FY2004 First Half Consolidated Financial Results
For the Six Months Ended September 30, 2004

English Translation from the Original Japanese-Language Document

November 9, 2004

Company Name	:	**Mazda Motor Corporation** (Headquartered in Hiroshima, Japan / Tokyo Stock Exchange / Code No. 7261)
URL	:	http://www.mazda.co.jp
Representative Person	:	Hisakazu Imaki, Representative Director, President and CEO
Contact Person	:	Nobuyoshi Tochio, Deputy General Manager, Financial Services Division, Phone (082) 282-1111
BOD Meeting	:	Meeting of the board of directors for consolidated account settlement held on November 9, 2004
US GAAP Adoption	:	The United States generally accepted accounting principles not adopted

1. Consolidated Financial Highlights (April 1, 2004 through September 30, 2004)
(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	%
FY2004 1st. Half	1,320,559	9.2	43,521	53.1	36,945	94.4
FY2003 1st. Half	1,209,497	4.3	28,432	93.7	19,007	106.7
FY2003	2,916,130		70,174		58,029	

	Net Income/(Loss)		Net Income/(Loss) Per Share	Net Income/(Loss) Per Share, Diluted
	million yen	%	yen	yen
FY2004 1st. Half	18,732	68.0	15.39	13.26
FY2003 1st. Half	11,150	100.0	9.15	7.88
FY2003	33,901		27.84	23.98

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

FY2004 1st. Half	4,789	million yen
FY2003 1st. Half	4,138	million yen
FY2003	9,199	million yen

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

FY2004 1st. Half	1,217,005,425	shares
FY2003 1st. Half	1,218,285,348	shares
FY2003	1,217,692,196	shares

③ Accounting changes: None

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
FY2004 1st. Half	1,813,982	240,923	13.3	197.96
FY2003 1st. Half	1,781,923	205,543	11.5	168.91
FY2003	1,795,573	222,605	12.4	182.91

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

FY2004 1st. half	1,217,004,552	shares
FY2003 1st. half	1,216,888,456	shares
FY2003	1,217,013,683	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
FY2004 1st. Half	43,941	(57,916)	14,381	274,684
FY2003 1st. Half	(11,762)	(10,027)	1,957	258,913
FY2003	92,379	(43,251)	(52,794)	272,231

(4) Scope of Consolidation and Equity Method

Consolidated subsidiaries	53 companies	Non-consolidated subsidiaries accounted for by the equity method	None
Affiliates accounted for by the equity method	11 companies		

(5) Changes in Scope of Consolidation and Equity Method

Consolidation	(Addition)	0 companies	Equity method	(Addition)	0 companies
	(Exclusion)	2 companies		(Exclusion)	1 company

2. FY2004 Consolidated Financial Forecast (April 1, 2004 through March 31, 2005)

	Net Sales	Ordinary Income/(Loss)	Net Income/(Loss)
	million yen	million yen	million yen
Full Year	2,710,000	74,000	37,000

Reference: Net income per share for the full year 30.40 yen

The financial projection is the judgment 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

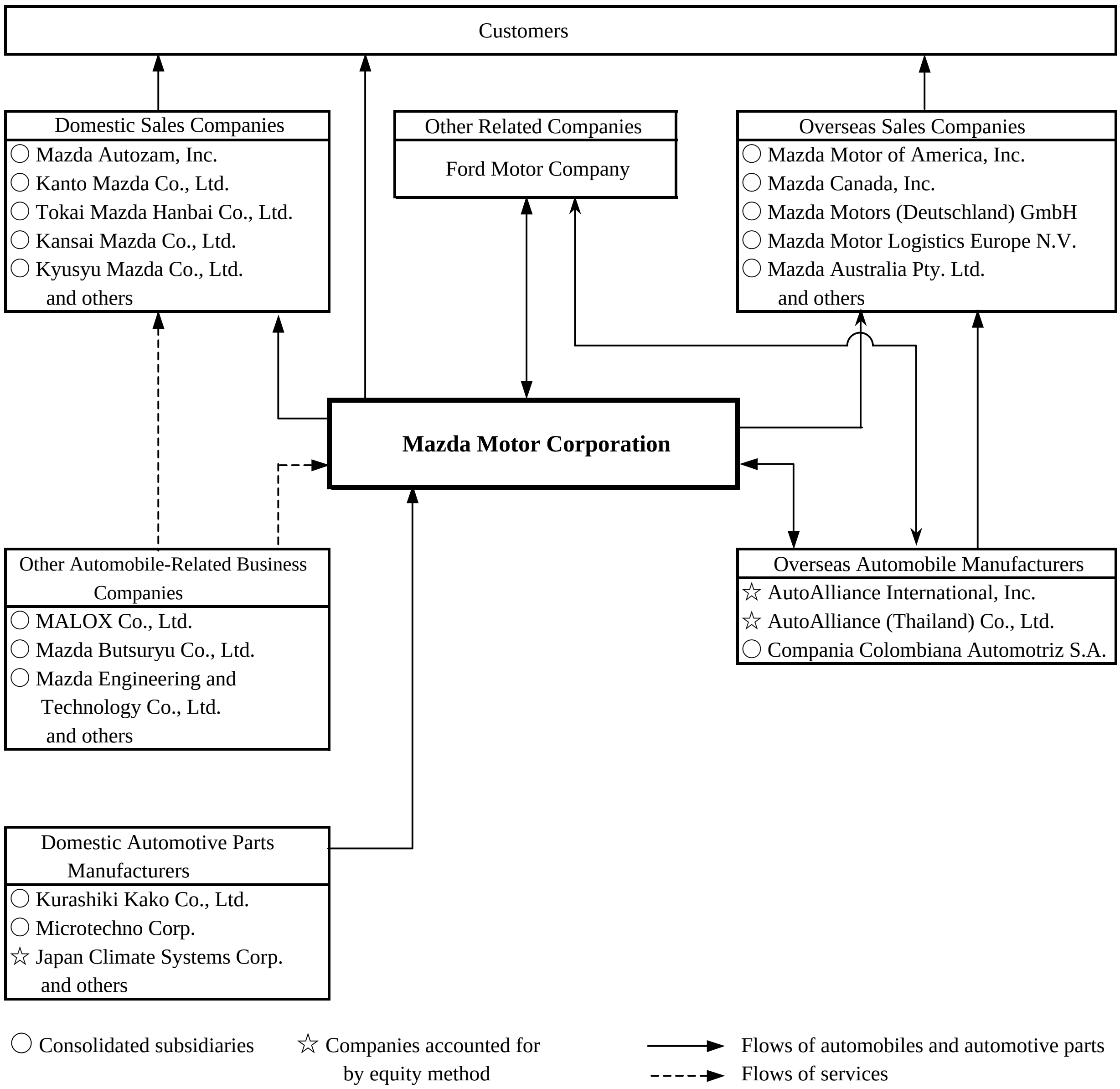
1. Mazda Group of Companies

Mazda group of companies consists of Mazda Motor Corporation, 53 consolidated subsidiaries and 11 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., Kanto Mazda 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 Values

Mazda's Corporate Vision is comprised of a "Vision" (corporate objectives) along with a statement of "Mission" (roles and responsibilities) and "Value" (the values Mazda seeks to produce). These principles are helping express the ways in which Mazda and Mazda's employees understand their roles and responsibilities as they press towards the achievement of these aims. Through the realization of this Corporate Vision, we aim to consistently augment corporate value, which we view as being closely linked to securing profits for our shareholders.

Vision : To create new value, excite and delight our customers through the best automotive products and services.

Mission : With passion, pride and speed, we actively communicate with our customers to deliver insightful automotive products and services that exceed their expectations.

Value : We value integrity, customer focus, creativity, efficient and nimble actions and respect highly motivated people and team sprit. We positively support environmental matters, safety and society. Guided by these values, we 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

From FY 2001 to the end of FY 2004, Mazda has delivered its commitments of its mid-term plan, Mazda Millennium Plan, focusing on its four strategic business pillars: Growth, Reform and Restructuring, Synergies with Ford, and People Development.

During this period, Mazda implemented its first step of a new brand strategy led by our new products and realized continuous profits. As a result of numerous reform and restructuring measures, we have focused our resources on our core business during this period. We have also strengthened our role within the Ford Group. We became the global lead for large in-line four cylinder engines and substantially increased technology sharing. And recently, we were awarded the global lead on the shared technology development for a new global B-car. At the same time, we continue to strengthen our cooperation in the areas of distribution, logistics, and information systems. People development has been one of our key priorities. We have developed people and changed our corporate culture, implementing new compensation system and various business leadership programs.

Mazda Millennium Plan delivered significant progress. In order to proceed the growth in the future, we have considered our future, ten years from now, on a basis of our Corporate Vision, and consented on the new mid-term plan, Mazda Momentum targeting the end of FY 2006. During this period, we will be identifying further actions that build a strong foundation for the future and will sustain our present momentum. We plan to develop a number of actions to achieve these objectives during this period; Key measures are reinforcement of research & development, strengthening of key markets, enhancement of global efficiencies and synergies, and leverage of human resources.

Mazda has enjoyed a unique heritage as a company with strong engineering prowess. We want to build on that strength by increasing our investment in research and development spending in key areas such as environmental preservation, safety, and information technology. We will provide the funding necessary to continue the expansion of our product line-up.

In order to strengthen key markets, we will launch market-focused models and strengthen distribution networks globally. And will work to exceed customer expectations with our products and services in each market.
Our objective in the area of global efficiencies is to build our R&D, manufacturing, purchasing, and logistics activities globally competitive on quality and cost. We will improve efficiencies globally through enhancement of global sourcing, enhancement of cost innovation by implementation of ABC Phase 2, focused on commodity cycle plans and an enhancement of supply chain management.

The ongoing development of our employees will continue to be a key enabler for success. We plan to strengthen our management capability, develop people globally, and provide an environment that values individuals and fosters creativity. All of this will allow us to maximize the contribution of our Human Resources and create an energetic Mazda.

The financial objectives during Mazda Momentum, which targeted by the end of FY 2006 are as follows.

Consolidated wholesales	1.25 million units
Operating Profit	Over 100 Billion Yen
Net Debt/Equity Ratio	Below 100%

4) Our Challenges

The near-term external environment is expected to remain difficult in Japan and globally. Although the global economic outlook is starting to improve, it faces many worries; rapid fluctuation of currency and price increase of oil price, for example, will make it difficult for export-oriented countries and companies to recover.

The -automotive industry is likely to remain intensely competitive, as the major manufacturers continue to offer various marketing incentives and introduce a variety of new models.

Operating in a tough environment against world-class competitors, Mazda remains confident in its ability to drive the company forward with sustained profitable growth by executing the measures of Mazda Momentum.

5) Basic Philosophy of Corporate Governance and Implementation of Related Measures

Mazda is aware that the enrichment of corporate governance is one of the most important tasks for management and is actively implementing various measures to this end.

In addition to bodies prescribed by law such as the general meeting of stockholders, the board of directors and the board of corporate auditors, an executive committee has been established. Executive committee meetings are held to propose and debate important company-wide policies and measures and to report on information necessary for business management. Other advisory bodies that assist the president with decision-making have also been established.

The company has introduced the executive officer system. By promoting the separation of execution and management, the effectiveness of the board of directors as a supervisory body has been enhanced. Debate by the board has been enhanced, and by delegating authority to the executive officer level, decision-making has been speeded up. In these ways we are working to further improve management efficiency.

The company has also established a Management Advisory Committee composed of outside notable figures and Mazda's directors. The committee meets four times a year. The company gets a wide range of opinions from a broad, global perspective from the committee members, who possess unsurpassed specialized knowledge and insight in their fields of expertise. Their opinions will be reflected in Mazda's management and enhance transparency.

With regard to a risk management system, in January 2002 the company established the Risk Management Office as a company-wide administrative department. Under the action guideline "Each officer and employee shall take initiative," the company has established a Risk Management Committee and risk management regulations and phased in company-wide risk management activities. By appropriately managing various internal and external risks, including enhancing information management and disaster-prevention measures such as those for large-scale earthquakes, the company is ensuring its continued stable growth.

The company has made compliance with laws and regulations an important policy. In addition to the Mazda Corporate Ethics Code of Conduct, a compliance manual has been distributed to all officers and employees. The company informs all officers and employees of the importance of and need for compliance with laws and corporate ethics by holding annual seminars on topics such as corporate ethics and human rights.

By avoiding holding the general meeting of shareholders on the same day as other companies, and by making timely disclosures to shareholders and investors, and by engaging in IR activities such as enhancing the IR website, Mazda will continue to actively implement various measures to enhance corporate governance.

At present, two of the company's five auditors are outside auditors. There are no business dealings or other interests between the company and these auditors.

3. Financial Results, Position and Projection

1) Financial Results and Position

During the first half of FY2004, private consumption continued to grow and showed signs of recovery mildly with the expansion of export and production, and improvement in corporate profitability in Japanese economy although employment situation remained severe and future economy is ambiguous due to political uncertainty and sharp increase in oil price. In the U.S., we cannot be optimistic about the economy, however, economic index such as private consumption, housing investment and capital investment have all remained favorable. In Europe and other major markets, the economy began showing signs of recovery. However, Chinese economy started to slow down due to the effect of recent financial restraints.

Automotive sales in Japan, including micro vehicles, totaled to 2.70 million units, down 1.5% from the prior year. Although micro vehicle market expanded substantially, it was offset by substantial decrease in registered vehicle. In the U.S., industry sales were 8.82 million units (April to September, 2004), up 0.3% from the previous year, while sales in Europe were 8.94 million units, up 2.1% (April to September, 2004).

Under such circumstances, Mazda made solid results thanks to the product-led growth strategy continued from previous fiscal year.
Mazda Axela (Mazda3), launched in last autumn, won many international automotive prizes including 2nd

place of European Car of the Year and continues to deliver great results in European and North American markets. Hofu Plant, where Axela is produced, has run at full production capacity in response to high market demand, and more than 300,000 units/year production by one carline is expected.

In June, Mazda Verisa was launched in Japan. The product responds to the needs of wide range of customers who have various values and lifestyles. It is available only in Japanese market, and the sales after launch has been favorable. Mazda launched new “Titan”, commercial vehicle, in June and new “Carol” in September.

Also, MPV was upgraded, and limited edition models on RX-8, Demio and Atenza were introduced.

In addition to the above, the RENESIS engine, equipped on RX-8 as was voted a category winner in the “International Engine of the Year 2004” by a panel of 56 senior motoring journalists from 24 countries. In 2003, RENESIS won the top prize in the annual competition.

As a part of production enhancement to support our product-led growth, in May 2004 Mazda re-opened Ujina Plant No.2, which had been closed for 2 years and 8 months. The production line was renewed for significant increase in production capacity based on the following concepts: “Environmentally and People Friendly Production Line”, “High Quality Concurrent Production Line” and “Flexible Production Line”, and it will be the symbol of a state-of-the-art, highly-efficient, flexible concurrent production site. Together with this re-opening, production of BU vehicles at paint shop and final assembly line of Hiroshima Plant No.1 was finished in April 2004.

As for activity for sales side, Mazda is promoting enforcement of sales network. In the U.S., Mazda is proceeding to increase exclusive dealers and strengthening dealer sales. The dealer exclusivity at the end of 1st half of this fiscal year was 29%, which is on track to achieve the target. We will target the exclusivity of 50% by the end of 2006. In Europe, Mazda established new direct distribution points in Sweden and Norway.
For cost reduction initiative, Mazda continues to execute its strategic initiative called "Achieve Best Cost" known as "ABC", which is a commodity-focused process for achieving 25 percent cost reductions by the end of FY2004.

Turning to Mazda’s performance in the first half of this fiscal year, retail volume in the Japanese market totaled 135,000 units, up 0.7% compared with the same period of the prior fiscal year. Total share, including micro-mini vehicles, was 5.0%, up 0.1 points from the same period of the last year.

Mazda’s retail volumes and market shares in the major overseas markets were as follows. In the U.S., Mazda’s retail volume totaled 140,000 units, down 2.9% from the first half of the last year. Market share was 1.6%, unchanged. In Europe, retail volume was up 20.0% to 143,000 units, and market share was up 0.2 points to 1.6%.

Consolidated wholesales in the first half of this fiscal year totaled 530,000 units, an increase of 4,000 units or 0.7% from the same period a year ago.

Turning to financial results, on a consolidated basis, sales revenue was ¥1,320.6 billion, an increase of ¥111.1 billion or 9.2% year-over-year. Operating income was ¥43.5 billion, up ¥15.1 billion or 53.1%. This significantly improved performance reflected higher sales revenue primarily due to the impacts of the Mazda3/Axela and other new models, as well as cost reductions in various areas of Mazda’s business.

Ordinary income was ¥36.9 billion, up ¥17.9 billion or 94.4%. Net income was ¥18.7 billion, up ¥7.5 billion or 68.0%.

Consolidated cash flow (operating and investing activities) was negative ¥14.0 billion. Though net cash provided by operating activities was ¥43.9 billion, net cash used in investing activities amounted to ¥57.9 billion due to the termination of the real estate trust contract concluded in 1999 in addition to investments in production facilities and equipment. Also, financing cash flow was ¥14.4 billion. Net debt (gross debt less cash and cash equivalents) was ¥363.3 billion, ¥5.2 billion higher than at March 31, 2004. Gross debt was ¥638.0 billion, up ¥7.6 billion from the prior year-end.

Mazda's financing activities in this first half included ¥80 billion long-term syndicated bank borrowing, ¥40 billion each in July and August of 2004.

No interim dividends will be declared for the first half of FY2004. We offer sincere apologies to our shareholders, and we ask for their understanding in this matter.

2) Financial Projection

Our projection for fiscal year 2004 (the year to end March 31, 2005) is as follows:

Consolidated

Wholesales	1,130 thousand units	(up 5.0% by 12-month comparison)
Sales revenue	2,710.0 billion yen	(up 5.3% by 12-month comparison)
Ordinary income	74.0 billion yen	(up 27.5% compared to the prior year)
Net income	37.0 billion yen	(up 9.1% compared to the prior year)

Unconsolidated

Wholesales	1,030 thousand units	(up 15.3% compared to the prior year)
Sales revenue	1,930.0 billion yen	(up 16.1% compared to the prior year)
Ordinary income	24.0 billion yen	(up 100.7% compared to the prior year)
Net income	8.0 billion yen	(up 162.2% compared to the prior year)

Cautionary Statement with Respect to Forward-Looking Statements

Information included in this material with respect to Mazda's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Mazda. Mazda cautions you that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements. Therefore, you should not place undue reliance on them. Also, you should not rely on any obligation of Mazda to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Mazda disclaims any such obligation. Risks and uncertainties that might affect Mazda include, but are not limited to:

1) the global economic environment related to Mazda's business;
2) exchange rates, particularly between the yen and the U.S. dollar and euro;
3) the success of Mazda's joint ventures and alliances;
4) environmental and other public regulations; and
5) reliance on certain raw materials and suppliers.

4. Consolidated Financial Statements

(1) Consolidated Statement of Income

Six months ended September 30, 2004

With comparative figures for the six months ended September 30, 2003 and for the fiscal year ended March 31, 2004

(in millions of yen)

		FY2004 1st. Half (Apr. 2004 - Sep. 2004)	FY2003 1st. Half (Apr. 2003 - Sep. 2003)	Increase/ (Decrease)	FY2003 (Apr. 2003 - Mar. 2004)
Net sales	1	**1,320,559**	1,209,497	111,062	2,916,130
Costs of sales	2	**963,438**	888,651	74,787	2,165,160
Gross profit on sales	3	**357,121**	320,846	36,275	750,970
Selling, general and administrative expenses	4	**313,600**	292,414	21,186	680,796
Operating income	5	**43,521**	28,432	15,089	70,174
Non-operating income					
Interest and dividend income	6	**1,437**	882	555	2,517
Equity in net income of unconsolidated subsidiaries and affiliates	7	**4,789**	4,138	651	9,199
Other	8	**2,581**	2,737	(156)	4,887
Total	9	**8,807**	7,757	1,050	16,603
Non-operating expenses					
Interest expense	10	**7,394**	8,641	(1,247)	18,299
Other	11	**7,989**	8,541	(552)	10,449
Total	12	**15,383**	17,182	(1,799)	28,748
Ordinary income	13	**36,945**	19,007	17,938	58,029
Extraordinary profits					
Profit on sale of tangible fixed assets	14	**212**	892	(680)	3,682
Profit on sale of investment securities	15	**1**	608	(607)	672
Compensation received for the exercise of eminent domain	16	**1,415**	—	1,415	—
Other	17	—	4	(4)	248
Total	18	**1,628**	1,504	124	4,602
Extraordinary losses					
Loss on retirement and sale of tangible fixed assets	19	**2,328**	1,815	513	4,672
Loss on sale of investment securities	20	**414**	55	359	780
Valuation loss on investment securities	21	—	42	(42)	44
Valuation loss on investments	22	—	2,788	(2,788)	2,788
Loss on liquidation of a *Tokumei Kumiai*	23	**2,242**	—	2,242	—
Other	24	**40**	411	(371)	275
Total	25	**5,024**	5,111	(87)	8,559
Income before income taxes	26	**33,549**	15,400	18,149	54,072
Income taxes					
Current	27	**5,159**	5,277	(118)	13,105
Deferred	28	**8,670**	(2,741)	11,411	4,563
Minority interests of consolidated subsidiaries	29	**988**	1,714	(726)	2,503
Net income	30	**18,732**	11,150	7,582	33,901

(2) Consolidated Balance Sheet

September 30, 2004
With comparative figures for March 31, 2004 and for September 30, 2003

(in millions of yen)

ASSETS		FY2004 1st. Half (September 30, 2004)	FY2003 (March 31, 2004)	Increase/ (Decrease)	FY2003 1st. Half (September 30, 2003)
Current Assets:					
Cash and time deposits	1	**274,775**	282,333	(7,558)	257,311
Trade notes and accounts receivable	2	**136,474**	145,829	(9,355)	133,883
Inventories	3	**273,419**	268,317	5,102	274,997
Deferred taxes	4	**72,778**	74,412	(1,634)	82,355
Other	5	**62,800**	57,026	5,774	66,931
Allowance for doubtful receivables	6	**(6,542)**	(8,190)	1,648	(6,558)
Total current assets	7	**813,704**	819,727	(6,023)	808,919
Fixed Assets:					
Tangible fixed assets:					
Buildings and structures	8	**147,482**	144,533	2,949	145,282
Machinery and vehicles	9	**154,042**	151,939	2,103	152,912
Land	10	**454,004**	432,278	21,726	435,683
Construction in progress	11	**27,318**	19,180	8,138	15,196
Other	12	**29,636**	37,989	(8,353)	36,966
Total tangible fixed assets	13	**812,482**	785,919	26,563	786,039
Intangible fixed assets:	14	**22,177**	21,099	1,078	19,485
Investments and other fixed assets:					
Investment securities	15	**58,297**	50,933	7,364	46,460
Long-term loans receivable	16	**9,802**	15,937	(6,135)	18,848
Deferred taxes	17	**87,716**	93,953	(6,237)	96,285
Other	18	**22,394**	21,113	1,281	23,840
Allowance for doubtful receivables	19	**(11,798)**	(12,380)	582	(17,181)
Investment valuation allowance	20	**(793)**	(731)	(62)	(776)
Total investments and other fixed assets	21	**165,618**	168,825	(3,207)	167,476
Total fixed assets	22	**1,000,277**	975,843	24,434	973,000
Deferred assets	23	**1**	3	(2)	4
Total Assets	24	**1,813,982**	1,795,573	18,409	1,781,923

(in millions of yen)

		FY2004 1st. Half (September 30, 2004)	FY2003 (March 31, 2004)	Increase/ (Decrease)	FY2003 1st. Half (September 30, 2003)
LIABILITIES					
Current Liabilities:					
Trade notes and accounts payable	1	**292,102**	284,536	7,566	265,773
Short-term loans payable	2	**143,578**	186,880	(43,302)	222,365
Long-term loans payable due within one year	3	**87,002**	52,422	34,580	73,906
Bonds due within one year	4	**80,400**	67,600	12,800	20,100
Other accounts payable	5	**83,485**	107,747	(24,262)	103,883
Accrued expenses	6	**167,384**	155,022	12,362	141,946
Reserve for warranty expenses	7	**23,229**	22,507	722	20,824
Reserve for loss on business restructuring	8	—	2,329	(2,329)	2,310
Other	9	**60,201**	59,573	628	54,224
Total current liabilities	10	**937,381**	938,616	(1,235)	905,331
Fixed Liabilities:					
Bonds	11	**40,500**	70,200	(29,700)	100,400
Bonds with stock acquisition rights	12	**59,996**	60,000	(4)	60,000
Long-term loans payable	13	**226,536**	193,258	33,278	210,237
Deferred tax liability related to land revaluation	14	**90,896**	91,113	(217)	91,396
Employees' and executive officers' severance and retirement benefits	15	**197,663**	198,253	(590)	190,652
Directors' and corporate auditors' retirement benefits	16	**1,369**	1,397	(28)	1,302
Other	17	**11,735**	11,799	(64)	9,011
Total fixed liabilities	18	**628,695**	626,020	2,675	662,998
Total Liabilities	19	**1,566,076**	1,564,636	1,440	1,568,329
Minority Interests in Consolidated Subsidiaries	20	**6,983**	8,332	(1,349)	8,051
SHAREHOLDERS' EQUITY					
Common stock	21	**120,080**	120,078	2	120,078
Capital surplus	22	**104,219**	104,217	2	104,217
Retained earnings/(deficit)	23	**(61,634)**	(78,220)	16,586	(100,958)
Land revaluation	24	**131,151**	131,470	(319)	131,865
Net unrealized gain/(loss) on available-for-sale securities	25	**314**	428	(114)	112
Foreign currency translation adjustments	26	**(51,743)**	(53,913)	2,170	(48,276)
Treasury stock	27	**(1,464)**	(1,455)	(9)	(1,495)
Total shareholders' equity	28	**240,923**	222,605	18,318	205,543
Total Liabilities, Minority Interests and Shareholders' Equity	29	**1,813,982**	1,795,573	18,409	1,781,923

(3) Consolidated Statement of Capital Surplus and Retained Earnings

Six months ended September 30, 2004
With comparative figures for the six months ended September 30, 2003 and for the fiscal year ended March 31, 2004

(in millions of yen)

		FY2004 1st. Half (Apr. 2004 - Sep. 2004)	FY2003 1st. Half (Apr. 2003 - Sep. 2003)	FY2003 (Apr. 2003 - Mar. 2004)
CAPITAL SURPLUS				
Balance at the beginning of the period	1	**104,217**	104,217	104,217
Increases due to:				
Issuance of new stocks by the exercise of stock acquisition rights	2	**2**	—	—
Decreases	3	**—**	—	—
Balance at the end of the period	4	**104,219**	104,217	104,217
RETAINED EARNINGS				
Balance at the beginning of the period	5	**(78,220)**	(107,742)	(107,742)
Increases due to:				
Net income	6	**18,732**	11,150	33,901
Reversal of land revaluation	7	**319**	—	—
Decreases due to:				
Dividends	8	**2,434**	2,438	2,438
Reversal of land revaluation	9	**—**	1,928	1,533
Exclusion of consolidated subsidiaries and companies accounted for by the equity method	10	**31**	—	408
Balance at the end of the period	11	**(61,634)**	(100,958)	(78,220)

(4) Consolidated Statement of Cash Flows

Six months ended September 30, 2004

With comparative figures for the six months ended September 30, 2003 and for the fiscal year ended March 31, 2004

(in millions of yen)

		FY2004 1st. Half (Apr. 2004 - Sep. 2004)	FY2003 1st. Half (Apr. 2003 - Sep. 2003)	FY2003 (Apr. 2003 - Mar. 2004)
Cash flows from operating activities:				
Income before income taxes	1	**33,549**	15,400	54,072
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:				
Depreciation and amortization	2	**18,739**	18,020	37,900
Allowance for doubtful receivables	3	**(406)**	(312)	1,620
Investment valuation allowance	4	**95**	(36)	(81)
Reserve for warranty expenses	5	**695**	2,347	4,077
Employees' and executive officers' severance and retirement benefits	6	**(590)**	7,752	15,353
Interest and dividend income	7	**(1,437)**	(882)	(2,517)
Interest expense	8	**7,394**	8,641	18,299
Equity in net income of unconsolidated subsidiaries and affiliates	9	**(4,789)**	(4,138)	(9,199)
Loss/(gain) on sale of fixed assets	10	**703**	923	990
Loss/(gain) on sale of investment securities	11	**413**	(553)	108
Changes in trade notes and accounts receivable	12	**11,613**	4,683	(10,616)
Changes in inventories	13	**5,372**	(25,523)	(37,113)
Changes in trade notes and accounts payable	14	**(1,110)**	15,949	50,766
Changes in other current liabilities	15	**(13,089)**	(35,507)	(10,560)
Other	16	**615**	(5,072)	1,658
Subtotal	17	**57,767**	1,692	114,757
Interest and dividends received	18	**1,806**	1,266	2,862
Interest paid	19	**(7,338)**	(8,847)	(18,216)
Income taxes paid	20	**(8,294)**	(5,873)	(7,024)
Net cash provided by/(used in) operating activities	21	**43,941**	(11,762)	92,379
Cash flows from investing activities:				
Purchase of investment securities	22	**(5,351)**	(657)	(1,527)
Sale of investment securities	23	**134**	421	1,174
Acquisition of investment in subsidiaries affecting scope of consolidation	24	**—**	(760)	(760)
Sale of investment in subsidiaries affecting scope of consolidation	25	**(595)**	—	—
Acquisition of tangible fixed assets	26	**(61,019)**	(16,728)	(41,130)
Proceeds from sale of tangible fixed assets	27	**2,940**	4,810	14,730
Changes in short-term loans receivable	28	**672**	(140)	(871)
Long-term loans made	29	**(63)**	(48)	(821)
Collections of long-term loans receivable	30	**2,869**	610	750
Other	31	**2,497**	2,465	(14,796)
Net cash used in investing activities	32	**(57,916)**	(10,027)	(43,251)
Cash flows from financing activities:				
Changes in short-term loans payable	33	**(13,717)**	4,522	(29,002)
Proceeds from long-term loans payable	34	**84,051**	53,503	79,743
Repayment of long-term loans payable	35	**(36,311)**	(37,521)	(102,171)
Proceeds from issuance of bonds	36	**600**	20,000	40,000
Redemption of bonds	37	**(17,500)**	(34,946)	(37,646)
Cash dividends paid	38	**(2,434)**	(2,438)	(2,438)
Other	39	**(308)**	(1,163)	(1,280)
Net cash provided by/(used in) financing activities	40	**14,381**	1,957	(52,794)
Effect of exchange rate fluctuations on cash and cash equivalents	41	**2,047**	4,023	1,175
Net increase/(decrease) in cash and cash equivalents	42	**2,453**	(15,809)	(2,491)
Cash and cash equivalents at beginning of the period	43	**272,231**	274,722	274,722
Cash and cash equivalents at end of the period	44	**274,684**	258,913	272,231

Notes to Consolidated Financial Statements

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries	53	
Overseas	16	Mazda Motor of America, Inc., Mazda Motors (Deutchland) GmbH and 14 others
Domestic	37	18 dealers and 19 others
2) Equity Method-Applied Companies	11	
Overseas	2	AutoAlliance International, Inc., and AutoAlliance (Thailand) Co., Ltd.
Domestic	9	2 dealers, 3 automotive parts sales companies and 4 others

2. Changes in Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries		
Excluded:	2	
Domestic	2	Mazda Car Rental Corporation (sold) and Auto Atelier Corporation (Liquidated)
2) Equity Method-Applied Companies		
Excluded:	1	
Domestic	1	Enfini Hiroshima Co., Ltd. (sold)

3. Accounting Periods of Consolidated Subsidiaries

The first-half consolidated balance sheet date is September 30. Among the consolidated subsidiaries, 3 companies, i.e., Compania Colombiana Automotriz S.A., Mazda Motors of New Zealand Limited, and Mazda Sales (Thailand) Co., Ltd., 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 mainly 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 Japanese income tax law.

b) Intangible Fixed Assets

Straight-line method with periods of useful life estimated by a method equivalent to the provisions of the Japanese income 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 business restructuring

Reserve for loss on business restructuring provides for losses related to the closure of a plant in accordance with Mazda's business restructuring plan. An amount rationally estimated for such losses is recognized.

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. For employees' severance and retirement benefits, 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. For executive officers' retirement benefits, the liability is provided for the amount that would be required by the internal corporate policy if all the eligible executive officers retired at the balance sheet date.

(Additional Information)

In connection with the enactment of the Japanese Welfare Pension Insurance Law, Mazda Motor Corporation ("the Company") and certain domestic consolidated subsidiaries obtained the approval of exemption from the benefits related to future employee service under the substitutional portion from the Ministry of Health, Labor and Welfare on March 26, 2004. Estimated plan assets to be returned to the government at September 30, 2004 were 140,587 million yen. If the estimated plan assets had been returned to the government on September 30, 2004 and the transitional measurement of accounting standard for employees' retirement benefits as stipulated in the Accounting Committee Report No. 13, Article 44-2 (the Japanese Institute of Certified Public Accountants) had been adopted, the effect of the adoption on the consolidated statement of income for the six months ended September 30, 2004 would have been to increase the extraordinary profits by 54,297 million yen.

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. 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 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.

Additional Information

Synchronization of Fiscal Year-End of Overseas Consolidated Subsidiaries with Consolidated Fiscal Year-End

Through the year ended March 31, 2003, in consolidating the overseas subsidiaries, which had a year-end different from the consolidated year-end of March 31, the financial statements of each of these subsidiaries were used with adjustments necessary in consolidation for material transactions that occurred between the year-end of the above subsidiaries and the consolidated year-end. Commencing in the year ended March 31, 2004, however, in order to better administer and disclose consolidated financial results, the fiscal year-end of 13 consolidated overseas subsidiaries, including Mazda Motor of America, Inc., Mazda Canada, Inc., Mazda Motors (Deutschland) GmbH, and Mazda Australia Pty. Ltd., was changed to match the consolidated fiscal year-end of March 31. Accordingly, for those consolidated overseas subsidiaries that changed the fiscal year-end, the consolidated operating results for the six months ended September 30, 2003 consisted of six months of operations from January 1, 2003 to June 30, 2003, and the consolidated operating results for the six months ended September 30, 2004 consisted of six months of operations from April 1, 2004 to September 30, 2004.

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 *Tokumei Kumiai*, 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 September of 2004, however, the Company terminated the real estate trust contract and the lease contract of the real estate.

The loss expected to be incurred on the termination of the *Tokumei Kumiai* agreement, amounting to 2,242 million yen, was included in the extraordinary losses as the loss on liquidation of a *Tokumei Kumiai* in the statement of income for the six months ended September 30, 2004.

Footnotes

(in millions of yen)

	FY2004 1st. Half (September 30, 2004)	FY2003 1st. Half (September 30, 2003)	FY2003 (March 31, 2004)
(Consolidated Balance Sheet)			
1. Accumulated depreciation on tangible fixed assets	**1,071,125**	1,105,418	1,089,121
2. Assets offered as collateral and collateralized loans			
Assets offered as collateral	**477,011**	481,317	473,072
Collateralized loans	**219,353**	285,114	235,984
3. Contingent liabilities for guarantee and similar agreements	**58,058**	51,074	49,804
4. Notes and other receivables discounted			
Discounted notes receivable	**304**	206	672
Factoring of receivables with recourse	**11,644**	6,377	8,851

(in millions of yen)

	FY2004 1st. Half (September 30, 2004)	FY2003 1st. Half (September 30, 2003)	FY2003 (March 31, 2004)
(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	**274,775**	257,311	282,333
Time deposits with original maturities that exceed 3 months	**(91)**	(229)	(10,102)
Short-term investments in securities with an original maturity of 3 months or less	**-**	1,831	-
Cash and cash equivalents	**274,684**	258,913	272,231

Leases

(in millions of yen)

	FY2004 1st. Half (Apr. 2004 - Sep. 2004)	FY2003 1st. Half (Apr. 2003 - Sep. 2003)	FY2003 (Apr. 2003 - Mar. 2004)
1. Finance lease transactions other than those with an unconditional title transfer clause to lessee			
(Lessees)			
1) Equivalent of acquisition costs	**103,615**	139,870	141,043
Equivalent of accumulated depreciation	**58,745**	81,561	87,191
Equivalent of net book value as of balance sheet date	**44,870**	58,309	53,852
2) Future minimum lease payments as of balance sheet date	**46,803**	61,968	56,392
(due within 1 year)	**(15,890)**	(23,071)	(22,046)
3) Lease fees paid for this fiscal period	**10,154**	11,185	22,486
Equivalent of depreciation	**8,802**	9,309	18,505
Equivalent of interest	**933**	1,193	2,281
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.			
2. Operating lease transactions			
(Lessees)			
Future minimum lease payments as of balance sheet date	**22,477**	61,254	47,437
(due within 1 year)	**(7,583)**	(10,146)	(31,115)
(Lessors)			
Future minimum lease payments to be received as of balance sheet date	**22**	39	33
(due within 1 year)	**(10)**	(12)	(11)

Fair Value Information of Securities

FY2004 First Half (As of September 30, 2004)

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	**552**	**1,317**	**765**
2) Debt securities			
Corporate bonds	**-**	**-**	**-**
Other	**10**	**12**	**2**
3) Other	**173**	**173**	**-**
Total	**735**	**1,502**	**767**

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)	**12,119**

FY2003 First Half (As of September 30, 2003)

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	581	1,038	457
2) Debt securities			
Corporate bonds	-	-	-
Other	11	13	2
3) Other	1,956	1,956	-
Total	2,548	3,007	459

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)	4,782

FY2003 (As of March 31, 2004)

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	563	1,562	999
2) Debt securities			
Corporate bonds	-	-	-
Other	10	11	1
3) Other	117	117	-
Total	690	1,690	1,000

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)	8,959

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)

	FY2004 First Half (September 30, 2004)			FY2003 First Half (September 30, 2003)			FY2003 (March 31, 2004)		
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. dollar	**-**	**-**	**-**	9,231	8,812	419	73	70	3
Canadian dollar	**1,298**	**1,434**	**(136)**	1,116	1,119	(3)	3,135	3,102	33
Australian dollar	**1,531**	**1,552**	**(21)**	1,904	1,956	(52)	355	375	(20)
Euro	**4,032**	**4,171**	**(139)**	36,366	34,850	1,516	13,317	13,370	(53)
British pound	**4,674**	**4,749**	**(75)**	5,329	5,174	155	8,662	9,080	(418)
Swiss franc	**439**	**460**	**(21)**	3,309	3,141	168	764	773	(9)
Buy:									
Thai Baht	**3,161**	**3,183**	**22**	2,766	2,771	5	2,788	2,785	(3)
U.S. dollar	**1,159**	**1,104**	**(55)**	-	-	-	-	-	-
Australian dollar	**-**	**-**	**-**	2,215	2,311	96	-	-	-
Total	**16,294**	**16,653**	**(425)**	62,236	60,134	2,304	29,094	29,555	(467)

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.

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 Area

(in millions of yen)

FY2004 1st. Half (Period ended Sep. 30, 2004)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	**560,048**	**361,594**	**314,617**	**84,300**	**1,320,559**	**-**	**1,320,559**
Inter-areas	**485,587**	**6,071**	**8,757**	**7**	**500,422**	**(500,422)**	**-**
Total	**1,045,635**	**367,665**	**323,374**	**84,307**	**1,820,981**	**(500,422)**	**1,320,559**
Operating expenses	**1,012,468**	**365,353**	**318,910**	**80,954**	**1,777,685**	**(500,647)**	**1,277,038**
Operating income (loss)	**33,167**	**2,312**	**4,464**	**3,353**	**43,296**	**225**	**43,521**

(in millions of yen)

FY2003 1st. Half (Period ended Sep. 30, 2003)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	557,923	356,594	221,874	73,106	1,209,497	-	1,209,497
Inter-areas	360,214	2,954	3,905	17	367,090	(367,090)	-
Total	918,137	359,548	225,779	73,123	1,576,587	(367,090)	1,209,497
Operating expenses	883,647	368,012	220,457	70,480	1,542,596	(361,531)	1,181,065
Operating income (loss)	34,490	(8,464)	5,322	2,643	33,991	(5,559)	28,432

(in millions of yen)

FY2003 (Year ended March 31, 2004)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	1,156,939	922,672	651,462	185,057	2,916,130	-	2,916,130
Inter-areas	758,096	10,387	15,635	284	784,402	(784,402)	-
Total	1,915,035	933,059	667,097	185,341	3,700,532	(784,402)	2,916,130
Operating expenses	1,867,697	933,652	656,648	178,034	3,636,031	(790,075)	2,845,956
Operating income (loss)	47,338	(593)	10,449	7,307	64,501	5,673	70,174

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, Belgium, and England
      Other areas: Australia and Colombia

3. Overseas Sales

FY2004 1st. Half (Period ended Sep. 30, 2004) (in millions of yen)

	North America	Europe	Other areas	Total
Overseas sales	**366,989**	**317,641**	**224,459**	**909,089**
Consolidated sales	—	—	—	**1,320,559**
Percentage of overseas sales to consolidated sales	% **27.8**	% **24.0**	% **17.0**	% **68.8**

FY2003 1st. Half (Period ended Sep. 30, 2003) (in millions of yen)

	North America	Europe	Other areas	Total
Overseas sales	364,601	227,037	208,283	799,921
Consolidated sales	—	—	—	1,209,497
Percentage of overseas sales to consolidated sales	% 30.1	% 18.8	% 17.2	% 66.1

FY2003 (Year ended March 31, 2004) (in millions of yen)

	North America	Europe	Other areas	Total
Overseas sales	936,718	659,813	473,368	2,069,899
Consolidated sales	—	—	—	2,916,130
Percentage of overseas sales to consolidated sales	% 32.1	% 22.6	% 16.2	% 71.0

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 China

5. Production and Sales Information

1. Production Volume

Type	FY 2004 1st. Half (Apr. 2004 to Sep. 2004)	FY 2003 1st. Half (Apr. 2003 to Sep. 2003)	Increase/ (Decrease)	FY 2003 (Apr. 2003 to Mar. 2004)
	units	units	units	units
Passenger cars	**362,362**	354,925	7,437	742,773
Trucks	**28,627**	35,071	(6,444)	68,560
Vehicles Total	**390,989**	389,996	993	811,333

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 2004 1st. Half	FY 2003 1st. Half	Increase/ (Decrease)	FY 2003
AutoAlliance International, Inc.	**44,069** units	44,986 units	(917) units	83,314 units
AutoAlliance (Thailand) Co., Ltd.	**16,754**	13,949	2,805	30,652

2. Sales Volume and Revenue

Type	FY 2004 1st. Half (Apr. 2004 to Sep. 2004)		FY 2003 1st. Half (Apr. 2003 to Sep. 2003)		Increase/ (Decrease)		FY 2003 (Apr. 2003 to Mar. 2004)	
	Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
	units	million yen	units	million yen	units	million yen	units	million yen
Vehicles	**529,836**	**956,939**	525,989	868,483	3,847	88,456	1,224,642	2,159,136
Knockdown Parts (Overseas)	―	**70,395**	―	59,648	―	10,747	―	127,488
Parts	―	**94,049**	―	86,723	―	7,326	―	209,821
Other	―	**199,176**	―	194,643	―	4,533	―	419,685
Total	―	**1,320,559**	―	1,209,497	―	111,062	―	2,916,130

＜Sales Volume by Market＞

Type	FY 2004 1st. Half (Apr. 2004 to Sep. 2004)	FY 2003 1st. Half (Apr. 2003 to Sep. 2003)	Increase/ (Decrease)	FY 2003 (Apr. 2003 to Mar. 2004)
	units	units	units	units
Japan	**140,837**	141,031	(194)	291,401
North America	**156,948**	160,844	(3,896)	406,956
Europe	**143,099**	123,967	19,132	311,090
Other	**88,952**	100,147	(11,195)	215,195
Overseas Total	**388,999**	384,958	4,041	933,241
Total	**529,836**	525,989	3,847	1,224,642

FY2004 First Half Financial Summary (Consolidated)

November 9, 2004

Mazda Motor Corporation

(in 100 millions of yen) (in thousands of units) (upper left: ratio on sales)		FY2003 1st. HF (Apr.03-Sep.03)	%	FY2004 1st. HF (Apr.04-Sep.04)	%	FY2003 (Apr.03-Mar.04)	%	FY2004 (Apr.04-Mar.05) Projection	%	FY2004 (Apr.04-Mar.05) Prior Projection	%
Domestic	1	4,096	0.8	4,115	0.5	8,462	3.4	8,600	1.6	8,500	0.4
Overseas	2	7,999	6.2	9,091	13.6	17,285	11.8	18,500	7.0	18,100	4.7
Subtotal	3	12,095	4.3	13,206	9.2	25,747	8.9	27,100	5.3	26,600	3.3
15 months effect of overseas	4	—		—		3,414		—		—	
Net sales	5	12,095	4.3	13,206	9.2	29,161	23.3	27,100	(7.1)	26,600	(8.8)
Operating income	6	2.4% 284	93.7	3.3% 435	53.1	2.4% 702	38.5	2.9% 780	11.2	2.6% 700	(0.2)
Ordinary income	7	1.6% 190	106.7	2.8% 369	94.4	2.0% 580	42.5	2.7% 740	27.5	2.4% 650	12.0
Income before income taxes	8	1.3% 154	116.0	2.5% 335	117.9	1.9% 541	92.2	2.4% 660	22.1	2.1% 550	1.7
Net income	9	0.9% 112	100.0	1.4% 187	68.0	1.2% 339	40.5	1.4% 370	9.1	1.3% 340	0.3
Operating income/(loss) by geographic area											
Japan	10	345		332		473					
North America	11	(85)		23		(6)					
Europe	12	53		45		105					
Other	13	26		33		73					
Operating profit change											
Volume & mix	14			182				216		248	
Exchange rate	15			(26)				(131)		(285)	
Product enrichment	16			(218)				(291)		(291)	
Cost reduction	17			263				447		451	
Marketing expense	18			2				35		40	
Other	19			(52)				(198)		(165)	
Total	20			151				78		(2)	
Average rate for the period	21	118 Yen/US$ 134 Yen/EUR		110 Yen/US$ 133 Yen/EUR		113 Yen/US$ 133 Yen/EUR		107 Yen/US$ 132 Yen/EUR		105 円/US$ 125 円/EUR	
Transaction rate	22	118 Yen/US$ 131 Yen/EUR		107 Yen/US$ 132 Yen/EUR		117 Yen/US$ 131 Yen/EUR		107 Yen/US$ 132 Yen/EUR		106 円/US$ 128 円/EUR	
Capital investment	23	157		278		456		670		600	
Depreciation and amortization	24	180		187		379		410		410	
R & D cost	25	420		491		878		950		950	
Total assets	26	17,819		18,140		17,956					
Net worth	27	2,055		2,409		2,226					
Financial debt	28	6,870		6,380		6,304					
Net financial debt	29	4,281		3,633		3,581					
Cash flow	30	(218)		(140)		491					
Performance of operation	31			Sales increased Profits increased at all levels				Sales to increase by a 12-month comparison Operating profit to be record-high			
Domestic	32	141	(1.0)	141	(0.1)	291	(0.8)	305	4.7	310	6.4
North America	33	161	(10.1)	157	(2.4)	327	(6.0)	345	5.5	385	17.7
Europe	34	124	36.2	143	15.4	258	28.3	290	12.5	287	11.4
Other	35	100	16.5	89	(11.2)	200	14.5	190	(5.0)	198	(1.0)
Overseas	36	385	8.1	389	1.0	785	8.5	825	5.1	870	10.9
subtotal	37	526	5.5	530	0.7	1,076	5.8	1,130	5.0	1,180	9.7
15 months effect of overseas	38	—		—		149		—		—	
Wholesales	39	526	5.5	530	0.7	1,225	20.4	1,130	(7.7)	1,180	(3.6)
Number of Employees (full time employees)	40	36,167		35,827		35,627					

Note: FY2003 results include 15-month operations of major overseas subsidiaries that changed their fiscal year.