FY2005 First Half Consolidated Financial Results
For the Six Months Ended September 30, 2005

English Translation from the Original Japanese-Language Document

November 2, 2005

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 : Tetsuya Fujimoto, General Manager, Accounting Department, Financial Services Division, Phone (082) 282-1111

BOD Meeting : Meeting of the board of directors for consolidated account settlement held on November 2, 2005
Parent Company, etc. : Mazda has no parent company. Ford Motor Company owns 34.2% voting interest of Mazda.
US GAAP Adoption : The United States generally accepted accounting principles not adopted

1. Consolidated Financial Highlights (April 1, 2005 through September 30, 2005)
(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	%
FY2005 1st. Half	1,351,914	2.4	48,780	12.1	43,361	17.4
FY2004 1st. Half	1,320,559	9.2	43,521	53.1	36,945	94.4
FY2004	2,695,564		82,947		73,056	

	Net Income/(Loss)		Net Income/(Loss) Per Share	Net Income/(Loss) Per Share, Diluted
	million yen	%	yen	yen
FY2005 1st. Half	31,088	66.0	25.10	22.04
FY2004 1st. Half	18,732	68.0	15.39	13.26
FY2004	45,772		37.63	32.41

Notes: 1) Equity in net income of unconsolidated subsidiaries and affiliates accounted for by the equity method:
FY2005 1st. Half 6,716 million yen
FY2004 1st. Half 4,789 million yen
FY2004 9,963 million yen

2) Average no. of shares of common stock outstanding (on a consolidated basis):
FY2005 1st. Half 1,238,534,961 shares
FY2004 1st. Half 1,217,005,425 shares
FY2004 1,216,245,150 shares

3) Accounting change: No

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
FY2005 1st. Half	1,722,318	331,570	19.3	251.15
FY2004 1st. Half	1,813,982	240,923	13.3	197.96
FY2004	1,767,846	267,815	15.1	220.22

Notes: No. of shares of common stock outstanding as of period end (on a consolidated basis):
FY2005 1st. half 1,320,190,809 shares
FY2004 1st. half 1,217,004,552 shares
FY2004 1,216,130,686 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
FY2005 1st. Half	55,047	(42,587)	(42,384)	186,711
FY2004 1st. Half	43,941	(57,916)	14,381	274,684
FY2004	133,735	(97,835)	(96,124)	214,639

(4) Scope of Consolidation and Equity Method

Consolidated subsidiaries 56 companies
Affiliates accounted for by the equity method 11 companies
Unconsolidated subsidiaries accounted for by the equity method None

(5) Changes in Scope of Consolidation and Equity Method

Consolidation (Addition) 3 companies; (Exclusion) None
Equity method (Addition) None; (Exclusion) 1 company

2. FY2005 Consolidated Financial Forecast (April 1, 2005 through March 31, 2006)

	Net Sales	Ordinary Income/(Loss)	Net Income/(Loss)
	million yen	million yen	million yen
Full Year	2,820,000	85,000	55,000

Reference: Net income per share for the full year 41.66 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 7 of Supplementary Information.

Supplementary Information

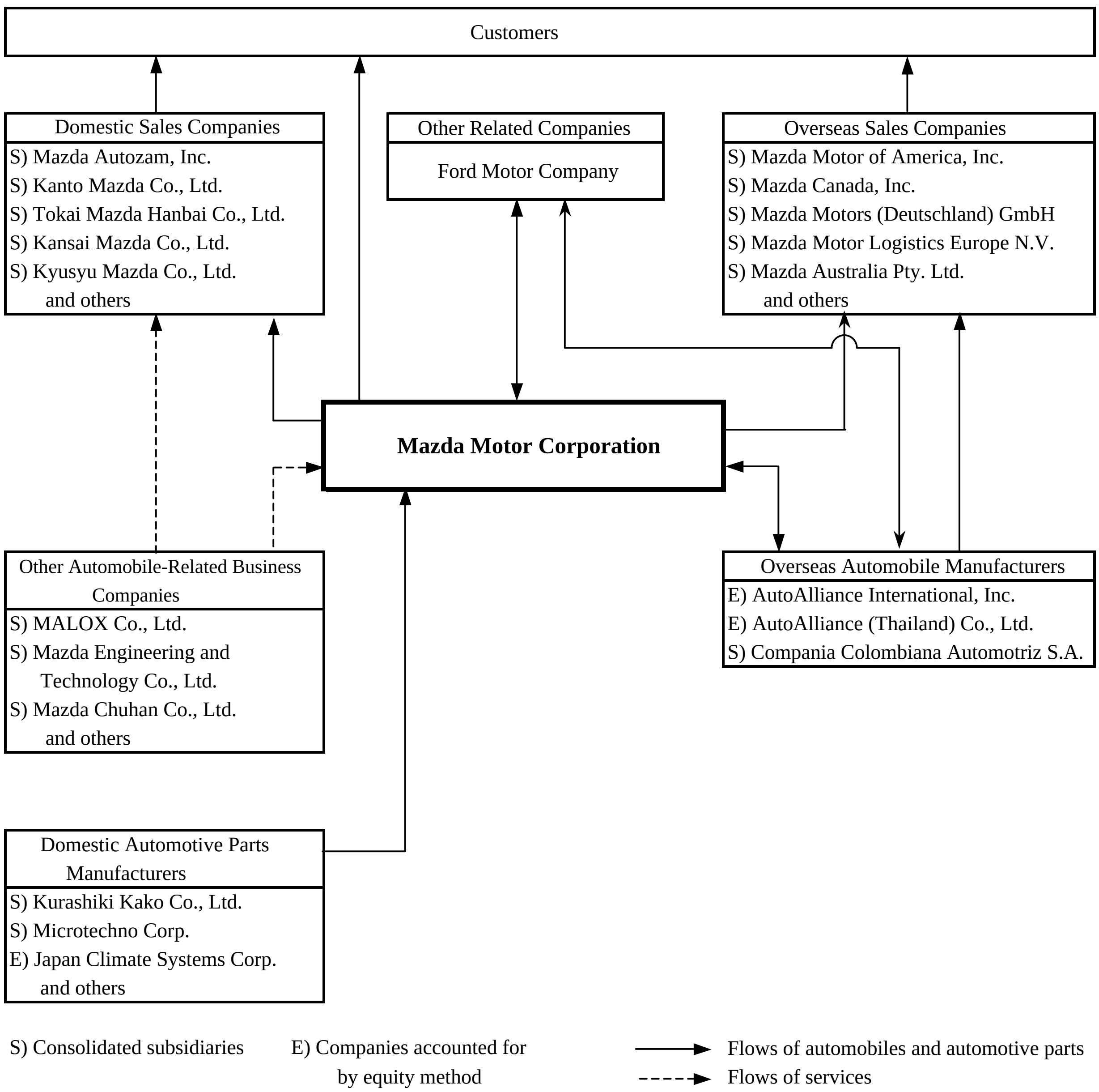
1. Mazda Group of Companies

Mazda group of companies consists of Mazda Motor Corporation, 56 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) Mid-term Corporate Management Strategy

This year marks the 85th anniversary for Mazda. Based on the Corporate Vision and the "Mazda Momentum" mid-term plan announced in November 2004, Mazda and its enterprise foundation including affiliated companies are working to establish a solid foundation for fully-fledged future growth, while maintaining the current momentum. The mid-term plan will conclude at the end of fiscal year 2006, and is supported by 4 pillars: Reinforcing Research & Development, Strengthening Key Markets, Enhancing Global Efficiencies and Synergies, and People Development.

In order to reinforce research and development, we will increase our investment in several key areas, including those associated with the environment, safety, and Information Technology. In doing so, we expect to make the traditionally strong technical capability of our company, even stronger.

To reinforce the key markets, we currently plan to introduce 16 new products during the Mazda Momentum period, and this plan is on track. In addition, we are fortifying the global sales network and are focused on improving customer satisfaction.

In order to enhance our global efficiencies and synergies, we are focusing on R&D, manufacturing, purchasing, and logistics activities on a global basis. The Mazda enterprise launched "ABC Phase2" during this fiscal year, a cost reduction plan which focuses on reinforcing our global procurement capability, supply chain management and establishing a global commodity cycle plan.

To support these initiatives, people development is indispensable. It continues to be our key focus for future success of the company. We plan to reinforce management capabilities, promote global people development, and prepare an environment which respects individual creativity.

The "Mazda Momentum" plan has numeric targets for fiscal year 2006: 1,250,000 units of wholesale volume, over 100 billion yen operating profit, and a net debt to equity ratio of below 100%.

4) Our Challenges

The future economic outlook for both the domestic Japanese market and overseas markets appears to steadily improve and expand in the short-term. However, raw material price increases, including crude oil and steel, and rapid exchange fluctuations are some of the uncertain factors waiting ahead of us.

In the automotive industry, manufacturers are expected to apply various environmental regulatory requirements and to invest in the development of next-generation technology. This will make the marketplace even more competitive. Especially in the United States, the increase in gasoline prices is suppressing the sale of larger vehicles, and competition in smaller vehicles segments is becoming more intense.

By steadily implementing our "Mazda Momentum" plan, we believe we will be able to achieve profitable and sustainable growth even in an increasingly competitive market environment.

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

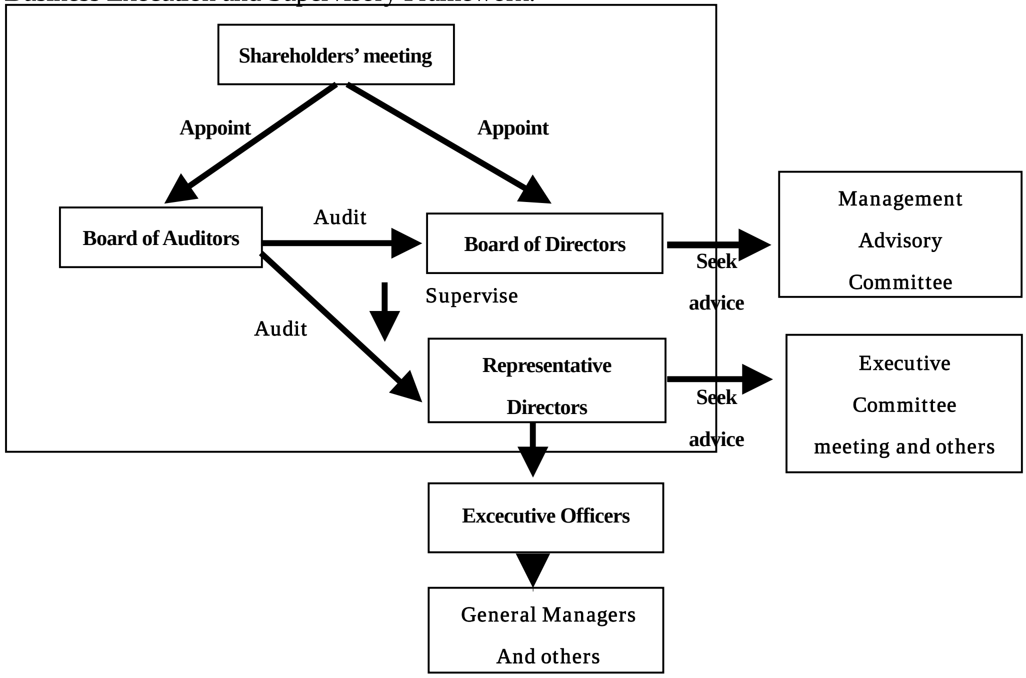
Corporate auditors underpin governance at Mazda. Ensuring proper corporate governance is one of management's top concerns, and is the reason we vigorously launch various initiatives in this area.

In addition to bodies prescribed by law such as the annual general meeting of shareholders, the board of directors and the board of corporate auditors, Mazda has established an executive committee. Executive committee meetings are held to formulate and discuss important company-wide policies and measures. Other advisory bodies that assist the president with decision-making have also been set up.

Moreover, Mazda has introduced the executive officer system to promote the separation of executive and management functions. This has augmented the board's effectiveness as a supervisory body. These and other steps are helping to improve management efficiency at Mazda, resulting in faster decision-making through enhanced discussion, delegation of authority to the executive officer level and other benefits. As of September 30, 2005, Mazda had total of 9 directors and 36 executive officers, some of whom hold concurrent posts as directors.

Furthermore, Mazda has established a Management Advisory Committee composed of leading figures from outside the company and Mazda directors. The committee meets four times a year. Mazda receives managerial opinions and recommendations from these committee members, who offer their specialized knowledge and insight from a global perspective. To enhance management transparency, Mazda reflects the committee's input in its management practices.

Business Execution and Supervisory Framework:



Mazda has a Risk Management Committee that make decisions on company policies and a Risk Management Office that oversees company-wide risk management activities. Mazda is reinforcing information management and enhancing disaster-prevention measures, such as those for large-scale earthquakes, to sustain our business operations and offer a stable base for prosperity. In the first half of this fiscal year, we started to widen our risk management efforts by conducting Pre-Risk Surveys in six of our consolidated subsidiary companies.

Mazda recognizes compliance as a key principle. In addition to the Mazda Corporate Ethics Code of Conduct, we issue a Compliance Manual which prescribes specific examples and the key points of related laws and regulations, and distribute a card to all directors and employees printed with the key points of our Code of Conduct. In addition, we hold annual Corporate Ethics Seminars and Human Rights Seminars to stress the importance and necessity of laws and regulations and corporate ethics to all directors and employees. In addition to the corporate ethics education held every fiscal year for the different levels of employees, we implemented the Compliance Lecture via a mandatory e-Learning course for the directors, middle management and all indirect employees, and conducted a questionnaire for all indirect employees in the first half of this fiscal year.

We will continue to take proactive measures to enrich our corporate governance by avoiding the dates used by other companies for their General Meetings of Shareholders, disclosing information to our shareholders and investors in a timely manner, and proactively implementing Investor Relations (IR) activities, including enhancing the contents of our IR home page.

Our Board of Corporate Auditors consists of 5 members, including 3 external auditors. Each auditor checks the directors' execution of duties based on the annual audit plan authorized at the Board of Auditors' Meeting. There is no interest, nor any business transactions, between the internal and external Board of Auditors. For internal audits, the Internal Audit Division conducts audits on business execution within Mazda and its affiliated companies, focusing on management targets, policies, plans and various laws and regulations, with the purpose of contributing to management robustness and efficiency. Accounting audit services are conducted by KPMG AZSA & Co, and the certified public accountants acting as the engagement partners of the company's accounting audit are Mr. Mitsunori Amo, Mr. Hiroshi Takahashi and Mr. Kohei Komatsubara, all of whom belong to KPMG AZSA & Co. None of the preceding three accountants have been continuously engaged in the audit of the company for more than seven years. Also, the accounting audit was supported by 3 certified accountants, 3 assistant certified accountants, and 1 additional person. The Board of Corporate Auditors, Internal Auditing Division, and KPMG AZSA & Co. stay in close communication through periodic meetings.

6) Information about Parent Company and Other Companies Having a Significant Voting Interest

Mazda has no parent company. However, Ford Motor Company has a significant portion of Mazda's voting interest as follows:

Name of the Company Having a Significant Voting Interest:	Ford Motor Company
Percentage of Voting Interest:	34.2%
Names of Stock Exchanges Ford Motor Company is listed:	The New York Stock Exchange
	The Pacific Exchange
	Euronext
	The Deutsche Borse
	The Schweizer Borse
	The London Stock Exchange

Note 1: Ford's 34.2% voting interest is indirect.

Note 2: Ford Automotive International Holding, S.L. and FLP Canada, 100% subsidiaries of Ford Motor Company, directly invest in Mazda.

Our Relationship with Ford Motor Company and Our Position in the Ford Group

In July 1979, Mazda Motor Corporation reached the following agreement with Ford Motor Company: a) Mazda to acquire Ford Kogyo Co., Ltd., a subsidiary of Ford Motor Company and b) Mazda to issue Ford new shares amounting to 25% of Mazda's total issued shares after the acquisition. In December 1993, Ford and Mazda strengthened their relationship and agreed to build a global strategic alliance. In April 1996, agreement was reached to further strengthen this strategic relationship. In May of the same year, Mazda issued new shares to Ford by third-party allotment. As a result, the holding ratio of Ford to Mazda increased to 33.4%.

The strengthening of the Mazda-Ford relationship has enabled both companies to coordinate their strategies in all areas, including product development, manufacturing and the distribution of vehicles. The competitiveness of both companies has been enhanced by improving efficiency and achieving greater economies of scale through effective utilization of resources and the development of each company as a supply source for the other.

At the same time, the alliance between Ford and Mazda aims to improve the independent partner profit through pursuing synergy in variety of areas. Mazda continues to maintain its distinct identity and independence in management.

Auto Alliance International, Inc. and Auto Alliance Thailand Co., Ltd. are jointly operated by Mazda and Ford.

3. Financial Results, Position and Projection

1) Mid-term Financial Results and Position

During the first half of this fiscal year, the raw material prices, including crude oil and steel, continued to soar. At the same time, manufacturing investment as well as private consumption and demand showed steady improvement. In the U.S., the economy continues to grow. In Europe and other major markets, the economies have begun showing signs of recovery.

Automotive sales in Japan during the first half of this fiscal year totaled to 2.8 million units, a year-on-year increase of 3.5% largely reflecting an increase in commercial vehicle sales. In the U.S., industry volumes were 9.21 million units, up 4.5% from the previous fiscal year, while Europe was 9.21 million units, up 2.5%. In China, industry sales were 2.97 million units, up 18.3 % from the previous fiscal year.

Under these economic conditions, Mazda continued its product-led growth strategy.

The Mazda Premacy, a fully remodeled minivan, was launched in Japan in February 2005. This is a multi-activity vehicle that offers great drivability, and dynamic and sophisticated styling consistent with Mazda's product DNA. The new Mazda Premacy has been well received by our customers and a sporty special equipment model and a 4WD model have since been added to its lineup. Sales have also started in key overseas markets, where the customer response has also been excellent.

The new Mazda Roadster debuted in August 2005. The number of orders in Japan has been substantially higher than our monthly sales target.

There were other product upgrades too, including the full-model change of the Mazda Scrum Wagon and the Van, the new launch of Mazdaspeed Atenza, plus a refresh of the interior and exterior and the addition of safety features for the Mazda Demio, the Mazda Atenza, the Mazda Verisa, and the Mazda AZ-Wagon.

In support of our product-led growth, the Ujina Plant No.1 (U1) paint shop, which suffered damage from a fire that broke out in December 2004, was restored with the introduction of the latest three-layer wet paint system technology. U1 reopened in April 2005, supporting both vehicle assembly and paint operations. The demand for Mazda Axela, which has won more than 50 accolades globally, has been strong in each of our global markets. In addition to the production at our Hofu Plant, Ujina Plant No.2 (U2) also started producing Mazda Axela to satisfy continuing strong demand.

As for sales activities, Mazda is promoting reinforcement of its sales networks. In Japan, Mazda is promoting to increase sales outlets in metropolitan areas. In the U.S., Mazda is proceeding to increase exclusive dealerships and strengthen distribution. The exclusive dealership ratio at the end of the first half of this fiscal year was at 37%, on track to achieving the target of 50% by the end of fiscal year 2006. Also in Europe, a Russia office was established to focus on this important market. In May 2005, Mazda also announced the establishment of a new organization to oversee the company's expansion in the rapidly growing business in the Association of Southeast Asian Nations (ASEAN). In China, various initiatives are underway to increase our sales capacity to 300,000 units in the year 2010. In June 2005, Mazda held an opening ceremony for its new Shanghai-based company, Mazda Motor (Shanghai) Business Management & Consulting Co. Ltd., established to integrate its business operations in China, from production to sales. The China Engineering Support Center was also established in August 2005 to promote our China operations in Nanjing, Changchun and Hainan by providing technical support in R&D, purchasing, quality and services. To further enhance our production capability, Changan Ford Mazda Engine Co. Ltd. (CFME), an engine manufacturing company, was established in Nanjing and will begin operations in early 2007. CFME is a joint venture between Changan Automotive Group, Ford Motor Company and Mazda.

Financial Performance

Turning to Mazda's performance in the first half of this fiscal year, retail volume in the Japanese market totaled 141,000 units, up 4.5% compared with the same period of the prior fiscal year, reflecting the successful introduction of new models, including the all-new Premacy and the freshened Atenza. Total share, including micro-mini vehicles, was 5.0%, unchanged from 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 138,000 units, down 1.4% from the first half of the last year reflecting fleet sales down. Market share was down 0.1 points to 1.5%. In Europe, retail volume was down 3.3% to 138,000 units reflecting MPV, Premacy and MX5 run out ahead of new model launches, and market share was down 0.1 points to 1.5%. In the growing Chinese market, Mazda's retail volume was up 52.2% to 67,000 units, and the market share was up 0.5 points to 2.3%.

Consolidated wholesales in the first half of this fiscal year totaled 557,000 units, an increase of 27,000 units or 5.1% from the same period a year ago, reflecting strong global demand for the Mazda3 and the new Mazda5.

Turning to financial results, on a consolidated basis, sales revenue was ¥1,351.9 billion, an increase of ¥31.3 billion or 2.4% year-over-year. Operating income was up ¥5.3 billion or 12.1% to ¥48.8 billion, reflecting higher sales, cost reductions and favorable exchange rates.

Ordinary income was ¥43.4 billion, up ¥6.5 billion or 17.4%. Net income was ¥31.1 billion, up ¥12.4 billion or 66.0%. The extraordinary loss from the adoption of accounting for impairment of fixed assets was more than offset by the extraordinary profit from the transfer of the retirement benefit obligation of the substitutional portion to the government.

Consolidated cash flow (operating and investing activities) was ¥12.5 billion. While net cash provided by operating activities was ¥55.1 billion, net cash used in investing activities amounted to ¥42.6 billion, primarily due to investments in production facilities and equipment. Also, net cash used in financing activities amounted to ¥42.4 billion, mainly due to the repayment of loans and redemption of bonds. Net debt (gross debt less cash and cash equivalents) was ¥293.4 billion, ¥20.1 billion lower than at March 31, 2005, due to positive cash flow (operating and investing activities) and the exercise of the stock acquisition rights of the bonds with stock acquisition rights. Gross debt was ¥480.1 billion, down ¥48.0 billion from the prior year-end. As a result, the net debt/equity ratio became 88%, hereby achieving the target of below 100% in advance of FY2006 that was initially targeted under Mazda Momentum.

Also, as to the 4th unsecured convertible bond-type bonds with stock acquisition rights that were issued in October of 2002, as of the end of this first half, the stock acquisition rights were exercised for ¥32.8 billion out of the total ¥60 billion issued (54.7% conversion ratio). As a result, the balance of the bonds as of September 30, 2005 amounted to ¥27.2 billion.

Financing activities in this first half included ¥34.6 billion long-term bank borrowing and the issuance of domestic unsecured bonds of ¥25 billion.

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

2) Financial Projection

Our projection for fiscal year 2005 (the year ending March 31, 2006) is as follows:

Consolidated

Wholesales	1,170	thousand units	(up 6.0% compared to the prior year)
Sales revenue	2,820.0	billion yen	(up 4.6% compared to the prior year)
Ordinary income	85.0	billion yen	(up 16.3% compared to the prior year)
Net income	55.0	billion yen	(up 20.2% compared to the prior year)

Unconsolidated

Wholesales	1,073	thousand units	(up 8.0% compared to the prior year)
Sales revenue	2,010.0	billion yen	(up 8.6% compared to the prior year)
Ordinary income	36.0	billion yen	(up 111.6% compared to the prior year)
Net income	29.0	billion yen	(up 371.8% compared to the prior year)

Cautionary Statement with Respect to Forward-Looking Statements

Information included in this material with respect to Mazda Group'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 Group. We caution 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 us to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We disclaim any such obligation. Risks and uncertainties that might affect Mazda Group include, but are not limited to:

1) the global economic environment related to Mazda Group's business;
2) exchange rates, particularly between the yen and the U.S. dollar and euro;
3) the success of Mazda Group's joint ventures and alliances;
4) environmental and other public regulations;
5) market competitiveness
6) reliance on certain raw materials and suppliers
7) risks associated with international business activities
8) protection of intellectual property
9) defective products
10) risks associated with natural disasters and accidents

4. Consolidated Financial Statements

(1) Consolidated Statement of Income

Six months ended September 30, 2005

With comparative figures for the six months ended September 30, 2004 and for the fiscal year ended March 31, 2005

(in millions of yen)

		FY2005 1st. Half (Apr. 2005 - Sep. 2005)	FY2004 1st. Half (Apr. 2004 - Sep. 2004)	Increase/ (Decrease)	FY2004 (Apr. 2004 - Mar. 2005)
Net sales	1	**1,351,914**	1,320,559	31,355	2,695,564
Costs of sales	2	**978,700**	963,438	15,262	1,972,574
Gross profit on sales	3	**373,214**	357,121	16,093	722,990
Selling, general and administrative expenses	4	**324,434**	313,600	10,834	640,043
Operating income	5	**48,780**	43,521	5,259	82,947
Non-operating income					
Interest and dividend income	6	**1,280**	1,437	(157)	2,416
Equity in net income of unconsolidated subsidiaries and affiliates	7	**6,716**	4,789	1,927	9,963
Other	8	**3,446**	2,581	865	6,664
Total	9	**11,442**	8,807	2,635	19,043
Non-operating expenses					
Interest expense	10	**5,597**	7,394	(1,797)	13,786
Other	11	**11,264**	7,989	3,275	15,148
Total	12	**16,861**	15,383	1,478	28,934
Ordinary income	13	**43,361**	36,945	6,416	73,056
Extraordinary profits					
Profit on sale of tangible fixed assets	14	**182**	212	(30)	214
Profit on sale of investment securities	15	**927**	1	926	-
Compensation received for the exercise of eminent domain	16	**-**	1,415	(1,415)	1,924
Insurance claim income	17	**896**	-	896	27,942
Gain on the transfer to the government of the substitutional portion of employee pension fund liabilities	18	**57,127**	-	57,127	-
Other	19	**233**	-	233	34
Total	20	**59,365**	1,628	57,737	30,114
Extraordinary losses					
Loss on retirement and sale of tangible fixed assets	21	**2,794**	2,328	466	10,852
Loss on impairment of fixed assets	22	**34,650**	-	34,650	-
Loss on sale of investment securities	23	**4**	414	(410)	425
Loss on liquidation of a *Tokumei Kumiai*	24	**-**	2,242	(2,242)	2,226
Loss on disasters	25	**-**	-	-	14,831
Other	26	**2,128**	40	2,088	989
Total	27	**39,576**	5,024	34,552	29,323
Income before income taxes	28	**63,150**	33,549	29,601	73,847
Income taxes					
Current	29	**12,791**	7,296	5,495	14,494
Refund	30	**-**	(2,137)	2,137	(2,151)
Deferred	31	**18,405**	8,670	9,735	14,315
Minority interests of consolidated subsidiaries	32	**866**	988	(122)	1,417
Net income	33	**31,088**	18,732	12,356	45,772

(2) Consolidated Balance Sheet

September 30, 2005
With comparative figures for March 31, 2005 and for September 30, 2004

(in millions of yen)

		FY2005 1st. Half (September 30, 2005)	FY2004 (March 31, 2005)	Increase/ (Decrease)	FY2004 1st. Half (September 30, 2004)
ASSETS					
Current Assets:					
Cash and time deposits	1	**186,801**	218,959	(32,158)	274,775
Trade notes and accounts receivable	2	**153,737**	142,011	11,726	136,474
Inventories	3	**254,740**	253,869	871	273,419
Deferred taxes	4	**83,813**	80,133	3,680	72,778
Other	5	**57,881**	80,655	(22,774)	62,800
Allowance for doubtful receivables	6	**(7,660)**	(8,031)	371	(6,542)
Total current assets	7	**729,312**	767,596	(38,284)	813,704
Fixed Assets:					
Tangible fixed assets:					
Buildings and structures	8	**145,696**	147,026	(1,330)	147,482
Machinery and equipment	9	**174,364**	155,914	18,450	154,042
Tools, furniture and fixtures	10	**27,910**	29,015	(1,105)	29,284
Land	11	**445,468**	449,356	(3,888)	454,004
Construction in progress	12	**30,924**	40,158	(9,234)	27,318
Other	13	**237**	2,778	(2,541)	352
Total tangible fixed assets	14	**824,599**	824,247	352	812,482
Intangible fixed assets:	15	**23,483**	23,367	116	22,177
Investments and other fixed assets:					
Investment securities	16	**70,072**	58,423	11,649	58,297
Long-term loans receivable	17	**8,029**	8,017	12	9,802
Deferred taxes	18	**54,696**	73,747	(19,051)	87,716
Other	19	**23,472**	24,283	(811)	22,394
Allowance for doubtful receivables	20	**(10,441)**	(10,820)	379	(11,798)
Investment valuation allowance	21	**(905)**	(1,014)	109	(793)
Total investments and other fixed assets	22	**144,923**	152,636	(7,713)	165,618
Total fixed assets	23	**993,005**	1,000,250	(7,245)	1,000,277
Deferred assets	24	**1**	-	1	1
Total Assets	25	**1,722,318**	1,767,846	(45,528)	1,813,982

(in millions of yen)

		FY2005 1st. Half (September 30, 2005)	FY2004 (March 31, 2005)	Increase/ (Decrease)	FY2004 1st. Half (September 30, 2004)
LIABILITIES					
Current Liabilities:					
Trade notes and accounts payable	1	**284,877**	290,476	(5,599)	292,102
Short-term loans payable	2	**99,786**	100,555	(769)	143,578
Long-term loans payable due within one year	3	**72,501**	82,847	(10,346)	87,002
Bonds due within one year	4	**300**	30,400	(30,100)	80,400
Other accounts payable	5	**110,658**	110,155	503	83,485
Accrued expenses	6	**170,514**	185,568	(15,054)	167,384
Reserve for warranty expenses	7	**26,099**	24,150	1,949	23,229
Other	8	**66,491**	53,077	13,414	60,201
Total current liabilities	9	**831,226**	877,228	(46,002)	937,381
Fixed Liabilities:					
Bonds	10	**65,200**	40,400	24,800	40,500
Bonds with stock acquisition rights	11	**27,190**	59,567	(32,377)	59,996
Long-term loans payable	12	**215,116**	214,376	740	226,536
Deferred tax liability related to land revaluation	13	**93,840**	91,132	2,708	90,896
Employees' and executive officers' severance and retirement benefits	14	**135,501**	195,892	(60,391)	197,663
Directors' and corporate auditors' retirement benefits	15	**1,500**	1,500	-	1,369
Other	16	**11,981**	11,910	71	11,735
Total fixed liabilities	17	**550,328**	614,777	(64,449)	628,695
Total Liabilities	18	**1,381,554**	1,492,005	(110,451)	1,566,076
Minority Interests in Consolidated Subsidiaries	19	**9,194**	8,026	1,168	6,983
SHAREHOLDERS' EQUITY					
Common stock	20	**136,483**	120,295	16,188	120,080
Capital surplus	21	**120,624**	104,435	16,189	104,219
Retained earnings/(deficit)	22	**(11,806)**	(34,581)	22,775	(61,634)
Land revaluation	23	**135,560**	130,895	4,665	131,151
Net unrealized gain/(loss) on available-for-sale securities	24	**840**	422	418	314
Foreign currency translation adjustments	25	**(47,110)**	(51,454)	4,344	(51,743)
Treasury stock	26	**(3,021)**	(2,197)	(824)	(1,464)
Total shareholders' equity	27	**331,570**	267,815	63,755	240,923
Total Liabilities, Minority Interests and Shareholders' Equity	28	**1,722,318**	1,767,846	(45,528)	1,813,982

(3) Consolidated Statement of Capital Surplus and Retained Earnings

Six months ended September 30, 2005
With comparative figures for the six months ended September 30, 2004 and for the fiscal year ended March 31, 2005

(in millions of yen)

		FY2005 1st. Half (Apr. 2005 - Sep. 2005)	FY2004 1st. Half (Apr. 2004 - Sep. 2004)	FY2004 (Apr. 2004 - Mar. 2005)
CAPITAL SURPLUS				
Balance at the beginning of the period	1	**104,435**	104,217	104,217
Increases due to:				
Issuance of new stocks by the exercise of stock acquisition rights	2	**16,189**	2	216
Treasury stock transactions	3	-	-	2
Decreases	4	-	-	-
Balance at the end of the period	5	**120,624**	104,219	104,435
RETAINED EARNINGS				
Balance at the beginning of the period	6	**(34,581)**	(78,220)	(78,220)
Increases due to:				
Net income	7	**31,088**	18,732	45,772
Reversal of land revaluation	8	-	319	331
Decreases due to:				
Dividends	9	**3,648**	2,434	2,434
Reversal of land revaluation	10	**4,665**	-	-
Exclusion of consolidated subsidiaries and companies accounted for by the equity method	11	-	31	30
Balance at the end of the period	12	**(11,806)**	(61,634)	(34,581)

(4) Consolidated Statement of Cash Flows

Six months ended September 30, 2005

With comparative figures for the six months ended September 30, 2004 and for the fiscal year ended March 31, 2005

(in millions of yen)

		FY2005 1st. Half (Apr. 2005 - Sep. 2005)	FY2004 1st. Half (Apr. 2004 - Sep. 2004)	FY2004 (Apr. 2004 - Mar. 2005)
Cash flows from operating activities:				
Income before income taxes	1	**63,150**	33,549	73,847
Adjustments to reconcile income before income taxes to net cash provided by operating activities:				
Depreciation and amortization	2	**21,715**	18,739	40,036
Loss on impairment of fixed assets	3	**34,650**	-	-
Allowance for doubtful receivables	4	**(800)**	(406)	1,462
Investment valuation allowance	5	**(104)**	95	371
Reserve for warranty expenses	6	**1,808**	695	1,539
Employees' and executive officers' severance and retirement benefits	7	**(60,590)**	(590)	(2,361)
Interest and dividend income	8	**(1,280)**	(1,437)	(2,416)
Interest expense	9	**5,597**	7,394	13,786
Equity in net income of unconsolidated subsidiaries and affiliates	10	**(6,716)**	(4,789)	(9,963)
Loss/(gain) on sale of fixed assets	11	**2,612**	703	8,714
Loss/(gain) on sale of investment securities	12	**(923)**	413	425
Insurance claim income	13	**(896)**	-	(27,942)
Changes in trade notes and accounts receivable	14	**(12,028)**	11,613	6,212
Changes in inventories	15	**4,844**	5,372	23,246
Changes in trade notes and accounts payable	16	**(4,920)**	(1,110)	(275)
Changes in other current liabilities	17	**(1,886)**	(13,089)	14,079
Other	18	**11,352**	615	3,170
Subtotal	19	**55,585**	57,767	143,930
Interest and dividends received	20	**1,705**	1,806	2,710
Interest paid	21	**(5,586)**	(7,338)	(13,912)
Insurance proceeds received	22	**15,454**	-	13,383
Income taxes paid	23	**(12,111)**	(8,294)	(12,376)
Net cash provided by operating activities	24	**55,047**	43,941	133,735
Cash flows from investing activities:				
Purchase of investment securities	25	**(3)**	(5,351)	(5,611)
Sale of investment securities	26	**1,213**	134	95
Purchase of investments affecting scope of consolidation	27	**31**	-	-
Sale of investment in subsidiaries affecting scope of consolidation	28	**-**	(595)	(595)
Acquisition of tangible fixed assets	29	**(46,604)**	(61,019)	(93,481)
Proceeds from sale of tangible fixed assets	30	**1,828**	2,940	5,052
Changes in short-term loans receivable	31	**100**	672	874
Long-term loans made	32	**(53)**	(63)	(204)
Collections of long-term loans receivable	33	**45**	2,869	3,490
Other	34	**856**	2,497	(7,455)
Net cash used in investing activities	35	**(42,587)**	(57,916)	(97,835)
Cash flows from financing activities:				
Changes in short-term loans payable	36	**(1,828)**	(13,717)	(56,746)
Proceeds from long-term loans payable	37	**34,631**	84,051	106,542
Repayment of long-term loans payable	38	**(62,009)**	(36,311)	(77,983)
Proceeds from issuance of bonds	39	**25,000**	600	600
Redemption of bonds	40	**(30,300)**	(17,500)	(67,600)
Cash dividends paid	41	**(3,648)**	(2,434)	(2,434)
Other	42	**(4,230)**	(308)	1,497
Net cash provided by/(used in) financing activities	43	**(42,384)**	14,381	(96,124)
Effect of exchange rate fluctuations on cash and cash equivalents	44	**1,996**	2,047	2,632
Net increase/(decrease) in cash and cash equivalents	45	**(27,928)**	2,453	(57,592)
Cash and cash equivalents at beginning of the period	46	**214,639**	272,231	272,231
Cash and cash equivalents at end of the period	47	**186,711**	274,684	214,639

Notes to Consolidated Financial Statements

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries	56	
Overseas	19	Mazda Motor of America, Inc., Mazda Motors (Deutchland) GmbH and other
Domestic	37	19 dealers and 18 other
2) Equity Method-Applied Companies	11	
Overseas	3	AutoAlliance International, Inc., and AutoAlliance (Thailand) Co., Ltd. and another
Domestic	8	1 dealer, 3 automotive parts sales companies and 4 other

2. Changes in Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries		
Newly added:	3	
Overseas	2	Mazda Motor de Mexico, S. de R.L. de C.V. (established) and Mazda Servicios de Mexico, S. de R.L. de C.V. (established)
Domestic	1	Okinawa Mazda Hanbai Co., Ltd. (reclassified from equity method)
2) Equity Method-Applied Companies		
Excluded:	1	
Domestic	1	Okinawa Mazda Hanbai Co., Ltd. (reclassified to consolidation)

3. Accounting Periods of Consolidated Subsidiaries

The first-half consolidated balance sheet date is September 30. Among the consolidated subsidiaries, 4 companies, i.e., Compania Colombiana Automotriz S.A., Mazda Motors of New Zealand Limited, Mazda Sales (Thailand) Co., Ltd., and Mazda Motor (Shanghai) Business Management & Consulting 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:	Mainly 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) 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 Defined Benefit Corporate Pension Law, as of July 31, 2005, Mazda Welfare Pension Fund, which Mazda Motor Corporation (the "Company") and certain consolidated domestic subsidiaries are members of, obtained approval from the Minister of Health, Labor and Welfare for separation of the retirement benefit obligation of the substitutional portion which relates to past employee services and for transfer of the retirement benefit obligation of the substitutional portion and the related plan assets to the government.

The effect of the transfer on the consolidated statement of income for the six months ended September 30, 2005 was to increase extraordinary profits by 57,127 million yen.

c) 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.

d) 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.

e) 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. Furthermore, forward exchange contracts designated as hedging foreign currency denominated loans payable are translated into yen at the fixed exchange rates stipulated in the contracts.

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.

<u>Adoption of New Accounting Standards</u>

Accounting Standard for Impairment of Fixed Assets

Commencing in the six months ended September 30, 2005, the Company, its consolidated domestic subsidiaries and its equity method-applied domestic affiliates adopted the new accounting standard for impairment of fixed assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the implementation guidance for the accounting standard for impairment of fixed assets (the Financial Accounting Standard Implementation Guidance No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003).

The effect of adopting the new accounting standard on the consolidated statement of income for the six months ended September 30, 2005 was to decrease income before income taxes by 20,674 million yen.

Also, the impaired fixed assets are presented in the consolidated balance sheet net of accumulated impairment in accordance with the revised standard for preparation of consolidated financial statements.

Footnotes

(in millions of yen)

	FY2005 1st. Half (September 30, 2005)	FY2004 1st. Half (September 30, 2004)	FY2004 (March 31, 2005)
(Consolidated Balance Sheet)			
1. Accumulated depreciation on tangible fixed assets	**1,050,647**	1,071,125	1,051,002
2. Assets offered as collateral and collateralized loans			
Assets offered as collateral	**475,217**	477,011	464,396
Collateralized loans	**130,112**	219,353	164,893
3. Contingent liabilities for guarantee and similar agreements	**37,084**	58,058	46,407
4. Notes and other receivables discounted			
Discounted notes receivable	**297**	304	826
Factoring of receivables with recourse	**18,937**	11,644	8,567

(Consolidated Statement of Income)

Loss on Impairment of Fixed Assets for the Six Months Ended September 30, 2005

1) Asset groups for which an impairment loss was recognized

Usage	Location	Type	(in millions of yen)
-Idle assets (distribution centers, etc.)	Higashi Nada-ku, Kobe-city and other locations	Buildings and structures	2,623
		Machinery and equipment	664
		Tools, furniture and fixtures	4
		Land	3,819
		Other	96
		Sub-total	7,206
-Idle assets: (production equipment, etc.)	Aki-gun, Hiroshima-prefecture and other locations	Machinery and equipment	2,539
		Tools, furniture and fixtures	10,929
		Sub-total	13,468
-Assets held for use in production (production equip.)	The United States	Tools, furniture and fixtures	13,976
		Total	34,650

2) Grouping of assets

Assets were grouped into assets held for use, idle assets, and assets held for rent. Furthermore, idle assets and assets held for rent were individually grouped by each item.

3) Recognition of an Impairment Loss

For the idle assets without a plan to use in operation in the future, the carrying amount was reduced to the amount recoverable. The reduction in the carrying amount was recognized as an impairment loss. The impairment loss (10,929 million yen) on tools, furniture and fixtures under the production equipment category included long-lived tooling for the production of parts to be sold individually.

4) Estimation of an Amount Recoverable

The recoverable amount of an idle asset group was estimated based on the net amount that the asset could be sold (net selling amount). For land, the net selling amount was estimated based on a third-party appraisal. For other idle assets, the net selling amount is nominal.

5) Impairment Loss Recognized by an American Consolidated Subsidiary

Loss on impairment of assets held for use in production was recognized by the consolidated subsidiary in the United States in accordance with the United States generally accepted accounting principles.

(in millions of yen)

	FY2005 1st. Half (September 30, 2005)	FY2004 1st. Half (September 30, 2004)	FY2004 (March 31, 2005)
(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	**186,801**	274,775	218,959
Time deposits with original maturities that exceed 3 months	**(90)**	(91)	(4,320)
Cash and cash equivalents	**186,711**	274,684	214,639
Significant non-cash transactions:			
Exercise of stock acquisitions rights			
Increases in common stock	**16,188**	2	217
Increases in capital surplus	**16,189**	2	216
Decreases in bonds with stock acquisition rights	**32,377**	4	433

Assets and liabilities related to capital lease transactions that were newly recognized in the six months ended September 30, 2005 amounted to 17,598 million yen.

Of the insurance proceeds received that were included in the net cash provided by operating activities for the six months ended September 30, 2005, the amount of 15,180 million yen was for the fire incident at Ujina No. 1 Plant that occurred on December 15, 2004.

Fair Value Information of Securities

FY2005 First Half (As of September 30, 2005)

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	**582**	**2,211**	**1,629**
2) Debt securities			
Corporate bonds	-	-	-
Other	-	-	-
3) Other	**216**	**216**	-
Total	**798**	**2,427**	**1,629**

2. Securities that are not valued at fair value

(in millions of yen)

	Balance sheet amount
Available-for-sale securities Unlisted stocks	**14,076**

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

FY2004 (As of March 31, 2005)

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	549	1,513	964
2) Debt securities			
Corporate bonds	-	-	-
Other	11	11	-
3) Other	175	175	-
Total	735	1,699	964

2. Securities that are not valued at fair value

(in millions of yen)

	Balance sheet amount
Available-for-sale securities Unlisted stocks	9,369

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)

FY2005 1st. Half (Period ended Sep. 30, 2005)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	**588,351**	**358,756**	**292,920**	**111,887**	**1,351,914**	**-**	**1,351,914**
Inter-areas	**465,741**	**3,589**	**7,969**	**-**	**477,299**	**(477,299)**	**-**
Total	**1,054,092**	**362,345**	**300,889**	**111,887**	**1,829,213**	**(477,299)**	**1,351,914**
Operating expenses	**1,019,766**	**353,734**	**298,542**	**106,776**	**1,778,818**	**(475,684)**	**1,303,134**
Operating income (loss)	**34,326**	**8,611**	**2,347**	**5,111**	**50,395**	**(1,615)**	**48,780**

(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)

FY2004 (Year ended March 31, 2005)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	1,136,102	751,506	625,277	182,679	2,695,564	-	2,695,564
Inter-areas	948,084	12,829	13,749	92	974,754	(974,754)	-
Total	2,084,186	764,335	639,026	182,771	3,670,318	(974,754)	2,695,564
Operating expenses	2,025,413	755,547	630,413	177,090	3,588,463	(975,846)	2,612,617
Operating income (loss)	58,773	8,788	8,613	5,681	81,855	1,092	82,947

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

FY2005 1st. Half (Period ended Sep. 30, 2005)	(in millions of yen)			
	North America	Europe	Other areas	Total
Overseas sales	**367,470**	**298,719**	**253,713**	**919,902**
Consolidated sales	**-**	**-**	**-**	**1,351,914**
Percentage of overseas sales to consolidated sales	% **27.2**	% **22.1**	% **18.7**	% **68.0**

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

FY2004 (Year ended March 31, 2005)	(in millions of yen)			
	North America	Europe	Other areas	Total
Overseas sales	761,684	634,233	454,027	1,849,944
Consolidated sales	-	-	-	2,695,564
Percentage of overseas sales to consolidated sales	% 28.3	% 23.5	% 16.8	% 68.6

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

The following disclosures have been omitted as allowed for companies disclosing financial information through the EDINET:

- Lease transactions
- Derivatives

5. Production and Sales Information

1. Production Volume

Type	FY 2005 1st. Half (Apr. 2005 to Sep. 2005)	FY 2004 1st. Half (Apr. 2004 to Sep. 2004)	Increase/ (Decrease)	FY 2004 (Apr. 2004 to Mar. 2005)
	units	units	units	units
Passenger cars	**400,190**	362,362	37,828	759,779
Trucks	**34,340**	28,627	5,713	52,993
Vehicles Total	**434,530**	390,989	43,541	812,772

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 2005 1st. Half	FY 2004 1st. Half	Increase/ (Decrease)	FY 2004
AutoAlliance International, Inc.	**42,762** units	44,069 units	(1,307) units	91,342 units
AutoAlliance (Thailand) Co., Ltd.	**17,560**	16,754	806	37,847

2. Sales Volume and Revenue

Type	FY 2005 1st. Half (Apr. 2005 to Sep. 2005)		FY 2004 1st. Half (Apr. 2004 to Sep. 2004)		Increase/ (Decrease)		FY 2004 (Apr. 2004 to Mar. 2005)	
	Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
	units	million yen	units	million yen	units	million yen	units	million yen
Vehicles	**556,838**	**977,815**	529,836	956,939	27,002	20,876	1,104,074	1,972,643
Knockdown Parts (Overseas)	-	**54,488**	-	70,395	-	(15,907)	-	123,825
Parts	-	**103,199**	-	94,049	-	9,150	-	194,032
Other	-	**216,412**	-	199,176	-	17,236	-	405,064
Total	-	**1,351,914**	-	1,320,559	-	31,355	-	2,695,564

(Sales Volume by Market)

Type	FY 2005 1st. Half (Apr. 2005 to Sep. 2005)	FY 2004 1st. Half (Apr. 2004 to Sep. 2004)	Increase/ (Decrease)	FY 2004 (Apr. 2004 to Mar. 2005)
	units	units	units	units
Japan	**145,669**	140,837	4,832	293,798
North America	**167,644**	156,948	10,696	335,804
Europe	**133,389**	143,099	(9,710)	282,955
Other	**110,136**	88,952	21,184	191,517
Overseas Total	**411,169**	388,999	22,170	810,276
Total	**556,838**	529,836	27,002	1,104,074

FY2005 First Half Financial Summary (Consolidated)

November 2, 2005

Mazda Motor Corporation

(in 100 millions of yen) (in thousands of units) (upper left: ratio on sales)		FY2004 1st. HF (Apr.04-Sep.04)	%	FY2005 1st. HF (Apr.05-Sep.05)	%	FY2004 (Apr.04-Mar.05)	%	FY2005 (Apr.05-Mar.06) Projection	%	FY2005 (Apr.05-Mar.06) Prior Projection	%
Domestic	1	4,115	0.5	4,320	5.0	8,456	(0.1)	8,900	5.2	9,000	6.4
Overseas	2	9,091	13.6	9,199	1.2	18,500	7.0	19,300	4.3	19,400	4.9
Net sales	3	13,206	9.2	13,519	2.4	26,956	4.7	28,200	4.6	28,400	5.4
Operating income	4	3.3% 435	53.1	3.6% 488	12.1	3.1% 829	18.2	3.4% 950	14.5	3.2% 900	8.5
Ordinary income	5	2.8% 369	94.4	3.2% 434	17.4	2.7% 731	25.9	3.0% 850	16.3	2.9% 820	12.2
Income before income taxes	6	2.5% 335	117.9	4.7% 632	88.2	2.7% 738	36.6	3.4% 960	30.0	3.4% 960	30.0
Net income	7	1.4% 187	68.0	2.3% 311	66.0	1.7% 458	35.0	2.0% 550	20.2	1.9% 550	20.2
Operating income/(loss) by geographic area											
Japan	8	332		343		588					
North America	9	23		86		88					
Europe	10	45		24		86					
Other	11	33		51		57					
Operating profit change											
Volume & mix	12			24				204		270	
Exchange rate	13			41				45		(32)	
Product enrichment	14			(127)				(274)		(274)	
Cost reduction	15			169				278		278	
Marketing expense	16			(21)				(40)		(57)	
Other	17			(33)				(92)		(114)	
Total	18			53				121		71	
Average rate for the period	19	110 Yen/US$ 133 Yen/EUR		110 Yen/US$ 136 Yen/EUR		108 Yen/US$ 135 Yen/EUR		109 Yen/US$ 135 Yen/EUR		105 Yen/US$ 135 Yen/EUR	
Transaction rate	20	107 Yen/US$ 132 Yen/EUR		106 Yen/US$ 137 Yen/EUR		108 Yen/US$ 134 Yen/EUR		107 Yen/US$ 136 Yen/EUR		105 Yen/US$ 136 Yen/EUR	
Capital investment	21	278		390		679		680		680	
Depreciation and amortization	22	187		217		400		450		450	
R & D cost	23	491		491		908		970		970	
Total assets	24	18,140		17,223		17,678					
Net worth	25	2,409		3,316		2,678					
Financial debt	26	6,380		4,801		5,281					
Net financial debt	27	3,633		2,934		3,135					
Cash flow	28	(140)		125		359					
Performance of operation	29			Sales increased Profits increased				Sales and profits to increase in 5 consecutive years. Profits at all levels to become highest ever.			
Domestic	30	141	(0.1)	146	3.4	294	0.8	303	3.1	308	4.8
North America	31	157	(2.4)	168	6.8	336	2.7	351	4.5	346	3.0
Europe	32	143	15.4	133	(6.8)	283	9.8	294	3.9	304	7.4
Other	33	89	(11.2)	110	23.8	191	(4.2)	222	15.9	220	15.4
Overseas	34	389	1.0	411	5.7	810	3.3	867	7.0	870	7.5
Wholesales	35	530	0.7	557	5.1	1,104	2.6	1,170	6.0	1,178	6.8
Number of Employees (full time employees)	36	35,827		36,649		35,680					

Notes:

1) The year-over-year comparison in net sales and wholesales of the year ended March 31, 2005 to the year ended March 31, 2004 exclude the impacts of 15-month operations for those overseas subsidiaries that changed their fiscal year in the year ended March 31, 2004.