The amount estimated to have been incurred as of the end of the current first half is recognized based on the estimated amount of liabilities for severance and retirement benefits and the estimated fair value of the pension plan assets at the end of the current fiscal year. The recognition of prior service cost is deferred on a straight-line basis over a period equal to or less than the average remaining service period of employees at the time such cost is incurred (mainly 12 years). The recognition of actuarial differences is also deferred on a straight-line basis over a period equal to or less than the average remaining service period of employees at the time such gains or losses are realized (mainly 13 years). The amortization of net gains or losses starts from the fiscal year immediately following the year in which such gains or losses are realized.

d) Directors' and corporate auditors' retirement benefits

Directors' and corporate auditors' retirement benefits provide for the payment of retirement benefits to directors and corporate auditors. The equivalent of the amount that would be required by the internal corporate policy if all the directors and corporate auditors retired at the end of this half-year period is recognized.

e) Allowance for doubtful receivables

Allowance for doubtful receivables provides for the losses from bad debt. The amount estimated to be uncollectible is recognized. For receivables at an ordinary risk, the amount is estimated based on the past default ratio. For receivables at a high risk and receivables from debtors under bankruptcy proceedings, the amount is estimated based on the financial standing of the debtor.

f) Investment valuation allowance

Investment valuation allowance provides for losses from investments. The amount is estimated in light of the financial standings of the investee companies.

4) Accounting policies of foreign consolidated subsidiaries

Among the foreign consolidated subsidiaries, Compania Colombiana Automotriz S.A. prepares its financial statements based on the accounting principles generally accepted in Colombia to reflect adjustments for the country's inflationary economy and changing prices.

5) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate on the half-year end; gains and losses in foreign currency translation are included in the income of the current period. Balance sheets of consolidated overseas subsidiaries are translated into Japanese yen at the rates on the half-year ends of the subsidiaries' accounting periods except for shareholders' equity accounts, which are translated at the historical rates. Income statements of consolidated overseas subsidiaries are translated at average rates of the subsidiaries' half-year periods, with the translation differences prorated and included in the shareholders' equity as foreign currency translation adjustments and minority interests.

6) Accounting for Leases

Lease transactions other than those finance leases with an unconditional title transfer clause are accounted for by the method equivalent to rental transactions.

7) Accounting for Hedging Activities

Full-deferral hedge accounting is mainly applied. However, certain hedging instruments, such as a forward exchange contract designated as hedging a foreign-currency-denominated receivable or payable, are translated into yen at the fixed exchange rate stipulated in the contract. Also, for certain interest swap contracts that are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

8) Accounting for Consumption Taxes

Tax-excluding method

5. Cash and Cash Equivalents in the Consolidated Statement of Cash Flows

Cash and cash equivalents consist of cash on hand, bank deposits that can be readily withdrawn, and short-term, highly liquid investments with maturities of three months or less at the time of acquisition that present insignificant risk of changes in value.

Accounting Change

Depreciation method of tangible fixed assets

Until the year ended March 31, 2002, Mazda Motor Corporation (the "Company") accounted for the depreciation of tangible fixed assets on a declining-balance basis equivalent to the provisions of the Corporate Tax Law, except for buildings (excluding fixtures) acquired on or after April 1, 1998 and tools that are accounted for on a straight-line basis. Commencing in the first half ended September 30, 2002, however, the Company has changed its depreciation method of fixed assets from a declining-balance basis to a straight-line basis.

This change was made in order to improve the matching of the timing to recognize revenues and expenses in consideration of recent changes in the Company's business environment. Progresses made in the concentration of production and the common utilization of same production facilities for different models have facilitated the stable use of production facilities; as a result, the recovery of investments can be expected equally over the periods of useful lives.

The effects of this change for the first half ended September 30, 2002 were to decrease depreciation expense by 6,238 million yen, to increase operating income by 4,928 million yen, to increase ordinary income and income before income taxes by 4,987 million yen.

Additional Information

1. **Treasury Stock and Reduction of Legal Reserves**
   Commencing in the first half ended September 30, 2002, Financial Accounting Standard No.1, "Accounting Standard for Treasury Stock and Reduction of Legal Reserves", has been adopted. The effects of adopting the new standard were immaterial.

2. **Consolidated Balance Sheet and Consolidated Statement of Capital Surplus and Retained Earnings**
   For the first half ended September 30, 2002, consolidated balance sheet and consolidated statement of capital surplus and retained earnings were prepared in accordance with regulations concerning semi-annual consolidated financial statements as amended.

3. **Real Estate Trust Contract**
   In September of 1999, the Company entered into a real estate trust contract. The beneficial ownership of property was transferred to a third party, and the real estate was leased back to the Company. The real estate includes an educational facility, a research and development facility, distribution centers, and stores of domestic dealers. In addition, the Company entered a "*Tokumei Kumiai*" agreement with, and made an investment in the transferee. The balance of the investment of 4,421 million yen is included in the Other category of the Investment and Other Fixed Assets.

Footnotes

(in millions of yen)

	FY2002 1st. Half (September 30, 2002)	FY2001 1st. Half (September 30, 2001)	FY2001 (March 31, 2002)
(Consolidated Balance Sheet)			
1. Accumulated depreciation on tangible fixed assets	1,112,953	1,153,923	1,149,750
2. Assets offered as collateral and collateralized loans			
Assets offered as collateral	477,686	461,446	481,911
Collateralized loans	335,428	355,643	345,430
3. Contingent liabilities for guarantee and similar agreements	59,922	53,354	59,231
4. Notes and other receivables discounted			
Discounted notes receivable	719	1,608	1,400
Endorsed notes receivable	-	6	-
Factoring of receivables with recourse	11,167	10,282	11,864

(in millions of yen)

	FY2002 1st. Half (September 30, 2002)	FY2001 1st. Half (September 30, 2001)	FY2001 (March 31, 2002)
(Consolidated Statement of Cash Flows)			
Reconciliation of cash and time deposits in the consolidated balance sheet to cash and cash equivalents in the consolidated statement of cash flows			
Cash and time deposits	213,469	235,494	228,679
Time deposits with original maturities that exceed 3 months	(407)	(943)	(601)
Short-term investments in securities with an original maturity of 3 months or less	1,245	-	1,366
Cash and cash equivalents	214,307	234,551	229,444

Leases

	FY2002 1st. Half (Apr. 2002 - Sep. 2002)	FY2001 1st. Half (Apr. 2001 - Sep. 2001)	FY2001 (Apr. 2001 - Mar. 2002)
			(in millions of yen)
1. Finance lease transactions other than those with an unconditional title transfer clause to lessee			
(Lessees)			
1) Equivalent of acquisition costs	144,070	150,298	141,399
Equivalent of accumulated depreciation	79,266	82,970	77,127
Equivalent of net book value as of balance sheet date	64,804	67,328	64,272
2) Future minimum lease payments as of balance sheet date	68,804	73,069	69,130
(due within 1 year)	(20,548)	(20,472)	(19,953)
3) Lease fees paid for this fiscal period	11,525	12,390	23,733
Equivalent of depreciation	9,565	10,175	19,388
Equivalent of interest	1,409	1,613	3,070
4) Depreciation of leased assets is calculated at 100% of acquisition costs or up to the contracted residual value for the assets, using the straight-line method over the lease term.			
5) Interest included in lease fees is computed as a difference between total lease fees and acquisition costs of the leased assets. This amount is allocated to each fiscal period by interest method.			
(Lessors)			
1) Acquisition costs	-	6,070	5,945
Accumulated depreciation	-	4,025	4,199
Net book value as of balance sheet date	-	2,045	1,746
2) Future minimum lease payments to be received as of balance sheet date	-	3,098	2,443
(due within 1 year)	-	(878)	(975)
3) Lease fees received for this fiscal period	489	584	1,193
Depreciation	-	300	601
Equivalent of interest	-	43	86
4) Interest included in lease fees is computed as a difference between total lease fees and acquisition costs of the leased assets. This amount is allocated to each fiscal period by interest method.			
2. Operating lease transactions			
(Lessees)			
Future minimum lease payments as of balance sheet date	46,308	48,833	50,460
(due within 1 year)	(6,317)	(5,896)	(6,420)
(Lessors)			
Future minimum lease payments to be received as of balance sheet date	41	10,402	10,006
(due within 1 year)	(17)	(4,601)	(4,414)

Fair Value Information of Securities

FY2002 First Half (As of September 30, 2002)

1. Available-for-sale securities that have a market value

(in millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gain/loss
1) Equity securities	1,960	2,431	471
2) Debt securities			
Corporate bonds	-	-	-
Other	13	15	2
3) Other	1,357	1,357	-
Total	3,330	3,803	473

2. Securities that are not valued at fair value

(in millions of yen)

	Balance sheet amount
Available-for-sale securities	
Unlisted stocks (excluding those traded over-the-counter)	12,225

FY2001 First Half (As of September 30, 2001)

1. Available-for-sale securities that have a market value

(in millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gain/loss
1) Equity securities	3,674	2,793	(881)
2) Debt securities			
Corporate bonds	16	16	-
Other	12	15	3
3) Other	806	803	(3)
Total	4,508	3,627	(881)

2. Securities that are not valued at fair value

(in millions of yen)

	Balance sheet amount
Available-for-sale securities	
Unlisted stocks (excluding those traded over-the-counter)	11,598

FY2001 (As of March 31, 2002)

1. Available-for-sale securities that have a market value

(in millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gain/loss
1) Equity securities	2,024	2,116	92
2) Debt securities			
Corporate bonds	1	1	-
Other	14	16	2
3) Other	1,366	1,366	-
Total	3,405	3,499	94

2. Securities that are not valued at fair value

(in millions of yen)

	Balance sheet amount
Available-for-sale securities	
Unlisted stocks (excluding those traded over-the-counter)	9,027

Derivative Transactions

The following table summarizes fair value information of derivative transactions for which hedge accounting has not been applied:

1. Currency-related transactions

(in millions of yen)

	FY2002 First Half (September 30, 2002)			FY2001 First Half (September 30, 2001)			FY2001 (March 31, 2002)		
Forward foreign exchange contracts:	Contract amount	Estimated fair value	Unrealized gain/(loss)	Contract amount	Estimated fair value	Unrealized gain/(loss)	Contract amount	Estimated fair value	Unrealized gain/(loss)
Sell:									
U.S. dollars	1,115	1,178	(63)	197	195	2	756	763	(7)
Canadian dollars	286	291	(5)	399	378	21	649	653	(4)
Australian dollars	1,741	1,728	13	2,127	1,984	143	1,003	1,035	(32)
Euro	1,616	1,673	(57)	2,027	2,029	(2)	3,735	3,755	(20)
Others	-	-	-	1,016	1,027	(11)	779	802	(23)
Total	4,758	4,870	(112)	5,766	5,613	153	6,922	7,008	(86)

Notes: 1) Fair values at the end of each accounting period are estimated based on prevailing forward exchange rates at that date.
2) Derivative contracts that are accounted for by hedge accounting are excluded.

2. Interest rate-related transactions

(in millions of yen)

	FY2002 First Half (September 30, 2002)			FY2001 First Half (September 30, 2001)			FY2001 (March 31, 2002)		
Interest rate swap contracts:	Contract amount	Estimated fair value	Unrealized gain/(loss)	Contract amount	Estimated fair value	Unrealized gain/(loss)	Contract amount	Estimated fair value	Unrealized gain/(loss)
Receive/floating and pay/fixed	275	(2)	(2)	-	-	-	300	(5)	(5)
Total	275	(2)	(2)	-	-	-	300	(5)	(5)

Notes: 1) Fair values at the end of each accounting period are estimated based on information provided by financial institutions engaged in the contracts and other sources.
2) Derivative contracts that are accounted for by hedge accounting are excluded.

Segment Information

1. Information by Industry Segment

The company and its consolidated subsidiaries are primarily engaged in the manufacture and sale of passenger and commercial vehicles. Net sales and operating income (loss) related to this industry have exceeded 90% of the respective consolidated amounts. Accordingly, information by industry segment is not shown.

2. Information by Geographic Areas

(in millions of yen)

FY2002 1st. Half (Period ended Sep. 30, 2002)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	547,047	431,309	128,186	52,789	1,159,331	-	1,159,331
Inter-areas	306,398	7,466	1,962	3	315,829	(315,829)	-
Total	853,445	438,775	130,148	52,792	1,475,160	(315,829)	1,159,331
Operating expenses	837,076	446,064	127,358	50,950	1,461,448	(316,793)	1,144,655
Operating income (loss)	16,369	(7,289)	2,790	1,842	13,712	964	14,676

Notes:

1) Method of segmentation and principal countries or regions belonging to each segment
   a) Method: Segmentation by geographic adjacency
   b) Principal countries or regions belonging to each segment
      North America: U.S.A. and Canada
      Europe: Germany and Belgium
      Other areas: Australia and Colombia

2) As discussed in the Accounting Change of the Notes to the Consolidated Financial Statements , commencing in the first half ended September 30, 2002, the Company has changed its depreciation method of tangible fixed assets. The effect of this change to the Japanese segment is to decrease operating expenses by 4,928 million yen and to increase operating income by the same amount.

(in millions of yen)

FY2001 1st. Half (Period ended Sep. 30, 2001)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	549,003	362,635	80,667	45,958	1,038,263	-	1,038,263
Inter-areas	251,082	14,209	242	2	265,535	(265,535)	-
Total	800,085	376,844	80,909	45,960	1,303,798	(265,535)	1,038,263
Operating expenses	793,684	371,780	82,676	44,185	1,292,325	(265,264)	1,027,061
Operating income (loss)	6,401	5,064	(1,767)	1,775	11,473	(271)	11,202

(in millions of yen)

FY2001 (Year ended March 31, 2002)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	1,071,430	739,896	191,005	92,583	2,094,914	-	2,094,914
Inter-areas	547,334	28,473	212	11	576,030	(576,030)	-
Total	1,618,764	768,369	191,217	92,594	2,670,944	(576,030)	2,094,914
Operating expenses	1,594,198	760,210	190,245	89,272	2,633,925	(567,564)	2,066,361
Operating income (loss)	24,566	8,159	972	3,322	37,019	(8,466)	28,553

Notes:

1) Method of segmentation and principal countries or regions belonging to each segment
   a) Method: Segmentation by geographic adjacency
   b) Principal countries or regions belonging to each segment
      North America: U.S.A. and Canada
      Europe: Germany and Belgium
      Other areas: Australia and Colombia

3. Overseas Sales

FY2002 1st. Half (Period ended Sep. 30, 2002)	North America	Europe	Other areas	Total
				(in millions of yen)
Overseas sales	440,329	155,765	156,959	753,053
Consolidated sales	-	-	-	1,159,331
Percentage of overseas sales to consolidated sales	38.0%	13.4%	13.6%	65.0%

FY2001 1st. Half (Period ended Sep. 30, 2001)	North America	Europe	Other areas	Total
				(in millions of yen)
Overseas sales	378,979	102,080	142,626	623,685
Consolidated sales	-	-	-	1,038,263
Percentage of overseas sales to consolidated sales	36.5%	9.8%	13.8%	60.1%

FY2001 (Year ended March 31, 2002)	North America	Europe	Other areas	Total
				(in millions of yen)
Overseas sales	776,889	228,120	278,855	1,283,864
Consolidated sales	-	-	-	2,094,914
Percentage of overseas sales to consolidated sales	37.1%	10.9%	13.3%	61.3%

Notes:

1) Overseas sales include exports by the Company and its domestic consolidated subsidiaries as well as sales (other than exports to Japan) by overseas consolidated subsidiaries.

2) Method of segmentation and principal countries or regions belonging to each segment
   a) Method: Segmentation by geographic adjacency
   b) Principal countries or regions belonging to each segment
      North America: U.S.A. and Canada
      Europe: Germany and England
      Other areas: Australia, Thailand and Colombia

5. Subsequent Events

1) On September 20, 2002, the Board of Directors of the Company resolved to issue the 4th unsecured convertible bonds type-bonds with stock acquisition rights (the "Bonds"); subsequently, the Company issued the Bonds as follows:

Name of the Bonds	Mazda Motor Corporation 4th Unsecured Convertible Bonds Type-Bonds with Stock Acquisition Rights (With early redemption option by bondholders and ranking pari passu with other convertible bonds type-bonds with stock acquisition rights)
Date of issue	October 7, 2002
Aggregate principal amount	60 billion yen
Issue price	100 percent of the face value However, the Stock Acquisition Rights shall be issued free of charge.
Interest rate	0.0% per annum
Redemption period	September 28, 2007
Redemption by early redemption claimed by the holders of the Bonds	The holders of the Bonds may claim redemption of the Bonds from August 16, 2006 to August 31, 2006. In this case, the Company shall redeem the aggregate amount of the Bonds claimed for early redemption on the basis of 100 percent of the face value on September 29, 2006.
Conversion price	306 yen per share
Period for exercising the Stock Acquisition Rights	From November 1, 2002 to September 27, 2007
Amount to be incorporated into capital of shares to be issued upon conversion	153 yen per share
Real security	No real security is attached to the Bonds.
Usage of proceeds	To finance maturing debt
Financial covenants	Negative pledge As long as any of the Bonds remains outstanding, the benefit of security shall be extended equally and ratably to the Bonds at the same time when it is extended to other domestic convertible bonds-type bonds with stock acquisition rights in accordance with Secured Bond Trust Law. Maintenance of net worth amount As long as any of the Bonds remain outstanding, the shareholders' equity of the Company's audited consolidated balance sheet as of the end of each fiscal year shall be maintained at 129.7 billion yen or more. Change to secured bonds The Company may secure the Bonds at any time in accordance with the Secured Bond Trust Law based on discussion with the bond management company of the Bonds.

2) On October 21, 2002, the Board of Directors of the Company resolved on the plan to re-balance domestic production capacity.

Under the plan, the Company plans to re-open its Ujina 2 Plant in the fiscal year to end March 31, 2005 and concurrently close its F Plant. This action will increase the Company's domestic production capacity and improve overall operating efficiency that are required to support the growth in the Company's domestic and export volumes included in its Millennium Plan. To support the change, the assembly of Mazda's body-and-frame truck products will be shifted from the F Plant to a local vendor, beginning in spring 2003. Other vehicles assembled at the F Plant will be moved to the Ujina 1 Plant or Ujina 2 Plant. As a result, the Company's annual domestic production capacity will increase by 110,000 units, or 14%, from 788,000 units to 898,000 units.

The Company projects the loss related to this action to be approximately 2,800 million yen; it plans to recognize this amount in the fiscal year to end March 31, 2003 as an extraordinary loss.

6. Production and Sales Information

1. Production Volume

Type	FY 2002 1st. Half (Apr. 2002 to Sep. 2002)	FY 2001 1st. Half (Apr. 2001 to Sep. 2001)	Increase/ (Decrease)	FY 2001 (Apr. 2001 to Mar. 2002)
	units	units	units	units
Passenger cars	366,555	335,617	30,938	661,274
Trucks	28,866	38,540	(9,674)	68,677
Vehicles Total	395,421	374,157	21,264	729,951

Note: Production volume figures do not include those Mazda-brand vehicles produced by the following joint venture assembly plants with Ford (that are accounted for by the equity method):

	FY 2002 1st. Half		FY 2001 1st. Half		Increase/ (Decrease)		FY 2001	
AutoAlliance International, Inc.	24,261	units	29,080	units	(4,819)	units	46,705	units
AutoAlliance (Thailand) Co., Ltd.	15,037		13,598		1,439		27,129	

2. Sales Volume and Revenue

Type	FY 2002 1st. Half (Apr. 2002 to Sep. 2002)		FY 2001 1st. Half (Apr. 2001 to Sep. 2001)		Increase/ (Decrease)		FY 2001 (Apr. 2001 to Mar. 2002)	
	Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
	units	million yen	units	million yen	units	million yen	units	million yen
Vehicles	498,409	852,437	493,106	733,131	5,303	119,306	948,442	1,483,159
Knockdown Parts (Overseas)	―	30,588	―	28,961	―	1,627	―	59,650
Parts	―	82,455	―	84,250	―	(1,795)	―	147,950
Others	―	193,851	―	191,921	―	1,930	―	404,155
Total	―	1,159,331	―	1,038,263	―	121,068	―	2,094,914

＜Sales Volume by Market＞

Type	FY 2002 1st. Half (Apr. 2002 to Sep. 2002)	FY 2001 1st. Half (Apr. 2001 to Sep. 2001)	Increase/ (Decrease)	FY 2001 (Apr. 2001 to Mar. 2002)
	units	units	units	units
Japan	142,418	147,204	(4,786)	288,213
North America	178,995	183,782	(4,787)	346,943
Europe	91,039	74,643	16,396	150,406
Others	85,957	87,477	(1,520)	162,880
Overseas Total	355,991	345,902	10,089	660,229
Total	498,409	493,106	5,303	948,442

Reference for the First Half of FY2002 Consolidated Financial Results

November 12, 2002
Mazda Motor Corporation

(in 100 millions of yen) (in thousands of units)			FY2001 1st.HF (Apr.01-Sep.01)		FY2002 1st.HF (Apr.02-Sep.02)		FY2001 (Apr.01-Mar.02)		FY2002 (Apr.02-Mar.03) Projection	
				%		%		%		%
	Domestic	1	4,145	(8.7)	4,063	(2.0)	8,110	(11.1)	8,430	3.9
	Overseas	2	6,236	13.0	7,530	20.7	12,839	16.3	14,970	16.6
Net sales		3	10,382	3.2	11,593	11.7	20,949	3.9	23,400	11.7
Operating income/(loss)		4	112	–	146	31.0	285	–	500	75.1
Ordinary income/(loss)		5	48	–	91	91.3	192	–	360	87.3
Income/(loss) before tax		6	58	–	71	22.6	155	–	260	67.7
Net income/(loss)		7	13	–	55	324.6	88	–	265	200.1
Operating income/(loss) by geographic area	Japan	8	64		163		245		314	
	North America		51		(72)		82		58	
	Europe		(18)		28		10		79	
	Other		18		18		33		45	
Capital investment		9	211		206		566		440	
Depreciation and amortization		10	226		187		448		370	
R & D cost		11	473		469		949		930	
Total assets		12	16,678		16,985		17,348		17,000	
Net worth		13	1,619		1,742		1,728		1,930	
Debt		14	7,597		6,673		6,863		6,727	
Net debt		15	5,252		4,530		4,569		4,124	
Cash flow		16	(416)		(21)		306		400	
Performance of operation		17			Sales and profit increased				Sales and profit to increase	
	Domestic	18	147	(11.2)	142	(3.3)	288	(13.7)	300	4.1
	North America	19	184	25.0	179	(2.6)	347	15.8	344	(0.9)
	Europe	20	75	(25.5)	91	22.0	150	(14.3)	195	29.7
	Other	21	87	7.8	86	(1.7)	163	5.0	176	8.1
	Overseas	22	346	5.3	356	2.9	660	4.8	715	8.3
Sales volume		23	493	(0.2)	498	1.1	948	(1.6)	1,015	7.0
Retail volume	Share		4.9%		4.6%		4.6%		4.9%	
	Domestic	24	138	(9.5)	129	(6.4)	268	(12.5)	280	4.3
	USA *	25	141	12.9	129	(8.5)	270	5.5	270	0.1
	Europe *	26	89	(28.6)	87	(2.3)	165	(21.9)	182	10.6

Note : * Retail volumes of USA and Europe are of calendar year basis.

Five Year Financial Summary (Consolidated/Unconsolidated)

Nov. 12, 2002

Mazda Motor Corporation

Upper left: Unconsolidated

(in 100 millions of yen) (in thousands of units)			No.	FY1998 (Apr.98-Mar.99)		FY1999 (Apr.99-Mar.00)		FY2000 (Apr.00-Mar.01)		FY2001 (Apr.01-Mar.02)		FY2002 (Apr.02-Mar.03) Projection	
	Domestic		1	6,034 6,702	(4.4) (4.8)	6,514 9,554	8.0 42.6	6,396 9,120	(1.8) (4.6)	5,617 8,110	(12.2) (11.1)	6,100 8,430	8.6 3.9
	Overseas		2	8,505 13,868	(3.5) 3.7	8,146 12,061	(4.2) (13.0)	6,830 11,038	(16.2) (8.5)	8,029 12,839	17.6 16.3	9,200 14,970	14.6 16.6
Net sales			3	14,540 20,570	(3.9) 0.8	14,661 21,615	0.8 5.1	13,227 20,158	(9.8) (6.7)	13,646 20,949	3.2 3.9	15,300 23,400	12.1 11.7
Operating income/(loss)			4	556 625	78.2 88.2	130 251	(76.5) (59.8)	(313) (149)	- -	260 285	- -	180 500	(30.9) 75.1
Ordinary income/(loss)			5	497 469	91.8 409.9	77 61	(84.5) (86.8)	(323) (297)	- -	283 192	- -	130 360	(54.1) 87.3
Income/(loss) before tax			6	305 235	164.6 -	87 226	(71.5) (3.5)	(2,186) (2,424)	- -	201 155	- -	(325) 260	- 67.7
Net income/(loss)			7	305 387	165.2 -	51 261	(83.2) (32.4)	(1,275) (1,552)	- -	132 88	- -	(350) 265	- 200.1
Operating income/(loss) by geographic area	Japan		8	605		169		(136)		245		314	
	North America			31		6		(41)		82		58	
	Europe			54		33		(10)		10		79	
	Other			(6)		(5)		8		33		45	
Capital investment			9	374 434		415 488		399 472		468 566		380 440	
Depreciation and amortization			10	373 485		363 518		350 495		322 448		240 370	
R & D cost			11	828 854		670 761		685 836		633 949		740 930	
Total assets			12	10,749 14,790		11,046 14,695		14,283 17,436		13,731 17,348		13,800 17,000	
Net worth			13	4,163 3,779		4,399 2,457		4,345 1,588		4,474 1,728		4,101 1,930	
Debt			14	4,233 7,287		4,011 7,706		4,562 7,772		4,334 6,863		4,780 6,727	
Net debt			15	3,101 5,759		2,340 5,370		2,305 4,846		2,800 4,569		3,032 4,124	
Cash flow			16	(401) —		760 2,750	*1	59 522		(491) 306		(200) 400	
Performance of operation			17									Uncon: sale up/profit down Consol: sale up/profit up	
	Domestic		18	337 337	(2.4) (2.4)	344 345	2.4 2.5	337 334	(2.1) (3.4)	287 288	(14.9) (13.7)	303 300	5.7 4.1
		North America	19	119 261	(13.3) 4.1	177 297	48.7 13.8	178 300	0.7 1.0	226 347	26.9 15.8	196 344	(13.4) (0.9)
		Europe	20	272 268	23.8 17.9	236 241	(13.4) (10.2)	158 175	(32.9) (27.1)	151 150	(4.9) (14.3)	200 195	32.6 29.7
		Other	21	155 159	(22.3) (17.0)	122 130	(21.4) (18.6)	154 155	25.6 19.4	157 163	2.5 5.0	172 176	10.2 8.1
	Overseas		22	546 688	(1.9) 2.8	535 668	(2.1) (3.0)	490 630	(8.4) (5.6)	534 660	9.0 4.8	568 715	6.5 8.3
Sales volume			23	883 1,025	(2.1) 1.0	879 1,013	(0.4) (1.2)	827 964	(5.9) (4.8)	821 948	(0.8) (1.6)	871 1,015	6.2 7.0
Retail volume	Share Domestic		24	5.4% 314	(2.2)	5.5% 323	2.8	5.1% 307	(5.2)	4.6% 268	(12.5)	4.9% 280	4.3
	USA *2		25	241	8.4	244	1.3	256	4.8	270	5.5	270	0.1
	Europe *2		26	237	13.1	241	1.7	211	(12.6)	165	(21.9)	182	10.6

Note: *1 Consolidated cash flow of positive ￥275 billion includes debt reduction(￥148.4 billion) from divestiture of equity in subsidiaries.

*2 Retail volumes of USA and Europe are of calendar year basis.